



## 2014 Annual Report



**STRENGTH  
THROUGH SUPERIOR  
CUSTOMER SERVICE**

# Protecting People's Dreams Since 1887



*David Kane*

David M. Kane, President



*Roy R. Bubeck*

Roy R. Bubeck, Chairman & CEO

Badger Mutual's service commitment has always been our promise of personal service, superior protection and peace of mind. We make it a priority to be a company that is easy to do business with – we're always looking for better ways to help our independent agents quickly provide the coverage their customers need. We continually invest in advanced system technologies that allow us to make prompt decisions and to quickly turn those decisions into quotes, binders and policies.

A key driver in our service strategy is relationships. When you call Badger, you get a personal greeting and talk to someone who will either address your concern or connect you with someone who can. Our close relationships with independent agents enable us to provide them with relevant solutions and quality services.

One of the biggest differentiators at Badger is our investment in our people, building on our long term staff members' talent and experience. We would like to thank each and every employee for their dedication – we are proud of their teamwork and accomplishments.

Maintaining standards that earn customer trust requires accountability – crucial to long term success. Badger's accountability is created through a combination of teamwork and leadership. Accountability means stretching beyond the confines of your job role to take personal responsibility for helping our independent agents and their insureds. By acting ethically, effectively and proactively, we build solid relationships that last.

Badger's focus on relationships extends to our community. The energy and enthusiasm our employees bring to the workplace and their commitment to making our community a better place to live is making a difference.

While growth is an important part of our business strategy, our major focus is the same as it has always been – to be consistent in serving the needs of our independent agents, their insureds and the businesses that put their trust in us.

**STRENGTH THROUGH  
SUPERIOR CUSTOMER SERVICE**

Our  
commitment  
to the  
community...  
an important  
part of the  
Badger promise.



CENTRO DE LA COMUNIDAD UNIDA  
UNITED COMMUNITY CENTER



United Way  
of Greater Milwaukee



BOYS & GIRLS CLUBS  
OF GREATER MILWAUKEE

## Statement of Financial Position

As of December 31

ASSETS	2014	2013
Cash & Short-Term Securities.....	\$18,170,745	\$5,559,573
Bonds (Amortized Cost) .....	109,183,445	107,151,490
Stocks (Market Value).....	6,326,586	10,237,851
Mortgage Loans .....	2,867,506	9,130,696
Real Estate .....	7,636,174	8,171,354
Accrued Investment Income .....	876,985	1,121,198
Premium Balances .....	14,953,387	15,197,409
Corporate Owned Life Insurance .....	4,198,564	4,056,775
Deferred Taxes/Federal Taxes Receivable .....	3,777,544	278,030
Loss Recoverable from Reinsurers.....	103,409	36,156
Computer Hardware .....	57,355	42,268
<b>Total Assets.....</b>	<b>\$168,151,700</b>	<b>\$160,982,800</b>
LIABILITIES & SURPLUS	2014	2013
Reserves for Losses & Adjusting Expenses.....	\$53,667,513	\$53,426,597
Reserve for Unearned Premiums.....	42,177,496	41,779,431
Reserve for General Expenses.....	5,058,892	4,787,063
Reserve for Premiums Paid in Advance.....	1,280,199	1,198,776
Reinsurance Payable.....	1,080,876	960,798
Reserve for Federal Income Taxes .....	53,984	0
Reserve for Pension Benefits.....	2,236,651	276,987
Reserve for Other Liabilities .....	690,247	634,185
Policyholder Surplus .....	61,905,842	57,918,963
<b>Total Liabilities &amp; Surplus.....</b>	<b>\$168,151,700</b>	<b>\$160,982,800</b>

## Operating Results

STATEMENT OF INCOME	2014	2013
Premiums Written .....	\$100,737,883	\$99,590,898
Change in Unearned Premiums .....	(398,066)	(1,193,672)
Reinsurance Ceded.....	(7,740,968)	(6,710,995)
<b>Premiums Earned .....</b>	<b>\$92,598,849</b>	<b>\$91,686,231</b>
Losses Incurred .....	58,343,768	62,541,434
Loss Adjusting Expenses Incurred .....	10,355,136	10,694,592
Underwriting Expenses Incurred.....	26,262,332	27,113,464
<b>Underwriting Loss.....</b>	<b>(\$2,362,387)</b>	<b>(\$8,663,259)</b>
Net Investment Income .....	4,356,074	2,711,794
Other Income .....	545,664	560,977
Dividends to Policyholders.....	(53,925)	(49,406)
Federal Income Taxes.....	54,014	(67,728)
<b>Net Gain (Loss).....</b>	<b>\$2,431,412</b>	<b>(\$5,372,166)</b>
Net Premium/Surplus Ratio .....	1.50	1.60
Percentage Growth in Premiums Written.....	1.15%	1.96%



## Board of Directors

Roy R. Bubeck  
*Chairman & CEO,  
Badger Mutual Insurance Co.*

Santino R. Cicero  
*Retired Senior Vice President,  
BMO Harris Bank*

D. Lisa Graff  
*Corporate Counsel, Dematic Corp.*

David M. Kane  
*President, Badger Mutual  
Insurance Co.*

Thomas A. Kaupp  
*President, Image Makers  
Advertising Inc.*

Steven C. Klima, CPA  
*Financial Consultant*

John R. Linscott Jr., MD  
*Board Certified,  
Family Medicine*

Bartley L. Munson  
*Actuarial Consultant,  
Munson & Associates*

Richard A. Rusch  
*Retired President & CEO,  
Badger Mutual Insurance Co.*

Robert W. Smith  
*Retired Asst. Corp. Controller,  
Johnson Controls, Inc.*

David L. Springob  
*Retired Chairman/CEO,  
Catholic Family Life Insurance*

Stuart H. Warrington  
*Retired Insurance  
Systems Executive*



## Badger Mutual Insurance Company

**1635 West National Avenue  
Milwaukee, Wisconsin 53204  
Phone 414-383-1234  
Toll Free 800-837-7833**

[www.badgermutual.com](http://www.badgermutual.com)

## Management

Back row, left to right:

Darrin A. Groendal, *Vice President – CFO*

Dan W. Nigro, *Vice President – Marketing & Information Technology*

Brian E. Wiza, *Vice President – Personal Lines*

Chad M. Bubeck, *Vice President – Commercial Lines*

James C. Kaufman, *Vice President – Administration*

Front row, left to right:

Karen L. Kirk, *Vice President – Human Resources*

David M. Kane, *President*

Roy R. Bubeck, *Chairman & CEO*

Kathy A. Wilcox, *Vice President – Claims*