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Richard M. Ritter, Exec. Vice President & COO  
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Neal G. Pierce, CPA, PFS, CFP®, Treasurer & CFO  
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Steve J. Catranis, Sr. Vice President of Marketing  
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Patrick M. Padalik, Sr. Vice President of Product & Pricing  
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Linda M. May, Vice President of Personal Lines Operations  
Jeanette Metzenroth, Vice President of Commercial Lines  
Patrick L. Smith, Vice President of Personal Lines  
Glenn W. Watkins, Vice President of Marketing  
E. Edward Bowman, Jr., Assistant Vice President of Casualty Claims  
Matt Brasch, Assistant Vice President and Compliance Officer  
Lisa C. Koelln, Assistant Vice President of Product Management  
Blair Sturts, Assistant Vice President of Information Technology

## Office Locations

### Corporate Headquarters

633 Shiloh Pike  
Bridgeton, NJ 08302  
Phone: 800-232-6992

### 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 (retired).

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)

# 2017 Annual Report

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

### To Our Mutual Friends,

As a mutual insurer, The Cumberland Insurance Group provides exceptional customer service and consistent pricing for our agents and policyholders. Cumberland understands the marketplace in a unique way because our headquarters is located within our primary market area, our employees live in the local community, and we maintain this close connection through our support of a variety of charitable initiatives.

Cumberland maintains strong relationships with our agency partners at all levels of the company. As a result of this strong partnership, we are able to effectively plan and develop our production goals and new targets for the coming year by thoroughly reviewing past performance. Throughout the year, we jointly review and monitor our performance with our agency partners to ensure that we achieve our shared goals.

As a mutual, we do not have shareholders, allowing us to prioritize the long term needs of our policyholders. We truly value and understand our policyholders and agents and have a strong commitment to providing protection for our local community. We offer a comprehensive line of products including our Combination Dwelling (Fire), one of our most successful niche products. We are also exploring offering a New Jersey personal auto product in the near future.

Presently, the greatest challenge for regional carriers is to make substantial investment in advanced technologies. Cumberland has been extensively working to develop and implement our new Duck Creek policy administration system. Our new system will provide agents and policyholders with an enhanced level of ease of doing business and provide a digital platform for the future, enabling us to better serve our customers' needs.

Finally, we are happy to report that Cumberland has attained a record level of \$336 million in admitted assets, a record policyholder surplus of \$170 million, and our sixth consecutive year of profitability. We look forward to celebrating our 174th anniversary this year and remain committed to the mutual concept of insurance.



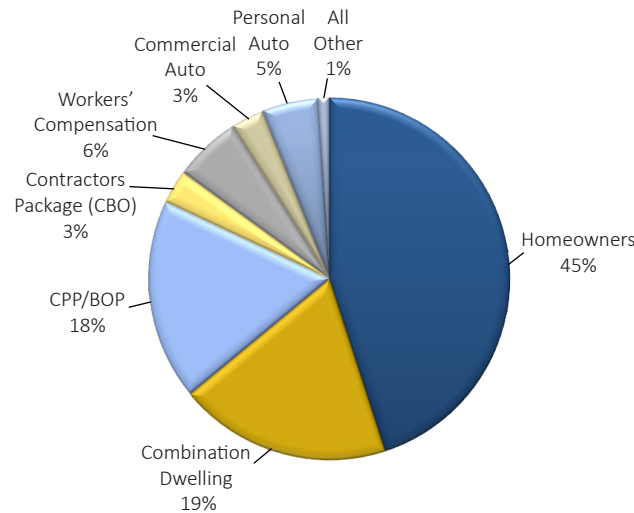
Sincerely,

Paul J. Ritter, III  
President & CEO

Admitted Assets		
Cash and Invested Assets:	Dec. 31, 2017	Dec. 31, 2016
Bonds at Book Value	\$245,295	\$232,329
Common Stocks at Market Value	49,043	42,269
Real Estate at Book Value	6,271	7,859
Cash and Short Term Investments	8,476	13,299
<b>Total Cash and Invested Assets</b>	<b>\$309,085</b>	<b>\$295,756</b>
Accrued Investment Income	1,888	1,830
Uncollected Premiums Receivable	19,739	18,242
Reinsurance Recoverable on Paid Losses	249	330
Federal Income Tax Recoverable	435	1,076
Net Deferred Tax Asset	2,432	7,815
Other Assets	1,844	1,927
<b>Total Admitted Assets</b>	<b>\$335,672</b>	<b>\$326,976</b>

Liabilities and Policyholders' Surplus		
Liabilities:	Dec. 31, 2017	Dec. 31, 2016
Reserve for Losses	\$66,453	\$69,019
Reserve for Loss Adjustment Expenses	18,021	17,381
Commissions Payable (Including Contingent)	5,405	4,664
Accrued Expenses and Other Payables	5,250	8,465
Accrued Taxes, Licenses and Fees	476	465
Unearned Premiums	65,566	65,918
Advance Premium	2,696	2,816
Ceded Reinsurance Premiums Payable	30	316
Other Liabilities	1,304	331
<b>Total Liabilities</b>	<b>\$165,201</b>	<b>\$169,375</b>
Policyholders' Surplus	170,471	157,601
<b>Total Liabilities and Policyholders' Surplus</b>	<b>\$335,672</b>	<b>\$326,976</b>

### 2017 Premium Volume



### Direct Written Premiums 2013-2017



### Policyholders' Surplus 2013-2017

