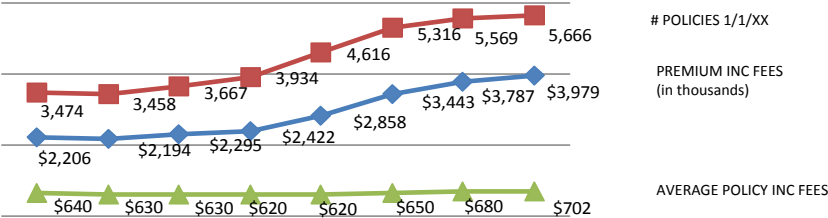


STATEMENT OF OPERATIONS  
STATUTORY BASIS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<b>UNDERWRITING INCOME</b>		
Gross Premium Earned.....	\$3,714,250.74	\$3,509,346.91
Less: Reinsurance Premiums.....	<u>1,545,218.92</u>	<u>1,458,227.08</u>
Net Premium Earned.....	2,169,031.82	2,051,119.83
<b>LOSSES INCURRED</b>		
Gross Losses Incurred.....	1,769,531.96	2,129,372.28
Less: Reinsurance Recoveries.....	<u>773,237.74</u>	<u>1,074,221.90</u>
Net Losses Incurred.....	996,294.22	1,055,150.38
<b>OPERATING EXPENSES</b>		
Loss Adjusting.....	83,128.23	108,343.04
Loss Adjusting Reinsurance Recoveries	0	0
Agents Commissions.....	569,162.75	556,215.63
Advertising.....	30,515.84	26,507.50
Trade Association Dues.....	15,207.00	13,461.00
Salaries.....	385,636.75	377,164.95
Payroll Taxes.....	32,965.93	35,589.44
Pension Expense.....	28,377.27	27,777.22
Health Insurance.....	51,973.30	52,204.86
Insurance.....	17,561.49	16,053.31
Directors' Fees and Expenses.....	22,912.65	19,677.11
Depreciation.....	21,524.16	20,338.61
Printing and Forms.....	1,881.60	5,536.13
Communications.....	33,914.47	30,678.78
Legal and Auditing.....	30,273.00	32,853.00
Property Taxes.....	6,720.45	6,113.03
Investment Expenses.....	12,419.37	12,006.61
Office Maintenance and Supplies.....	73,352.10	83,148.22
Meetings and Education.....	4,981.07	4,420.14
Fire Department Dues.....	25,026.00	23,875.00
Utilities.....	4,406.96	4,483.43
Total Operating Expenses Incurred.....	1,451,940.39	1,456,447.01
Total Losses and Operating Expense....	<u>2,448,234.61</u>	<u>2,511,597.39</u>
NET UNDERWRITING INCOME	(279,202.79)	(460,477.56)
<b>INVESTMENT AND OTHER INCOME</b>		
Net Investment Income.....	120,703.01	141,373.82
Policy Fees.....	164,455.00	163,680.00
Other Income.....	<u>433.48</u>	<u>139.50</u>
Net Investment and Other Income.....	285,591.49	305,193.32
<b>Income Before Income Taxes.....</b>		
	6,388.70	(155,284.24)
<b>FEDERAL &amp; STATE INCOME TAXES</b>	(4,000.00)	0
<b>NET INCOME</b>		
	10,388.70	(\$155,284.24)

