

Dear Policyholder,

We are pleased to report that Goodville's operating ratios remained exceptionally strong in 2009. Signs of economic stability and recovery give us hope that better times lie ahead. But unemployment and foreclosures on homes and businesses harshly remind us that financial hardship is still reality for many.

In these unnerving financial times Goodville has remained stable and strong, as has our industry. As a mutual company we keep our focus on sound long-term strategies, investing profits in the company for the benefit of policyholders.

Strong underwriting profits and investment returns generated an exceptional increase to policyholder equity. Our conservative, social principles investment strategy reflects the values of our policyholders, preserves capital and generates income.

Many new policyholders joined Goodville in 2009. Agents used our online processing system to easily connect you to our competitive products. We welcomed the many policyholders the Church of the Brethren Mutual Aid Association transferred to us.

Our robust capital position provides capacity to grow. We are actively working to place more agents in states where our presence is minimal, knowing there are many more potential policyholders like the ones that have made Goodville a strong company for 84 years. Thank you for your good stewardship in caring for properties, businesses and farms and for your safe driving.

Our professional independent insurance agents know how to help you assess your insurance needs and how to make it easy for you to obtain your coverage from us. Thank you for giving your agent and the Goodville team the opportunity to serve you.



Herman D. Bontrager
President & CEO



Goodville Mutual

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As of December 31

Assets	2009	2008
Bonds	\$ 87,705,442	\$ 83,547,769
Stocks	28,313,940	16,924,974
Mortgage Loans on Real Estate	317,852	334,270
Land and Home Office Building	454,324	444,540
Cash & Short-term Investments	6,872,548	6,373,068
Premiums Receivable	8,363,154	7,971,761
Accrued Interest Receivable	773,882	759,306
Other Assets	3,198,655	3,699,533
Total Assets	\$ 135,999,797	\$ 120,055,221

Liabilities & Policyholders' Surplus

Reserve for Unpaid Losses	\$ 21,912,058	\$ 18,754,639
Unearned Premiums	26,042,024	24,693,902
Other Liabilities	6,730,867	7,093,672
Income Tax Payable	273,678	132,039
Policyholders' Surplus	81,041,170	69,380,969
Total Liabilities & Surplus	\$ 135,999,797	\$ 120,055,221

Underwriting Income

Premiums Earned	\$ 60,560,233	\$ 57,941,030
Losses Incurred	34,814,194	27,576,632
Loss Adjustment Expense	4,736,787	3,432,845
Underwriting Expense	17,765,000	17,309,189
Underwriting Gain/(Loss)	\$ 3,244,252	\$ 9,622,364

Investment Income

Net Investment Income	\$ 3,140,189	\$ 611,747
Other Income	134,211	131,570
Federal Income (Tax) or Credit	(2,192,814)	(4,242,367)
Net Income/(Loss)	\$ 4,325,838	\$ 6,123,314

Goodville's Corporate Objectives:

Enduring Relationships— To develop and nurture enduring relationships with employees, agents and policyholders.

Competitive Products— To deliver high quality, competitive insurance products to our target market.

Outstanding Service— To satisfy our customers with outstanding service.

Financial Stability— To manage operations for profitability and long-term sustainability.

working
to earn your trust every day

2009 Summary

Direct Premium Writings	\$ 64,886,669(+4.5%)
Total Assets	\$ 135,999,797(+13.3%)
Policyholders' Surplus	\$ 81,041,170(+16.8%)
Super Service Claims Settlement	78%	
Net Income/(Loss)	\$ 4,325,838	
Best's Rating	A VII (Excellent)	

Operating Ratios

	2009	2008
Losses Incurred to Premiums Earned	65.3%	53.5%
Expense Incurred to Net Premiums Written	28.7%	29.4%
Combined Loss and Expense Ratio	94.0%	82.9%

Policyholders' Surplus

	2005	2006	2007	2008	2009
\$ 80,000,000					•
\$ 75,000,000					
\$ 70,000,000			•		
\$ 65,000,000				•	
\$ 60,000,000		•			
\$ 55,000,000					
\$ 50,000,000	•				
\$ 45,000,000					
\$ 40,000,000					

Managing Officers

Herman D. Bontrager, President
 Philip E. Nolt, Vice President
 Jerry L. Goodpaster, Vice President Underwriting
 Fred M. Macy, Vice President Marketing
 Philip W. Shirk, Chief Financial Officer
 Michael S. Zimmerman, Vice President Claims

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