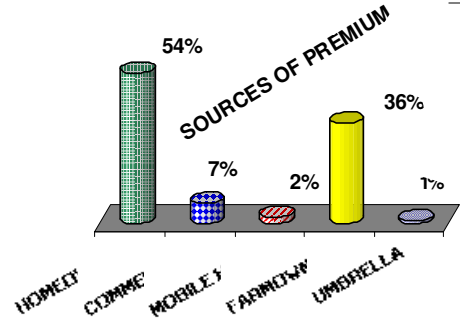


STATEMENT OF OPERATIONS
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
UNDERWRITING INCOME		
Gross Premium Earned.....	\$2,261,096.69	\$2,146,337.71
Less: Reinsurance Premiums.....	<u>737,129.32</u>	<u>659,820.74</u>
Net Premium Earned.....	1,523,967.37	1,486,516.97
LOSSES INCURRED		
Gross Losses Incurred.....	2,884,192.51	3,197,733.89
Less: Reinsurance Recoveries.....	<u>1,642,065.50</u>	<u>1,929,114.22</u>
Net Losses Incurred.....	1,242,127.01	1,268,619.67
OPERATING EXPENSES		
Loss Adjusting.....	85,223.07	248,873.05
Loss Adjusting Reinsurance Recoveries	(18,600.00)	(93,400.00)
Agents Commissions.....	335,325.24	316,193.22
130th Anniversary.....	0	0
Advertising.....	24,506.45	26,254.84
Trade Association Dues.....	12,941.00	11,022.00
Salaries.....	260,932.49	247,317.85
Payroll Taxes.....	24,115.77	20,483.69
Pension Expense.....	18,921.65	17,851.73
Health Insurance.....	26,702.63	19,234.77
Insurance.....	14,020.74	13,695.23
Directors' Fees and Expenses.....	17,626.17	18,676.21
Depreciation.....	25,024.11	22,443.79
Printing and Forms.....	2,719.50	2,957.84
Communications.....	22,529.08	20,844.54
Legal and Auditing.....	33,195.00	28,788.00
Property Taxes.....	5,348.00	5,331.49
Investment Expenses.....	13,647.38	16,280.89
Office Maintenance and Supplies.....	48,790.68	44,446.50
Meetings and Education.....	1,401.80	2,781.00
Fire Department Dues.....	15,678.00	14,451.00
Utilities.....	<u>4,403.21</u>	<u>4,077.88</u>
Total Operating Expenses Incurred.....	974,451.97	1,008,605.52
Total Losses and Operating Expense....	<u>2,216,578.98</u>	<u>2,277,225.19</u>
NET UNDERWRITING INCOME	(692,611.61)	(790,708.22)
INVESTMENT AND OTHER INCOME		
Net Investment Income.....	129,006.15	211,596.14
Policy Fees.....	111,970.00	103,505.00
Other Income.....	<u>185.22</u>	<u>558.90</u>
Net Investment and Other Income.....	241,161.37	315,660.04
Income Before Income Taxes.....		
	(451,450.24)	(475,048.18)
FEDERAL & STATE INCOME TAXES	0	(118,729.00)
NET INCOME		
	<u>(\$451,450.24)</u>	<u>(\$356,319.18)</u>



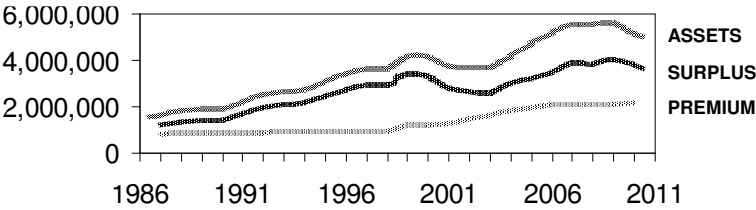
STATEMENT OF ASSETS, LIABILITIES
AND POLICYHOLDERS' SURPLUS

ASSETS	2011	2010
ADMITTED ASSETS		
Cash in Banks and CDs.....	\$146,700.09	\$94,647.79
Corporate and Municipal Bonds.....	2,083,577.37	2,319,997.80
Corporate Stocks.....	2,062,984.27	2,133,670.40
US Trust—Treasury Money Market	41,446.17	64,381.32
Property.....	185,176.00	199,292.00
Premiums Receivable.....	302,864.75	294,464.00
Investment Income Due or Accrued.....	31,460.00	35,642.00
Reinsurance Recoveries Receivable.....	53,193.46	3,240.84
Reinsurance Commissions Receivable	0	0
Reinsurance Premiums Recoverable.....	<u>0</u>	<u>0</u>
Total Admitted Assets	<u>\$4,907,402.11</u>	<u>\$5,145,336.15</u>
LIABILITIES & POLICYHOLDERS' SURPLUS		
LIABILITIES		
Net Unpaid Losses & Adjusting Expense...	\$114,543.26	\$75,547.53
Unearned Premiums.....	1,084,339.22	1,014,469.84
Premiums Paid in Advance	7,998.00	15,812.00
Reinsurance Premiums Payable.....	44,301.00	30,191.00
Federal Income Tax Payable	4,548.00	(128,273.00)
State Income Tax Payable	(303.00)	(10,292.00)
Commissions Payable.....	39,188.00	45,681.00
Accrued Property Tax.....	2,503.00	2,503.00
Deferred Income Tax.....	34,940.00	219,890.00
Other Accrued Expenses.....	<u>32,890.06</u>	<u>19,756.89</u>
Total Liabilities	<u>1,364,947.54</u>	<u>1,285,286.26</u>
POLICYHOLDERS' SURPLUS	<u>3,542,454.57</u>	<u>3,860,049.89</u>
TOTAL LIABILITIES AND SURPLUS		
	<u>\$4,907,402.11</u>	<u>\$5,145,336.15</u>

