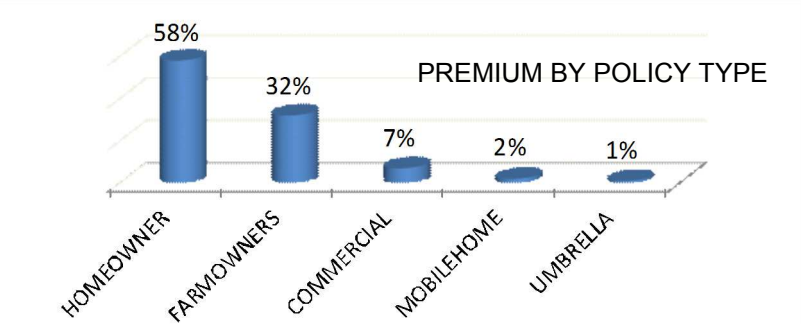


STATEMENT OF OPERATIONS
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
UNDERWRITING INCOME		
Gross Premium Earned.....	\$2,564,252.15	\$2,261,096.69
Less: Reinsurance Premiums.....	<u>945,412.24</u>	<u>737,129.32</u>
Net Premium Earned.....	1,618,839.91	1,523,967.37
LOSSES INCURRED		
Gross Losses Incurred.....	1,221,081.72	2,884,192.51
Less: Reinsurance Recoveries.....	<u>458,109.84</u>	<u>1,642,065.50</u>
Net Losses Incurred.....	762,971.88	1,242,127.01
OPERATING EXPENSES		
Loss Adjusting.....	68,632.51	85,223.07
Loss Adjusting Reinsurance Recoveries	50,500.00	(18,600.00)
Agents Commissions.....	437,084.72	335,325.24
130th Anniversary.....	0	0
Advertising.....	22,868.35	24,506.45
Trade Association Dues.....	11,967.00	12,941.00
Salaries.....	302,815.48	260,932.49
Payroll Taxes.....	33,335.55	24,115.77
Pension Expense.....	22,681.89	18,921.65
Health Insurance.....	35,956.15	26,702.63
Insurance.....	14,472.43	14,020.74
Directors' Fees and Expenses.....	18,983.01	17,626.17
Depreciation.....	27,610.05	25,024.11
Printing and Forms.....	3,867.74	2,719.50
Communications.....	26,659.02	22,529.08
Legal and Auditing.....	33,458.00	33,195.00
Property Taxes.....	5,677.50	5,348.00
Investment Expenses.....	13,342.93	13,647.38
Office Maintenance and Supplies.....	55,027.84	48,790.68
Meetings and Education.....	1,391.69	1,401.80
Fire Department Dues.....	18,045.00	15,678.00
Utilities.....	<u>3,677.26</u>	<u>4,403.21</u>
Total Operating Expenses Incurred.....	1,208,054.12	974,451.97
Total Losses and Operating Expense....	<u>1,971,026.00</u>	<u>2,216,578.98</u>
NET UNDERWRITING INCOME	(352,186.09)	(692,611.61)
INVESTMENT AND OTHER INCOME		
Net Investment Income.....	156,272.11	129,006.15
Policy Fees.....	132,311.00	111,970.00
Other Income.....	<u>689.85</u>	<u>185.22</u>
Net Investment and Other Income.....	289,272.96	241,161.37
Income Before Income Taxes.....	(62,913.13)	(451,450.24)
FEDERAL & STATE INCOME TAXES	0	0
NET INCOME	<u>(62,913.13)</u>	<u>(451,450.24)</u>

