

WISCONSIN MUTUAL INSURANCE COMPANY

Statement of Financial Condition

December 31, 2018

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isconsin Mutual Insurance Company had Net Income before Federal Taxes of \$11.0 million and increased Surplus by \$8.8 million as a result of excellent underwriting results. The Company surpassed 100 million of surplus for the first time and posted record levels of Assets (\$169.5 million) and Direct Written Premiums (\$83.2 million) in 2018.

The combined ratio of 91.1% was again one of the best in the industry, while Surplus growth has averaged 9.2% over the last 10 years.

The combined ratio generated an underwriting profit of \$7.0 million. Gains in Auto Liability (\$.6 million) were offset by losses in physical damage (\$2.6 million). The Commercial lines generated \$2.2 million of income. The Homeowner lines of business generated income of \$4.3 million. The Farmowners generated \$1.6 million of income and all other lines \$.8 million. The growth in Surplus along with a 4.2% rise in Written Premiums improved the premiums to surplus ratio from 82 to 81, the strongest level in over 50 years.

The Incurred Expense Ratio (loss expense and other operating expense) went from 28.1% to 29.2%, even though the Company again paid out near record Agent Contingent Commissions and Employee Profit Sharing. This ratio continues to be one of the best in the industry. Moderate premium growth and continued expense efficiencies in 2019 will keep this and other financial ratios strong in the future.

Wisconsin Mutual reached new milestones in 2018 of \$83.2 million in Direct Written Premiums and \$169.5 million in Assets. It was the seventh consecutive year of strong growth in profits and financial ratios as the Company increased its financial strength rating to A (excellent) from AM Best. We look for continued growth and profits, continued expansion in MN, while maintaining competitive rates in all lines.

Wisconsin Mutual's outstanding performance is a product of the contributions of our dedicated employees and agents providing exceptional service to our policyholders through both person to person interaction and effective use of technology. We continue to expand our base of insurance offerings and are committed to keeping our products competitive in both price and function, and look to remain a financially secure Wisconsin based company, owned by its policyholders, into the foreseeable future.

Daniel A. Keyes

President

**2018****2017****ASSETS**

Bonds(Amortized).....	\$143,990,679	\$133,799,542
Stocks(Market).....	10,722,569	10,905,007
Real Estate & Mortgages on Real Estate...	1,117,060	1,178,693
Cash and Short Term Investments	2,788,723	3,233,607
Reinsurance Recoverable.....	64,964	565,558
Accrued Interest & Dividends.....	750,907	769,893
Deferred Tax Asset	1,483,278	1,628,872
Premiums Receivable.....	8,494,665	8,491,665
Other Assets.....	131,450	34,164
Total Assets.....	\$169,544,295	\$160,607,001

RESERVES AND LIABILITIES

Reserves for Unpaid Claims.....	\$26,318,463	\$24,861,726
Reserves for Loss Adjusting Expenses.....	5,555,471	5,609,940
Other Accrued Expenses.....	855,657	567,600
Accrued Taxes, Licenses and Fees.....	558,912	836,830
Reserves for Unearned Premiums.....	29,760,575	28,964,283
Ceded Reinsurance Balances Payable.....	519,799	643,947
Advance Premiums.....	1,029,762	1,081,435
Commissions Payable & Contingent.....	3,475,406	3,248,227
Other Liabilities.....	160,458	2,313,732
Total Reserves and Liabilities.....	\$68,234,503	\$68,127,720

SURPLUS TO POLICYHOLDERS

Unassigned Surplus Funds.....	\$101,309,792	\$92,479,281
Total Surplus, Reserves and Liabilities...	\$169,544,295	\$160,607,001

PREMIUMS, LOSSES, OTHER INCOME

Direct Premiums Written.....	\$83,205,538	\$79,835,204
Losses Incurred.....	48,864,287	47,001,828
Underwriting Gain/(Loss).....	7,029,407	6,587,165
Net Investment Income.....	3,575,645	3,528,420
Operating Income Before Federal Taxes..	11,018,342	10,558,698
Increase to Surplus (Decrease).....	8,830,511	7,103,661
Combined Ratio.....	91.1%	91.2%

Officers

Daniel A. Keyes President
Anthony J. Skubal Treasurer
Holly M. Casavant Secretary

Board Of Directors

Holly M. Casavant
Dick B. Johnson
Daniel A. Keyes, Chmn
Donald E. MacLeish
Doreen A. Mickelson
Bruce J. Roberts
Francis P. Schaecher
Anthony J. Skubal
Arthur A. Stauffacher

Lines Of Business

PRIVATE PASSENGER AUTOMOBILE
COMMERCIAL AUTOMOBILE
HOMEOWNERS
FARMOWNERS
MOBILE HOMEOWNERS
BUSINESSOWNERS
ARTISANS

FARMOWNERS

Serviced At

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CLAIMS OFFICES

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Our 116th Annual Report

For the Year Ended
December 31, 2018



www.wiins.com

A Non-Assessable Mutual Company
Organized in 1903