

2017

# Annual Report



**Goodville Mutual**  
Casualty Company

NEW HOLLAND, PA | (800) 448-4622 | [WWW.GOODVILLE.COM](http://WWW.GOODVILLE.COM)

## Our Mission Statement

Our mission is to provide comprehensive property and casualty insurance products of the highest quality and to conduct our business by biblical principles of love, justice and integrity. We are committed to maintaining lasting relationships with policyholders, independent agents and employees; giving excellent customer service; promoting safety and loss prevention; and contributing a portion of our operating profits to charitable organizations.

# Working to earn your trust every day

## 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.



FROM LEFT TO RIGHT, President of Cornerstone Design-Architects **Dale R. Yoder**, New Holland Mayor **Wilbur Horning**, President and CEO of Goodville Mutual **David Gautsche**, Goodville Mutual Board Chairman **Jim Harder**, and President of Warfel Construction Company **Matt Hartzler** celebrate the end of construction on the New Holland, Pennsylvania building with a Ribbon Cutting Ceremony.



2010-2017



## A Message From The President

Dear Policyholder,

In July of 1924 a group of visionary leaders gathered in Lancaster County, Pennsylvania to discuss the emerging liability issue created by the growth of motorized vehicles. It took several years, but on January 24th, 1926 a charter was granted to Goodville Mutual Casualty Company by the state of Pennsylvania. The world was a very different place in 1926, and Goodville has continued to adapt and change during that time, but the vision of the founders continues on to this day.

Our vision since 1926 has been to provide stability and protection for our policyholders, while doing business in a way that reflects our deeply held values. As a mutual insurance company, founded out of a tradition of mutual aid and a strong sense of community, we strive to provide comprehensive property and casualty insurance products of the highest quality and to conduct our business by biblical principles of love, justice and integrity. We can only accomplish this through the diligent work of committed staff and agents.

Over the past 10 years Goodville has experienced significant growth and success. Premium written has grown from \$62 million in 2008 to \$154 million in 2017. Surplus grew by 159% over that period from \$69 million to \$179 million. Our growth in surplus is the result of consistent underwriting gains, with only one year of underwriting losses in the last ten years, and has also been supported by steady investment returns based on our conservative and disciplined socially responsible investment strategy.

In 2017 we again successfully delivered an underwriting gain, but it was more difficult than in years past. An unusually high frequency of severe weather caused significantly higher storm losses, especially in Oklahoma and Pennsylvania. With a stronger fourth quarter we were able to improve our results, although not quite meet our budgeted goals. On a positive note, premium grew 7.1% and exceeded our budget goals, ending a period of years with very modest top line growth. Diligent stewardship and expense control also added to our overall profitability.

Our A, Excellent rating with AM Best and eighth consecutive designation by The Ward Group as one of the Top 50 property and casualty companies in the country reaffirms the long-term financial stability of the company!

Regardless of the significant success, it is critical that Goodville continue to invest and adapt to a rapidly changing environment if we want to grow and thrive. This past year we continued our investment in our Farm and Commercial programs, expanded our online business acquisition system to include Farm programs, and launched a Worker's Compensation line of business to allow us to serve a broader group of employers. We also completed the final policy transitions from German Mutual to Goodville, successfully completing the five year integration of German Mutual.

As a mutual insurance company we exist for the express purpose of serving our policyholders. We sincerely appreciate the loyalty and commitment you have demonstrated over the years and remain committed to working hard to earn your ongoing trust.

**David C. Gautsche** - President & CEO

# Summary of 2017

Goodville entered into 2017 with some ambitious goals. From these goals we are happy to share our accomplishments from the year:

- Achieved a net gain of more than 10 new agencies for the second year in a row.
- Launched Phase 1 Farm upgrades.
- Introduced online quoting for Farmowners, which will improve both agency and internal efficiencies.
- Expanded our Commercial appetite and prepared for the launch of Cyber coverage in early 2018.
- Announced Workers Comp in Pennsylvania, effective January 1, 2018, with other states to follow.
- Finalized the German affiliation by converting the last policies to Goodville paper, allowing us to reduce expenses.
- Completed a major expansion of our New Holland facilities, coming in on budget and on time.
- Adopted a new logo and corporate colors, representing our forward-focused mindset.

