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Richard M. Ritter, Exec. Vice President & COO
David F. Raczenbek, Esq., Chief Legal Officer & Secretary
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Jamie P. Gibbins, Sr. Vice President Business Development
Harold P. Gunning, Sr. Vice President of Casualty Claims
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Keith A. Maxfield, Sr. Vice President & Chief Underwriting Officer
Rob L. Musick, Sr. Vice President & CIO
William F. Fowler, Vice President of Underwriting
Linda M. May, Vice President of Product Development
Neal G. Pierce, CPA, Director of Finance & Treasurer
R. Frank Wilson, CPA, Controller
Kenneth M. Mailley, Vice President of Property Claims
Cheryl G. Oswald, Vice President of Marketing
Patrick M. Padalik, Vice President of Product & Pricing
Glenn W. Watkins, Vice President of Marketing
William D. Harmer, Asst. Vice President

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Stephen P. Hoyt*
Clarence D. McCormick
Clair H. Miller, Jr.*
Lawrence A. Pepper, Jr.*
Paul J. Ritter, III
Donald E. Strang*

*Executive Committee

LOCATIONS

NEW JERSEY

Corporate Headquarters
633 Shiloh Pike
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

440 Solomons Island Road
Suite 214
Prince Frederick, MD 20678
Telephone: 410-535-1444
Fax: 410-535-3098



OHIO

1154 National Parkway
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



2012 ANNUAL REPORT



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.

2012 was a challenging year for Cumberland. We experienced our second catastrophic event in the last two years when Superstorm Sandy made landfall at the New Jersey coast in October. Working around the clock, we processed over 8,000 claims in an efficient and professional manner providing outstanding services that our policyholders deserve and expect. Even with the severe weather impact, Cumberland was able to earn a net profit this year. 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.

We are looking forward to the introduction of our new BOP product in New Jersey, Pennsylvania, Maryland and Delaware. Shortly thereafter, we will be rolling out our new Commercial Auto and Commercial Umbrella products 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 automated underwriting as we continue to streamline and improve operational efficiency in Personal Lines. After 169 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)

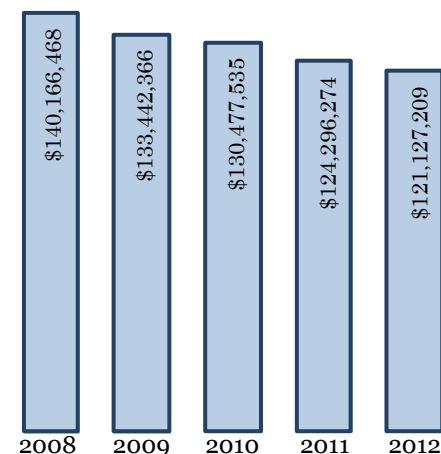
ADMITTED ASSETS		
	December 31, 2012	December 31, 2011
Bonds – at Book Value	\$198,640,733	\$213,216,770
Stock – at Market Value	36,422,319	33,923,037
Cash and Short Term Investments	23,207,476	11,216,908
Real Estate – at Book Value	<u>11,924,684</u>	<u>12,251,460</u>
Total Cash and Invested Assets	270,195,212	270,608,175
Premium Balances	15,290,097	14,357,443
Interest and Dividends Due and Accrued	2,139,966	2,296,031
Reinsurance Recoverable on Loss Payments	1,211,969	635,949
Federal Taxes Recoverable	8,166,823	13,726,820
Other Assets	<u>2,369,491</u>	<u>2,749,334</u>
Total Admitted Assets	<u>\$299,373,558</u>	<u>\$304,373,752</u>

LIABILITIES AND POLICYHOLDERS' SURPLUS		
	December 31, 2012	December 31, 2011
Losses and Claims	\$78,939,004	\$88,789,208
Loss Adjustment Expenses	17,910,000	18,208,000
Commissions Payable and Other Similar Charges	2,741,838	3,617,989
Taxes and Accrued Expenses	2,731,202	3,203,760
Unearned Premiums	63,455,493	61,401,008
Ceded Reinsurance Payable	6,680,399	1,010,084
Other Liabilities	<u>5,788,413</u>	<u>3,847,429</u>
Total Liabilities	<u>\$178,246,349</u>	<u>\$180,077,478</u>
Policyholders' Surplus	<u>121,127,209</u>	<u>124,296,274</u>
Total Liabilities and Policyholders' Surplus	<u>\$299,373,558</u>	<u>\$304,373,752</u>

Direct Written Premiums 2008–2012

2008	\$128,727,302
2009	\$125,650,297
2010	\$125,539,401
2011	\$122,550,915
2012	\$126,073,050

Policyholders' Surplus 2008–2012



2012 Premium Volume

