

## Officers

Paul J. Ritter, III, President & CEO  
Richard M. Ritter, Exec. Vice President & COO  
David F. Raczenbek, Esq., Chief Legal Officer & Secretary  
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Neal G. Pierce, CPA, PFS, CFP®, Treasurer & CFO  
Roby L. Musick, Sr. Vice President & CIO  
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Harold P. Gunning, Sr. Vice President of Casualty Claims  
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Kenneth M. Mailley, Sr. Vice President of Property Claims  
William F. Fowler, Vice President of Underwriting  
Adam M. Lamanteer, Controller  
Linda M. May, Vice President of Personal Lines Operations  
Cheryl G. Oswald, Vice President of Marketing  
Glenn W. Watkins, Vice President of Marketing  
E. Edward Bowman, Jr., Assistant Vice President of Casualty Claims  
Lisa C. Koelln, Assistant Vice President of Product Management  
Jeanette Metzneroth, Assistant Vice President of Commercial Lines  
Patrick L. Smith, Assistant Vice President of Personal Lines  
Blair Sturts, Assistant Vice President of Information Technology

## Office Locations

**New Jersey**  
**Corporate Headquarters**  
633 Shiloh Pike  
Bridgeton, NJ 08302  
Phone: 800-232-6992

**Maryland**  
440 Solomons Island Rd.  
Suite 214  
Prince Frederick, MD 20678  
Phone: 800-782-8636

**Ohio**  
**Technology Center**  
1154 National Parkway  
Mansfield, OH 44906  
Phone: 419-525-4443

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



# THE CUMBERLAND INSURANCE GROUP



## Board of Directors



Front Row-Robert L. Davis, Lawrence A. Pepper, Jr., Clair H. Miller, Jr. and Clarence D. McCormick.

Back Row- David J. Hemple, Robert P. Brady, Leo T. Hogan, Paul J. Ritter, III, Esq., Dr. Michelle H. Bear, Gregory J. Facemyer, and Bruce R. Hankins.

## Products

### Commercial Lines

Commercial Automobile  
Businessowners  
Contractors BOP  
Farm  
General Liability  
Commercial Inland Marine  
Commercial Property  
Commercial Umbrella  
Commercial Multi-Peril  
Workers' Compensation  
(NJ, PA and DE)

### Personal Lines

Homeowners  
Combination Dwelling  
Inland Marine  
Personal Umbrella  
Personal Auto  
(PA and MD)

# 2016 Annual Report

## Consolidated Statutory Statements of Admitted Assets, Liabilities, and Policyholders' Surplus (Unaudited, 000's Omitted)

### To Our Mutual Friends,

One of the most important factors in becoming a successful enterprise is to "know who you are". In our case, The Cumberland Insurance Group is a regional mutual insurance carrier.

Traditionally, regional mutual insurers are stable and committed partners for their agency base. Cumberland may not be flashy, but we provide a superior customer experience and consistent pricing for both our agents and policyholders. Since we are domiciled in our region, we have local knowledge and experience. Cumberland understands the marketplace differently than the national carriers since our employees live in the local community and our company maintains a strong commitment to community service.

Cumberland has forged deep relationships with our agency partners at all levels of the company; including underwriting, claims, marketing, billing and management. As a result of this strong connection, we are able to effectively plan our production goals by reviewing past performance and developing targets for the coming year. Throughout the year, we jointly review and monitor our performance to ensure that we achieve these shared goals.

We truly know and understand our customers and have a strong commitment to write business in our local communities. As a mutual, we do not have shareholders, so we can prioritize the long term needs of our policyholders. This allows us to innovate new products that satisfy their risk requirements, especially with property coverages such as Combination Dwelling (Fire) coverage, which is one of our niche products.

