



Providing Insurance in Columbia, Dane, Dodge, Fond du Lac, Green Lake, Jefferson, Milwaukee, Ozaukee, Walworth, Washington, and Waukesha Counties.

CONTACT YOUR LOCAL AGENT

AIC, LLC	Sussex	262/246-6868
Jim and Debra Stein		
Security Insurance Agency	Pewaukee	262/691-4800
The Silbernagel Group Insurance Services, LLC	Kewaskum	262/628-8892
Gretchen Hefner-Evans		
Harms Insurance Group	Lake Mills	920/648-8016
Saxby Insurance Agency, LLC	Watertown	920/261-3334
LCMI Agency	Lebanon	877/791-2380
Avid Risk Solutions, Inc.	Watertown	920/261-5403
Joe Boese Agency	Madison	608/249-7380
Associated Agencies Inc.	Waunakee	608/241-2516
Nolan Anderson		
Stroupe Insurance Agency, LLC	Fort Atkinson	920/563-4636
Richards Insurance of Watertown, LLC	Watertown	920/261-3402
Robert Eckhardt Insurance	Jefferson	920/674-5325
Jerry Luedtke Insurance Agency: Todd Luedtke	Fond du Lac	920/948-7619



To the Board of Directors
Lebanon Clyman Mutual Insurance Company
Lebanon, Wisconsin

Management is responsible for the accompanying statutory financial statements of Lebanon Clyman Mutual Insurance Company (the Company), which are comprised of the statutory balance sheets as of December 31, 2017 and 2016, and the related statutory statements of income and changes in surplus for the years then ended, in accordance with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the statutory financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the statutory financial statements.

The financial statements are prepared in accordance with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit the statutory statements of cash flows and substantially all of the disclosures required by the statutory basis of accounting. If the statements of cash flows and omitted disclosures were included in the statutory financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the statutory financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic statutory financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Strohm Ballweg, LLP

Madison, Wisconsin
January 10, 2018

2017

**Lebanon Clyman
Mutual Insurance Company**

**Annual Report
to the Policyholders**
(Unaudited)

130th Year

Annual Meeting

February 10, 2018

Time: 1:30 p.m. at Fireman's Hall in Lebanon

OFFICERS AND DIRECTORS

Ellward Kuehl – President

**David Manning – Vice President

**Sam Stangler – Treasurer

Stan Grulke – Secretary

Gene Gerth – Director

Daryl Pernat – Director

Sally Schnoenike – Director

**term expiring

Lebanon Clyman Mutual Insurance Company

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STATUTORY BALANCE SHEETS
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ADMITTED ASSETS		
Cash and investments:		
Cash in checking	\$ 52,634	\$ 37,389
Invested cash	150,102	149,547
Bonds	1,374,338	1,311,098
Common stocks	666,638	568,080
Preferred stocks	238,000	238,000
Mutual funds	128,709	36,758
Real estate occupied by Company	30,856	31,981
	<u>2,641,277</u>	<u>2,372,853</u>
Cash and investments		
Accrued investment income	16,191	16,367
Premiums receivable	14,563	17,283
Reinsurance recoverable on paid losses	6,914	9,945
Reinsurance commission receivable	10,994	6,122
Computer equipment, net	4,288	10,750
Other receivables	3,000	1,000
	<u>2,697,227</u>	<u>2,434,320</u>
Total admitted assets		
	<u>\$ 2,697,227</u>	<u>\$ 2,434,320</u>
LIABILITIES AND SURPLUS		
Liabilities:		
Net unearned premiums	\$ 443,312	\$ 440,432
Net unpaid losses	112,371	75,851
Net unpaid loss adjustment expenses	4,444	1,947
Commissions payable	17,534	15,846
Fire department dues payable	344	921
Premium received in advance	37,827	37,469
Reinsurance premium payable	25,397	26,225
Federal income taxes payable	4,804	26,897
Other liabilities	10,840	5,898
	<u>656,873</u>	<u>631,486</u>
Total liabilities		
Surplus	<u>2,040,354</u>	<u>1,802,834</u>
Total liabilities and surplus	<u>\$ 2,697,227</u>	<u>\$ 2,434,320</u>

STATUTORY STATEMENTS
OF INCOME AND CHANGES IN SURPLUS
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
UNDERWRITING OPERATIONS		
Net premiums earned:		
Direct premiums earned	\$ 1,352,230	\$ 1,274,490
Reinsurance ceded	(546,074)	(526,269)
	<u>806,156</u>	<u>748,221</u>
Net losses incurred:		
Direct losses paid (net of subrogation)	362,144	222,055
Change in liability for unpaid losses	413,991	98,960
Reinsurance recoveries	(519,752)	(144,091)
	<u>256,383</u>	<u>176,924</u>
Operating expenses incurred:		
Loss adjustment expenses	49,317	29,803
Underwriting expenses	379,366	361,124
	<u>428,683</u>	<u>390,927</u>
Underwriting gain	<u>121,090</u>	<u>180,370</u>
INVESTMENT AND OTHER INCOME		
Investment income earned	58,704	42,024
Investment expenses	(28,166)	(21,708)
Net realized capital gains	49,661	424
Other income	20,704	18,850
	<u>100,903</u>	<u>39,590</u>
Investment and other income		
Net income before federal income taxes	<u>221,993</u>	<u>219,960</u>
Federal income tax expense	<u>13,192</u>	<u>70,803</u>
Net income	<u>208,801</u>	<u>149,157</u>
Change in net unrealized capital gain/loss	30,264	87,656
Change in nonadmitted assets	(1,545)	(6,560)
Net change in surplus	<u>237,520</u>	<u>230,253</u>
Surplus, beginning of year	<u>1,802,834</u>	<u>1,572,581</u>
Surplus, end of year	<u>\$ 2,040,354</u>	<u>\$ 1,802,834</u>

STATUTORY SCHEDULES OF EXPENSES INCURRED
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Loss adjusting expenses	\$ 22,810	\$ 3,683
Commissions to agents	204,408	192,119
Reinsurance commission income	(39,584)	(30,019)
Directors' fees and expenses	18,310	17,804
Personnel expenses	93,585	85,868
Real estate expenses	6,905	6,584
Office expenses	46,359	38,941
Other expenses	104,056	97,655
	<u>\$ 456,849</u>	<u>\$ 412,635</u>
Total expenses incurred		
Loss adjustment expenses	\$ 49,317	\$ 29,803
Underwriting expenses	379,366	361,124
Investment expenses	28,166	21,708
	<u>\$ 456,849</u>	<u>\$ 412,635</u>
Total expenses incurred		