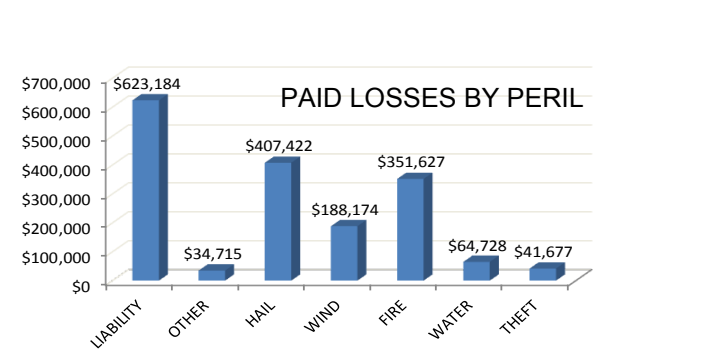


STATEMENT OF ASSETS, LIABILITIES
AND POLICYHOLDERS' SURPLUS

ASSETS	2012	2011
ADMITTED ASSETS		
Cash in Banks and CDs.....	\$219,453.82	\$146,700.09
Corporate and Municipal Bonds.....	2,049,067.16	2,083,577.37
Corporate Stocks.....	1,860,674.74	2,062,984.27
US Trust—Treasury Money Market	467,982.65	41,446.17
Property.....	176,190.00	185,176.00
Premiums Receivable.....	329,275.17	302,864.75
Investment Income Due or Accrued.....	31,073.00	31,460.00
Reinsurance Recoveries Receivable.....	47,660.80	53,193.46
Reinsurance Commissions Receivable	0	0
Reinsurance Premiums Recoverable.....	<u>0</u>	<u>0</u>
Total Admitted Assets	<u>5,181,377.34</u>	<u>\$4,907,402.11</u>
LIABILITIES & POLICYHOLDERS' SURPLUS		
LIABILITIES		
Net Unpaid Losses & Adjusting Expense...	\$453,319.19	\$114,543.26
Unearned Premiums.....	1,279,222.00	1,084,339.22
Premiums Paid in Advance	11,195.00	7,998.00
Reinsurance Premiums Payable.....	43,412.00	44,301.00
Federal Income Tax Payable	8,396.00	4,548.00
State Income Tax Payable	477.00	(303.00)
Commissions Payable.....	43,895.00	39,188.00
Accrued Property Tax.....	2,529.00	2,503.00
Deferred Income Tax.....	(84,360.00)	34,940.00
Other Accrued Expenses.....	<u>46,207.93</u>	<u>32,890.06</u>
Total Liabilities	1,804,293.12	1,364,947.54
POLICYHOLDERS' SURPLUS	<u>3,377,084.22</u>	<u>3,542,454.57</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$5,181,377.34</u>	<u>\$4,907,402.11</u>

STATEMENT OF CHANGES
IN POLICYHOLDER SURPLUS

	Balances
Policyholders' Surplus - Beginning of Year	\$3,542,454.57
Unrealized Capital Gains (Losses)	(228,144.22)
Deferred Taxes on Unrealized Gains	77,568.00
Change in Deferred Income Taxes	41,732.00
Net Income from Operations and Investments	(62,913.13)
Change in Non-admitted Assets	<u>6,387.00</u>
POLICYHOLDERS' SURPLUS END OF YEAR	<u>3,377,084.22</u>



PERSONNEL

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

AGENTS

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
Eiler Agency	Brandon/Green Lake
Insurance Service Center	De Pere
Parish Insurance Agency	Green Bay
First Team Financial	Green Bay/Manitowoc/Brillion
Allen Insurance Agency	Greenville
Wiesler Agency	Hortonville/Dale
Universal Insurance	Madison/Milwaukee
Tina Auer Insurance	Manawa/Bear Creek
Eastling Agency	Manawa/Iola
Wayne Kindschy	Neenah
Dave Kohler	Neenah
Nenning Insurance	Neenah
WinnebagoLand Insurance	Neenah
Tech Insurance	New London
Birr Agency	Oconto Falls
Alliance Insurance	Omro
Jim Matthews Insurance	Oshkosh
Mitchell Insurance	Oshkosh
Jan Williams Agency	Oshkosh
Townsend Insurance	Pulaski
Angela Baker	Seymour
Hometown Insurance	Shawano
Key Insurance Services	Sheboygan
Aim Group Insurance	Sheboygan
Insurance and Mortgage Services	Sheboygan
Tony Lauer Agency	Stephensville/Larsen
Full Service Insurance	Stevens Point
Roxanne Johnson Insurance	Stevens Point
Boll Insurance Group	Waupaca
Hutchinson Insurance	Weyauwega
CIS Insurance	Wisconsin Rapids
Conway Insurance Service	Wrightstown

2012 Management Report

In 2012, we were fortunate to have experienced calmer weather than the last couple of years. Unfortunately, we did have several fires involving both homes and farms. Although the number is not surprising, the severity is. The cause of the fires was varied and we are not seeing any developing patterns. We continue to be diligent in our investigations into the cause of every fire, looking for any possible sources of recovery, subrogation or salvage.

We continue to rely heavily on reinsurance. As stated last year, the benefit does not come cheap. We paid almost \$950,000 for reinsurance coverage and collected \$458,000, with additional recoveries in the coming months. As a result of the storm activity in the past couple of years, our reinsurance costs will continue to rise in the years to come.

During 2012, we were afforded the unique opportunity to grow our policy base, expand our spread of risk and hold to our underwriting guidelines. We increased the policy count by about 17% and the written premium by 18%. We again added several new agencies in 2012 throughout the State of Wisconsin. This expands our coverage territory and helps to spread our risk over a wider geographic area.

Ellington remains well poised for continued growth with a solid agency base, good premium to surplus ratio and a dedicated, experienced staff and directors. 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 19, 2013, at 7PM for lunch, review of 2012 business, an update of several initiatives and the election of three 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

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

WILLARD GRIESBACH, Sec.-Treasurer
N3227 Hample Rd., Black Creek, 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

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

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

134th ANNUAL REPORT



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2012

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HORTONVILLE, WISCONSIN 54944
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 2012 business, the election of
three 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 19, 2013
Lunch - Refreshments
Door Prizes - Entertainment

