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Richard M. Ritter, Exec. Vice President & COO
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Harold P. Gunning, Sr. Vice President of Casualty Claims
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Rob L. Musick, Sr. Vice President & CIO
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Linda M. May, Vice President of Product Development
Neal G. Pierce, CPA, Director of Finance & Treasurer
R. Frank Wilson, CPA, Controller
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Kenneth M. Mailley, Asst. Vice President of Property Claims
Cheryl G. Oswald, Asst. Vice President of Marketing
Glenn W. Watkins, Asst. Vice President of Marketing

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Lawrence A. Pepper, Jr.*
Paul J. Ritter
Donald E. Strang*

*Executive Committee

LOCATIONS

NEW JERSEY

Corporate Headquarters
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Bridgeton, NJ 08302
Telephone: 856-451-4050
Fax: 856-451-5951



PENNSYLVANIA

101 Independence Way
Coatesville, PA 19320
Telephone: 610-857-9900
Fax: 610-857-4874

MARYLAND

50 Jibsail Drive
Prince Frederick, MD 20678
Telephone: 410-535-1444
Fax: 410-535-3098



OHIO

380 North Main Street
Suite 101
Mansfield, OH 44902
Telephone: 419-525-4443
Fax: 419-525-4142



PRODUCTS

Personal Lines

Homeowner
Combination Dwelling
Inland Marine
Personal Umbrella
Personal Auto (PA and MD)
Tenant/Homeowner

Commercial Lines

Builder's Risk
Commercial Automobile
Businessowner
General Liability
Special Contractor's Policy
Commercial Inland Marine
Commercial Property
Commercial Umbrella
Commercial Multi-Peril
Workers' Compensation
(NJ, PA, and DE)



THE CUMBERLAND INSURANCE GROUP



2011 ANNUAL REPORT



WWW.CUMBERLANDGROUP.COM

To Our Mutual Friends:

As the oldest mutual insurance company in New Jersey, the Cumberland Insurance Group is uniquely positioned to provide for the insurance needs of its policyholders.

2011 was a challenging year for Cumberland. The financial markets were turbulent with the European debt crisis and we experienced our first catastrophic event in nearly 20 years when Hurricane Irene made landfall at the New Jersey coast in August. Working around the clock, we processed over 3,500 claims in an efficient and professional manner providing outstanding services that our policyholders deserve and expect. At our employee appreciation luncheon, our employees proudly wore shirts that read, "As a Team We Survived Hurricane Irene." In times like these we are thankful that the long-term financial stability of the Cumberland Insurance Group is available to provide peace of mind for our policyholders in their time of need.

In 2012, we are looking forward to the implementation of our new homeowners product in Pennsylvania, Maryland and Delaware after a very successful launch of the same product in New Jersey in August of 2011. Very soon we will be rolling out EPLI in Commercial Lines and recurring EFT billing options providing even more services and products for our agents and policyholders.

Finally, we will continue to leverage technology to provide convenience and accessibility to our agents and policyholders throughout the organization. This year we are developing an enhanced website with additional functionality to provide our agents with even more tools like the ability to process endorsements. After 168 years, Cumberland remains firmly committed to the *mutual concept* of focusing on long-term stability and the needs of its policyholders.

Sincerely,



Paul J. Ritter, III
President & CEO



THE CUMBERLAND INSURANCE GROUP

Consolidated Statutory Statement of Admitted Assets, Liabilities, and Policyholders' Surplus (Unaudited)

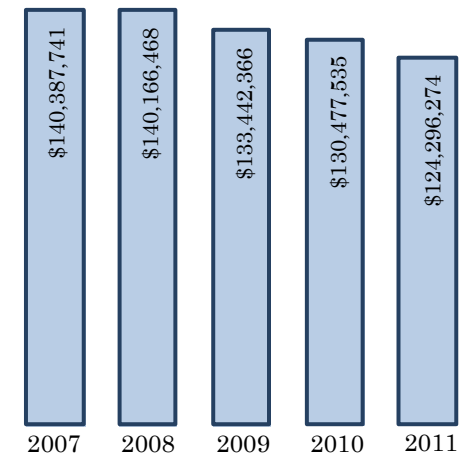
ADMITTED ASSETS		
	December 31, 2011	December 31, 2010
Bonds – at Book Value	\$213,216,770	\$224,605,236
Stock – at Market Value	33,923,037	26,286,509
Cash and Short Term Investments	11,216,908	28,504,090
Real Estate – at Book Value	<u>12,251,460</u>	<u>12,621,761</u>
Total Cash and Invested Assets	270,608,175	292,017,596
Premium Balances	14,357,443	16,561,514
Interest and Dividends Due and Accrued	2,296,031	2,423,106
Reinsurance Recoverable on Loss Payments	635,949	1,076,275
Equities and Deposits in Underwriting Associations	1,674,896	1,816,791
Miscellaneous Receivables/Deposits	234,985	247,870
Electronic Data Processing Equipment	149,732	155,886
Contingent Commission Recoverable	689,721	851,458
Federal Taxes Recoverable	<u>13,726,820</u>	<u>9,257,170</u>
Total Admitted Assets	<u><u>\$304,373,752</u></u>	<u><u>\$324,407,666</u></u>

LIABILITIES AND POLICYHOLDERS' SURPLUS		
	December 31, 2011	December 31, 2010
Losses and Claims	\$88,789,208	\$101,478,072
Loss Adjustment Expenses	18,208,000	18,809,000
Contingent Commissions	1,948,365	2,378,431
Taxes and Accrued Expenses	3,203,760	2,754,499
Unearned Premiums	61,401,008	63,080,780
Amounts Withheld for Account of Others / GSRA	2,234,595	1,695,019
Pension Payable	1,612,835	1,200,000
Ceded Reinsurance Payable	1,010,084	899,277
Due to Agents / Commissions	<u>1,669,624</u>	<u>1,635,053</u>
Total Liabilities	<u>\$180,077,478</u>	<u>\$193,930,131</u>
Policyholders' Surplus	<u>124,296,274</u>	<u>130,477,535</u>
Total Liabilities and Policyholders' Surplus	<u><u>\$304,373,752</u></u>	<u><u>\$324,407,666</u></u>

Direct Written Premiums 2007–2011

2007	\$128,257,820
2008	\$128,727,302
2009	\$125,650,297
2010	\$125,539,401
2011	\$122,550,915

Policyholders' Surplus 2007–2011



2011 Premium Volume