We accomplished all of this while also significantly exceeding our premium growth goals and managing expenses effectively. We were able to meet or exceed expectations in regards to all variables within our control.

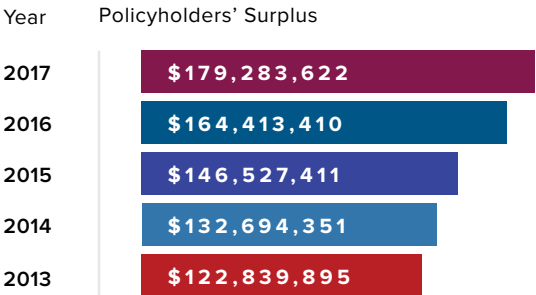
As we move forward into 2018, we have set clear goals for the year and look forward to what the future holds!

4

## Financial Summary

Additional financial reports can be found on page 11.

2017 SUMMARY		
Direct Premium Writings	\$154,437,267	(+ 7.1%)
Total Assets	\$305,858,779	(+ 8.8%)
Policyholders' Surplus	\$179,283,622	(+ 9.0%)
Net Income / (Loss)	\$9,404,392	



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Goodville Mutual Casualty Company is an exemplary company to do business with as an agent and a long time policyholder. I appreciate their thoroughness in evaluating risks, keeping up with policy changes, communication with agents and their true caring for all of their policyholders.

They have been invaluable to me as an agent over the last 4 years. I credit my success with this agency to Goodville!

Sandra Haynes, Principal and Goodville agent at Blough Insurance Agency

# Partner Agencies

Agencies that earn Partner status with Goodville have displayed exceptional performance in the areas of business written, loss ratio, and growth percentage. Partner agencies become part of Goodville's Partnership Council and receive benefits to reward their accomplishments.

## 2017 PARTNER AGENCIES:

Avery W. Hall Insurance Agency, Inc., *DE*  
B. Titus Rutt Agency, Inc., *PA*  
Balsbaugh Insurance Agency, Inc., *PA*  
Beiler Insurance Agency, Inc., *PA*  
Bokerman Yackee Koesters Insurance, *OH*  
Brethren Mutual Aid Agency, *KS*  
Central Insurers Group, Inc., *PA*  
Clapper Insurance Agency, Inc., *PA*  
Dillon-Sullivan Insurance, *KS*  
Franconia Insurance & Financial Services, *PA*  
G. F. Walls Agency, Inc., *VA*  
Gunn-Mowery, LLC, *PA*  
Hummel Group, Inc., *OH*  
Insurance Center of Harrisonburg, Inc., *VA*  
Lamm's Insurance Agency, Inc., *OH*  
Lehman Insurance Agency, Inc., *PA*  
Martin Insurance Agency (Millersville), *PA*  
McBane Insurance & Financial Services, Inc., *OH*

Menno Insurance Service, *IN*  
Miller Insurance Agency, Inc., *KS*  
Montgomery & Weigle Insurance, Inc., *PA*  
Mosholder Insurance Agency, *PA*  
Murray Securus, *PA*  
Paul I. Sheaffer Insurance Agency, Inc., *PA*  
Pepper Insurance & Financial Services, LLC, *PA*  
Roger W. Myers Insurance Agency, LLC, *PA*  
Runkle Agency, LLC, *PA*  
Samford Stover Agency, Inc., *KS*  
Short Insurance Agency, *OH*  
Strong's Insurance, Inc., *KS*  
Weaver Insurance & Financial Advisors, *VA*  
Weaver Insurance Group, Inc., *PA*  
Westmor Insurance LLC, *PA*  
Zimmerman's Insurance, *PA*

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Goodville Mutual exceeded my expectations. I could not have been any happier.