GROWTH 2009 TO 2015



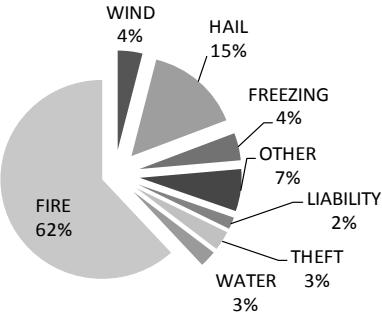
STATEMENT OF ASSETS, LIABILITIES  
AND POLICYHOLDERS’ SURPLUS

ASSETS	2015	2014
<b>ADMITTED ASSETS</b>		
Cash in Banks .....	162,270.61	433,220.16
Corporate and Municipal Bonds.....	1,610,290.21	1,729,254.60
Corporate Stocks.....	2,552,200.42	2,419,948.24
Treasury Money Market .....	594,996.30	200,960.90
Property.....	161,318.63	156,980.00
Premiums Receivable.....	362,266.00	383,028.04
Investment Income Due or Accrued.....	19,650.00	21,825.00
Reinsurance Recoveries Receivable.....	1,404.93	4,895.89
Reinsurance Commissions Receivable .....	8,768.00	0
Reinsurance Premiums Recoverable.....	0	0
<b>Total Admitted Assets</b>	<u>\$5,473,165.10</u>	<u>\$5,350,112.83</u>
<b>LIABILITIES &amp; POLICYHOLDERS’ SURPLUS</b>		
<b>LIABILITIES</b>		
Net Unpaid Losses & Adjusting Expense...	\$362,179.02	\$388,533.75
Unearned Premiums.....	1,813,837.90	1,708,327.26
Premiums Paid in Advance .....	20,454.00	8,801.00
Reinsurance Premiums Payable.....	10,622.00	124,172.00
Federal Income Tax Payable .....	4,396.00	8,396.00
State Income Tax Payable .....	452.00	452.00
Commissions Payable.....	47,860.00	47,964.00
Accrued Property Tax.....	2,898.63	2,693.00
Deferred Income Tax.....	(34,000.00)	(68,000.00)
Other Accrued Expenses.....	<u>104,934.06</u>	<u>83,070.29</u>
<b>Total Liabilities</b>	<u>2,333,633.61</u>	<u>2,304,409.30</u>
<b>POLICYHOLDERS’ SURPLUS</b>	<u>3,139,531.49</u>	<u>3,045,703.53</u>
<b>TOTAL LIABILITIES AND SURPLUS</b>		
	<u>\$5,473,165.10</u>	<u>\$5,350,112.83</u>

STATEMENT OF CHANGES  
IN POLICYHOLDER SURPLUS

	Balances
Policyholders' Surplus - Beginning of Year	\$3,045,703.53
Unrealized Capital Gains (Losses)	112,590.32
Deferred Taxes on Unrealized Gains	(38,280.00)
Change in Deferred Income Taxes	16,280.00
Net Income from Operations and Investments	10,388.70
Change in Non-admitted Assets	<u>(7,151.06)</u>
<b>POLICYHOLDERS’ SURPLUS END OF YEAR</b>	<u>\$3,139,531.49</u>

PAID LOSSES BY PERIL



STAFF

Jan Henn, Operations Supervisor  
Daniel Peeters, Field Services Supervisor  
Carla Knorr, Policy Processing Specialist  
Nancy Weber, Policy Processing Specialist  
Laurie Plamann, Policy Processing Specialist  
Ashley Bark, Assistant Policy Processing Specialist  
Ronald Heise, Field Representative  
Heather Techlin, Field Representative  
Howard J. Schwartz, President/CEO

