

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

CONTACT YOUR LOCAL AGENT

Security Insurance Agency	Pewaukee	262/470-0320
The Silbernagel Group Insurance Services, LLC Gretchen Hefner-Evans	Kewaskum	262/977-7444
Harms Insurance Group	Lake Mills	920/723-8489
Saxby Insurance Agency, LLC	Watertown	920/261-3334
LCMI Agency, Inc.	Lebanon	877/791-2380
Avid Risk Solutions, Inc.	Middleton	608/827-4525
Joe Boese Agency	Madison	608/249-7380
Associated Agencies, Inc. Nolan Anderson	Madison	608/849-5039
Stroupe Insurance Agency, LLC	Fort Atkinson	920/563-4636
Richards Insurance of Watertown, LLC	Watertown	920/261-3402
Robert Eckhardt Insurance	Kewaskum	262/977-7444
Luedtke Insurance Agency Todd Luedtke	Fond du Lac	920/602-4910
Watertown Insurance, LLC	Watertown	920/261-3633
Quamme Insurance Services, Inc.	Columbus	920/623-5787
Republic Associates of WI, Inc.	Elm Grove	414/258-0555

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, 2022 and 2021, and the related statutory statements of income and changes in surplus for the years then ended, in accordance with accounting practices prescribed and 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. We do not express an opinion, a conclusion, nor provide any form of assurance on the statutory financial statements.

The statutory financial statements are prepared in accordance with accounting practices prescribed and 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.

Madison, Wisconsin
January 17, 2023

2022

Lebanon Clyman Mutual Insurance Company

Annual Report to the Policyholders (Unaudited)

135th Year

Annual Meeting
February 11, 2023

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

OFFICERS AND DIRECTORS

- Ellward Kuehl – President
- Sam Stangler – Treasurer
- Stan Grulke – Secretary
- **Audrey Wagie – Director
- **Daryl Pernat – Director
- Sally Schoenike – Director
- Robert Hill – Director
- **term expiring

In memoriam of David Manning
Director (1991-2022), Vice President (2008-2022)

Lebanon Clyman Mutual Insurance Company
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www.lebanonclymanmutual.com

STATUTORY BALANCE SHEETS
December 31, 2022 and 2021

	2022	2021
ADMITTED ASSETS		
Cash and investments:		
Cash in checking	\$ 391,347	\$ 460,315
Invested cash	300,935	299,961
Bonds	1,109,822	748,144
Common stocks	459,195	384,120
Preferred stocks	456,893	289,125
Mutual funds	314,172	1,030,318
Real estate occupied by the Company	165,989	170,550
Cash and investments	3,198,353	3,382,533
Accrued investment income	11,694	8,067
Premiums receivable	15,831	12,822
Reinsurance recoverable on paid losses	38,388	9,423
Reinsurance commission receivable	7,127	16,836
Reinsurance premium recoverable	-	8,378
Computer equipment, net	7,529	17,126
Federal income taxes receivable	3,009	663
Total admitted assets	<u>\$ 3,281,931</u>	<u>\$ 3,455,848</u>
LIABILITIES AND SURPLUS		
Liabilities:		
Net unearned premiums	\$ 496,505	\$ 485,411
Net unpaid losses	151,311	150,520
Net unpaid loss adjustment expenses	26,851	10,074
Commissions payable	16,145	16,033
Fire department dues payable	687	39
Premium received in advance	44,342	48,505
Reinsurance premium payable	46,439	-
Other liabilities	29,615	19,911
Total liabilities	811,895	730,493
Surplus	<u>2,470,036</u>	<u>2,725,355</u>
Total liabilities and surplus	<u>\$ 3,281,931</u>	<u>\$ 3,455,848</u>

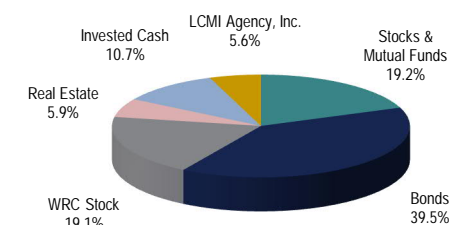
STATUTORY STATEMENTS
OF INCOME AND CHANGES IN SURPLUS
Years Ended December 31, 2022 and 2021

	2022	2021
UNDERWRITING OPERATIONS		
Net premiums earned:		
Direct premiums earned	\$ 1,604,976	\$ 1,544,668
Reinsurance ceded	(655,200)	(601,029)
949,776	<u>943,639</u>	
Net losses incurred:		
Direct losses paid (net of subrogation)	655,316	283,770
Change in liability for unpaid losses	72,554	92,829
Reinsurance recoveries	(249,127)	(98,973)
478,743	<u>277,626</u>	
Operating expenses incurred (net of reinsurance):		
Loss adjustment expenses	126,067	35,165
Underwriting expenses	464,939	454,569
591,006	<u>489,734</u>	
Underwriting gain (loss)	<u>(119,973)</u>	<u>176,279</u>
INVESTMENT AND OTHER INCOME		
Investment income earned	97,902	66,079
Investment expenses	(43,212)	(44,027)
Net realized capital gains	15,904	19,808
Other income	21,262	24,248
Investment and other income	<u>91,856</u>	<u>66,108</u>
Net income (loss) before federal income taxes	(28,117)	242,387
Federal income tax expense	9,654	11,422
Net income (loss)	(37,771)	230,965
Change in net unrealized capital gain (loss)	(244,832)	28,783
Change in nonadmitted assets	27,284	(12,929)
Net change in surplus	(255,319)	246,819
Surplus, beginning of year	<u>2,725,355</u>	<u>2,478,536</u>
Surplus, end of year	<u>\$ 2,470,036</u>	<u>\$ 2,725,355</u>

STATUTORY SCHEDULES OF EXPENSES INCURRED
Years Ended December 31, 2022 and 2021

	2022	2021
Net loss adjusting expenses	\$ 83,214	\$ (3,936)
Commissions to agents	239,745	228,401
Reinsurance commission income	(81,235)	(83,681)
Directors' fees and expenses	23,250	18,850
Personnel expenses	145,409	162,503
Real estate expenses	14,447	15,549
Office expenses	71,077	60,224
Other expenses	138,311	135,851
Total expenses incurred	<u>\$ 634,218</u>	<u>\$ 533,761</u>
Loss adjustment expenses	\$ 126,067	\$ 35,165
Underwriting expenses	464,939	454,569
Investment expenses	43,212	44,027
Total expenses incurred	<u>\$ 634,218</u>	<u>\$ 533,761</u>

INVESTMENT PORTFOLIO MIX



COST PER DOLLAR OF NET PREMIUM EARNED