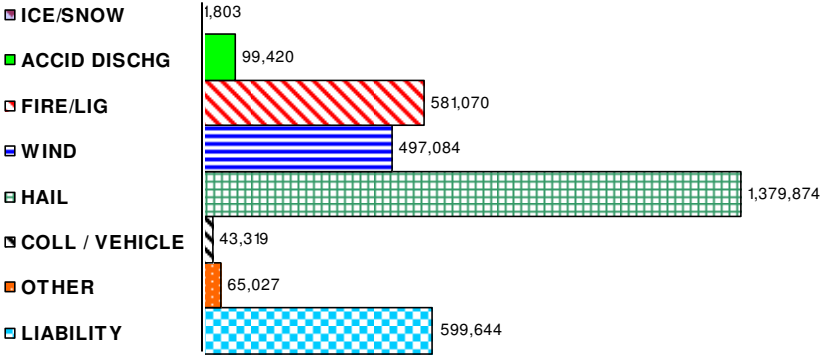
STATEMENT OF CHANGES
IN POLICYHOLDER SURPLUS

	Balances
Policyholders' Surplus - Beginning of Year	\$3,860,049.89
Deferred Taxes on Unrealized Gains	15,290.00
Change in Deferred Income Taxes	169,660.00
Net Income from Operations and Investments	(451,450.24)
Change in Non-admitted Assets	(6,123.00)
Unrealized Capital Gains (Losses)	<u>(44,972.08)</u>
POLICYHOLDERS' SURPLUS END OF YEAR	<u>\$3,542,454.57</u>

FINANCIAL GROWTH



PAID LOSSES BY PERIL



PERSONNEL

Jan Henn, Operations Supervisor
Carla Knorr, Policy Processing Specialist
Nancy Weber, Policy Processing Specialist
Stacy Zelazoski, Policy Processing Specialist
Laurie Plamann, Assistant Processing Specialist
Daniel Peeters, Field Representative
Ronald Heise, Field Representative
Howard J. Schwartz, General Manager

AGENTS

Allen Insurance Agency	Greenville
Tech Insurance	New London
Tina Auer	Manawa/Bear Creek
Wiesler Agency	Hortonville/Dale
Boll Insurance Group	Waupaca
Tony Lauer Agency	Stephensville/Larsen
Angela Baker	Seymour
Wayne Kindschy	Neenah
Insurance Service Center	De Pere
Full Service Insurance	Stevens Point
Hutchinson Insurance	Weyauwega
Eastling Agency	Manawa/Iola
Dave Kohler	Neenah
Birr Agency	Oconto Falls
Mark Boll Insurance	Amherst
Monday Van Handel Agency	Appleton
Nenning Insurance	Neenah
Roxanne Johnson Insurance	Stevens Point
Eiler Agency	Brandon/Green Lake
Universal Insurance	Madison/Milwaukee
First Team Financial	Green Bay/Oshkosh/Manitowoc/Brillion
Parish Insurance Agency	Green Bay
Maurer Insurance Agency	Appleton
Conway Insurance Service	Wrightstown
McHugh Family Insurance	Appleton
Hilltop Insurance Agency	Cross Plains
Alliance Insurance	Omro
Key Insurance Services	Sheboygan
Aim Group Insurance	Sheboygan
Insurance and Mortgage Services	Sheboygan
Mitchell Insurance	Oshkosh
Hometown Insurance	Shawano
Murph's Insurance Agency	Adams

2011 Management Report

As we close 2011, it would come as no surprise to anyone that storm activity was at historic levels. It almost reached the loss level of 2010. At some points during 2011, we thought our investments would help soften the impact but the markets continued to swing widely on an almost daily basis. When the year was done, most of the markets ended up close to where they started at the beginning of the year.

We once again relied heavily on our reinsurance in 2011, having collected about \$1,642,000, with additional recoveries in the coming months. This benefit does not come cheap, we paid almost \$740,000 in 2011 for reinsurance protection. The cost will certainly be higher in 2012.

Like in 2010, we increased the policy count by about 7% and the written premium by 5.5%. We again added several new agencies in 2011 throughout the State of Wisconsin. This expands our coverage territory and helps to spread our risk over a wider geographic area.

Despite the claim volume, Ellington remains well poised for continued growth with a solid agency base, good premium to surplus ratio and a dedicated, experienced staff. We continue to proudly provide Wisconsin with prompt, local and personal service that is only a phone call away.

Please join us on Tuesday, March 20, 2012, at 7PM for lunch, review of 2011 business, an update of several initiatives 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, President
N5054 Tank Rd, New London, WI

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

+JUDY BAUER, Director
N5592 County Rd KK, Ogdensburg, WI

+JANICE POOLE, Secretary-Treasurer
312 N Pine St, Hortonville, WI

KEITH SUPRISE, Director
N7503 County Rd P, Shiocton, WI

ALAN KADDATZ, Director
N3454 State Rd. 76, Hortonville, WI

RANDY ERICKSON, Director
N9602 County Rd D, Bear Creek, WI

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

+MELVIN KRENKE, Director
N157 Marsh Rd, Fremont, WI

+ Expiring term

Bulk Rate
U.S. Postage
PAID
Hortonville, WI
Permit No. 32

Ellington Mutual Insurance Co
310 N. Olk St.
PO Box 356
Hortonville, WI 54944-0356
Address Service Requested

133rd ANNUAL REPORT



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2011

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HORTONVILLE, WISCONSIN 54944
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TOLL FREE 1-800-953-4515
www.ellingtonmutual.com
Find us on Facebook



MEETING NOTICE

The Annual Meeting for the review
of 2011 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 20, 2012
Lunch - Refreshments
Door Prizes - Entertainment

