

MARYSVILLE MUTUAL  
INSURANCE COMPANY

*2006*  
*ANNUAL REPORT*

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INSURING KANSANS SINCE 1889    A.M. Best Rating B++

## STATEMENT OF INCOME AND SURPLUS

December 31, 2006 and 2005

	<b>2006</b>		<b>2005</b>	
Premiums Written	\$16,053,967		\$16,079,766	
Premiums Earned	\$12,651,159	100.0	\$12,700,717	100.0
Losses Incurred	6,509,498	51.5	5,596,659	44.1
Direct Adjusting Exp.	<u>694,679</u>	5.5	<u>713,742</u>	5.6
Gross underwriting income	5,446,982	43.1	6,390,316	50.3
Other underwriting expenses	<u>3,750,960</u>	29.6	<u>4,031,154</u>	31.7
Net underwriting gain (loss)	<u>1,696,022</u>	13.4	<u>2,359,162</u>	18.6
Other income (expenses)				
Investment Income	996,808	7.9	621,282	4.9
Policy issuing fee	25,500	0.2	26,475	0.2
Direct bill service fee income	130,338	1.0	134,941	1.1
Miscellaneous	<u>(6,513)</u>	(0.1)	<u>767</u>	
Total Other Income (expense)	<u>1,146,133</u>	9.1	<u>783,465</u>	6.2
Income before provision for Income Tax	<u>2,842,155</u>	22.5	<u>3,142,627</u>	24.7
Provision for Income Taxes	<u>922,701</u>	7.3	<u>1,034,920</u>	8.1
Net Income	<u>\$1,919,454</u>	15.2	<u>\$2,107,707</u>	16.6

### POLICYHOLDERS' SURPLUS

Policyholders' surplus beginning of year	\$11,037,312	\$ 8,752,150
Net Income	1,919,454	2,107,707
Change in non-admitted assets	4,578	(14,746)
Change in market value-stocks	<u>381,863</u>	<u>192,200</u>
Policyholders' surplus end of period	<u>\$ 13,343,207</u>	<u>\$11,037,311</u>

## ADMITTED ASSETS, LIABILITIES AND SURPLUS

December 31, 2006 and 2005

<b>ADMITTED ASSETS</b>	<b>2006</b>	<b>2005</b>
Investments		
Bonds	\$15,017,240	\$12,909,663
Stocks-market value	3,872,188	3,454,660
Home office bldg, net	<u>108,404</u>	<u>63,603</u>
Total Investments	<u>\$18,997,832</u>	<u>\$16,427,926</u>
Cash and Short Term Inv.	<u>2,391,502</u>	<u>2,512,207</u>
Other Assets		
Agents Balance	215,098	246,719
Direct Bill Balance	2,052,542	1,981,620
Reinsurance Recoverable	44,203	54,846
Accrued Interest & Dividends	171,782	124,648
Fixed assets, net	45,989	69,190
Other assets	<u>54,453</u>	<u>85,889</u>
Total Other Assets	<u>2,584,067</u>	<u>2,562,912</u>
Total Assets	23,973,401	21,503,045
Less: Non-Admitted Assets	<u>(29,844)</u>	<u>(34,422)</u>
<b>TOTAL ADMITTED ASSETS</b>	<u><b>\$23,943,557</b></u>	<u><b>\$21,468,623</b></u>
<b>LIABILITIES AND POLICYHOLDERS' SURPLUS</b>		
Liabilities		
Unearned Premiums	\$8,051,933	\$ 8,080,618
Unpaid Claims	1,346,602	1,213,568
Unpaid Adjusting Expense	39,657	63,705
Reinsurance Premium Payable	149,829	126,284
Other accrued liabilities	1,012,329	947,137
<b>TOTAL LIABILITIES</b>	10,600,350	10,431,312
<b>Policyholders' Surplus</b>	<u>13,343,207</u>	<u>11,037,311</u>
<b>TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS</b>	<u><b>\$23,943,557</b></u>	<u><b>\$21,468,623</b></u>

## EXECUTIVE OFFICERS

Eugene Houtz	Chairman, CEO
Trent Moser	President, COO
Lori Scheibe	Corporate Secretary/ V.P. Administration
Susan Craig	Claims Manager
Sue FitzGerald	Underwriting Supervisor

## BOARD OF DIRECTORS

Eugene Houtz, Chairman	Marysville
Donald McDow, Vice Chairman	Lawrence
Donald Kramer, Treasurer	Marysville
Ila Fritzler	Ness City
Terry Jelinek	Munden
Robert Malir, Jr.	Wilson
L. R. McKibben	Hutchinson
Scott Stuckey	Junction City
Melvin Roepke	Topeka