AGENCIES

Murph's Insurance Agency	Adams
Mark Boll Insurance	Amherst
Monday-Van Handel Agency	Appleton
Calder Insurance	Appleton
Maurer Insurance Agency	Appleton
McHugh Family Insurance	Appleton
Kerstner Insurance	Bowler
Eiler Agency	Brandon/Green Lake/Oshkosh
BWO-NEW Insurance	Brillion
Insurance Service Center	De Pere
Boehm Insurance	Edgar
Elcho Insurance	Elcho
Lasting Insurance	Green Bay
Parish Insurance Agency	Green Bay
BWO-First Team Financial	Green Bay/Manitowoc
Allen Insurance Agency	Greenville
Universal Insurance	Madison/Milwaukee
Tina Auer Insurance	Manawa/Bear Creek
Eastling Agency	Manawa/Iola
Wagner Casper Insurance	Marinette
Wayne Kindschy	Neenah
Dave Kohler	Neenah
Nenning Insurance	Neenah
WinnebagoLand Insurance	Neenah
BWO-Tech Insurance	New London
BWO Insurance	Oak Creek
Birr Agency	Oconto Falls
All Star Insurance	Oshkosh
Jan Williams Agency	Oshkosh
Mitchell Insurance	Oshkosh
Townsend's Rite Choice Insurance	Pulaski
Angela Baker	Seymour
Hometown Insurance	Shawano
Aim Group Insurance	Sheboygan
Insurance and Mortgage Services	Sheboygan
Tony Lauer Agency	Stephensville
Full Service Insurance	Stevens Point
Roxanne Johnson Insurance	Stevens Point
Boll Insurance Group	Waupaca
Champan Insurance	Wausau
Thompson Durkee Ins	Wausau
Hutchinson Insurance	Weyauwega
CIS Insurance	Wisconsin Rapids
Conway Insurance Service	Wrightstown

2015 Management Report

In recent years it seems the one word that is mentioned the most in our office is hail. There were several hail events in 2015 in different parts of the state. Although we did not have a significant number of claims, they did total about \$375,000. With this type of event there is very little reinsurance recovery. Despite this, we did post a small profit for 2015.

Through our diligent loss prevention efforts we continue to discover properties with unsafe conditions. By taking the necessary action we lowered the frequency and severity of fire losses in 2015. These efforts have also had a positive impact on liability losses. We only paid \$32,000 in liability losses last year, however we have \$1,125,000 in open claims from prior years.

We continue to appoint agencies that we feel will write profitable business. Likewise we have terminated agencies for various reasons. Our goal is to build a family of agencies that share our underwriting philosophy and understand the mutual insurance concept. During 2015 our policy count increased about 2% overall, with most of the growth being outside our traditional coverage territory. We also did a complete review of our commercial policies which resulted in the non-renewal of about 10% of that book of business.

This year you will elect three new Directors to the Board and they will elect new Board officers for the coming year. In the near future, there will be more and more regulations governing not only the activities of the Board but the qualifications of it's members.

Please join us on Tuesday, March 15, 2016, at 7PM for a review of 2015 business, an update of several initiatives, lunch, and the election of three new Directors to guide your company in the upcoming years. We have arranged to have an excellent program complete with refreshments, door prizes and entertainment. Please plan on attending and we appreciate your continued support.

OFFICERS AND DIRECTORS

JAMES LOUGHRIN, Chairman  
N5054 Tank Rd, New London, WI

LAWELLYN TESCH, Vice Chairman  
2602 Sunnyview Cr., Appleton, WI

KEITH SUPRISE, Sec. Treasurer  
N7503 County Rd. P, Shiocton, WI

RALPH THERN, Director  
W10170 County Rd S, New London, WI

JANICE POOLE, Director  
PO Box 205, Hortonville WI

TERRY SCHLEY, Director  
W10763 Cty. Rd. WW, New London, WI

JENNIFER BAUER, Director  
100 Water St, Ogdensburg, WI

JUDY BAUER, Director  
N5592 County Rd K, Ogdensburg, WI

MICHAEL MEHLBERG, Director  
E10949 Lundt Rd., Clintonville, WI

HOWARD J SCHWARTZ,  
President/CEO



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TELEPHONE 920-779-4515  
TOLL FREE 1-800-953-4515  
www.ellingtonmutual.com  
Find us on Facebook



MEETING NOTICE

The Annual Meeting for the review  
of 2015 business, the election of  
three new Directors and any other  
business that may come before the  
meeting will be held at:

CRYSTAL FALLS BANQUET HALL  
1500 Handschke Dr.  
New London, WI

7:00 P.M. Tuesday Evening  
March 15, 2016  
Lunch - Refreshments  
Door Prizes - Entertainment