Currently, the greatest challenge for a regional carrier is to make the substantial investment in advanced technologies that national carriers have made. Cumberland is excited to announce that we are implementing the Duck Creek Policy Administration System, an advanced software solution, which will provide our agents and policyholders with an enhanced level of ease of doing business. This system will enable us to be more nimble and quicker in addressing our customer's insurance needs going forward.

In conclusion, we are happy to report that Cumberland has attained a record level in admitted assets of \$327 million and policyholder surplus of \$158 million and our fifth consecutive year of profitability. We look forward to celebrating our 173rd anniversary this year and remain committed to the mutual concept of insurance.

Sincerely,



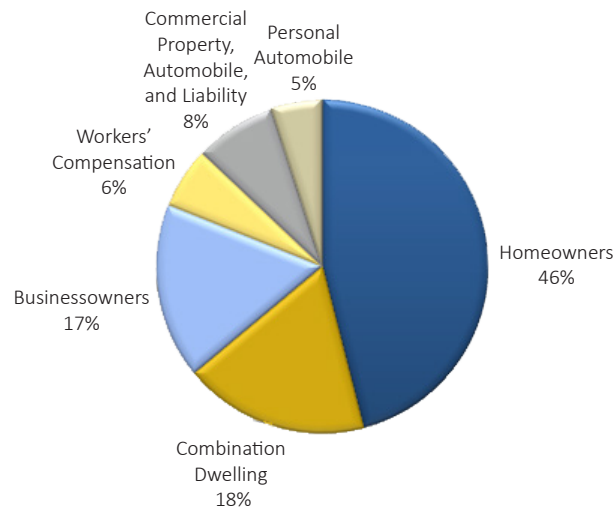
Paul J. Ritter, III  
President & CEO



Admitted Assets		
Cash and Invested Assets:	Dec. 31, 2016	Dec. 31, 2015
Bonds at Book Value	\$232,329	\$228,748
Common Stocks at Market Value	42,269	40,453
Real Estate at Book Value	7,859	10,007
Cash and Short Term Investments	13,299	7,042
<b>Total Cash and Invested Assets</b>	<b>\$295,756</b>	<b>\$286,250</b>
Accrued Investment Income	1,830	1,956
Uncollected Premiums Receivable	18,242	17,819
Reinsurance Recoverable on Paid Losses	330	938
Federal Income Tax Recoverable	1,076	1,504
Net Deferred Tax Asset	7,815	7,684
Other Assets	1,927	2,063
<b>Total Admitted Assets</b>	<b>\$326,976</b>	<b>\$318,214</b>

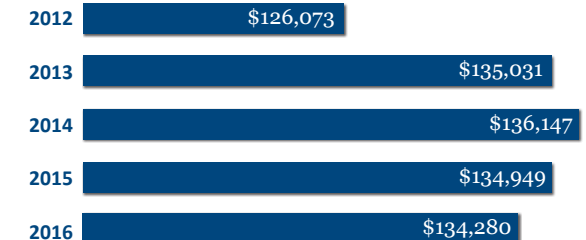
Liabilities and Policyholders' Surplus		
Liabilities:	Dec. 31, 2016	Dec. 31, 2015
Reserve for Losses	\$69,019	\$70,087
Reserve for Loss Adjustment Expenses	17,381	16,980
Commissions Payable (Including Contingent)	4,664	4,440
Accrued Expenses and Other Payables	8,465	5,299
Accrued Taxes, Licenses and Fees	465	420
Unearned Premiums	65,918	66,524
Advance Premium	2,816	3,166
Ceded Reinsurance Premiums Payable	316	188
Other Liabilities	331	3,186
<b>Total Liabilities</b>	<b>\$169,375</b>	<b>\$170,290</b>
Policyholders' Surplus	157,601	147,924
<b>Total Liabilities and Policyholders' Surplus</b>	<b>\$326,976</b>	<b>\$318,214</b>

#### 2016 Premium Volume



Scan this QR code to access the annual report on our website.

#### Direct Written Premiums 2012-2016



#### Policyholders' Surplus 2012-2016