Policyholder Val S., *Pennsylvania*

# Partnership Council Awards

Partnership Council has long been the flagship of Goodville's contract with agents. It provides the opportunity to honor and reward Partner agencies for their success, hard work, and strong commitment to Goodville. At our Partnership Council annual event, we announced the winners of our Partnership Council GALA (Goodville Achievement & Leadership Appreciation) Awards.

\*Awards based on 2016 data.



## Lamm's Insurance Agency, Inc.

Largest Percentage of Premium Growth (for Agencies smaller than \$1.5 Million)

Accepted by Agency Principal Tom Lamm



## Strong's Insurance, Inc.

Largest Percentage of Premium Growth (for Agencies \$1.5 Million or larger)

Accepted by Agency Principal Scott Strong



## Weaver Insurance & Financial Advisors

Lowest 5 Year Uncapped Loss Ratio

Accepted by Agency Principal Brent Showalter

## Lehman Insurance Agency, Inc.

Most New Commercial Lines Policies Written  
&  
Most New Personal Lines Policies Written

Accepted by Agency Principal Rodney Lehman

## Balsbaugh Insurance Agency, Inc.

Most New Farm Lines Policies Written

Accepted by Agency Principal Mike Landis

## Balsbaugh Insurance Agency, Inc. & Beiler Insurance Agency, Inc.

Most Consecutive Partnership Terms Earned

Accepted by Agency Principal of Balsbaugh, Mike Landis

&  
Accepted by Agency Principal of Beiler, Rob Beiler



As a long time Goodville Mutual client, I am very appreciative of the service I get from Goodville. The #1 company in the whole country!!

Policyholder Frederick P., Virginia



# General Overview of Agencies

All Goodville agencies operate at the highest levels of professionalism and integrity, providing excellent service to our policyholders. In our efforts towards growth, we've added 17 new agencies to our agency force this past year.

## NEW AGENCIES IN 2017:

**Brockey Insurance Agency**  
Culver, IN

**Central Insurance Agency, Inc.**  
Clifton, IL

**Dubler Insurance LLC**  
Irving, PA

**Gallen Insurance Inc.**  
Shillington, PA

**Harrod Insurance Agency, Inc.**  
Wapakoneta, OH

**Insurance Professionals Central Virginia**  
Ruckersville, VA

**Jack L. Bonus Insurance, Inc.**  
Zelienople, PA

**King Danforth Agency, Inc.**  
Cissna Park, IL

**Lee Sharman & Associates Insurance Agency, Inc.**  
Kankakee, IL

**Leitzel's Insurance Agency, Inc.**  
Millersburg, PA

**Mantz Miller Insurance Agency, Inc.**  
Red Lion, PA

**Mid-Ohio Insurance Solutions, Inc.**  
Prospect, OH

**Miller Insurance Group**  
Bremen, IN

**Rumbaugh Insurance**  
Hanover, PA

**Snyder Insurance Agency, Inc.**  
Michigan City, IN

**The Insurance Advisor Group, LLC**  
Pickerington, OH

**The Insurance Shop, Inc.**  
Odon, IN

**Total Goodville Agencies in Eight States: 195**

### PENNSYLVANIA

2017 Direct Premium Writings: \$73,568,012  
Number of agencies: 27

### OHIO

2017 Direct Premium Writings: \$32,919,811  
Number of agencies: 51

### KANSAS

2017 Direct Premium Writings: \$15,596,448  
Number of agencies: 17

### VIRGINIA

2017 Direct Premium Writings: \$11,373,441  
Number of agencies: 20

### OKLAHOMA

2017 Direct Premium Writings: \$8,254,004  
Number of agencies: 6

### DELAWARE

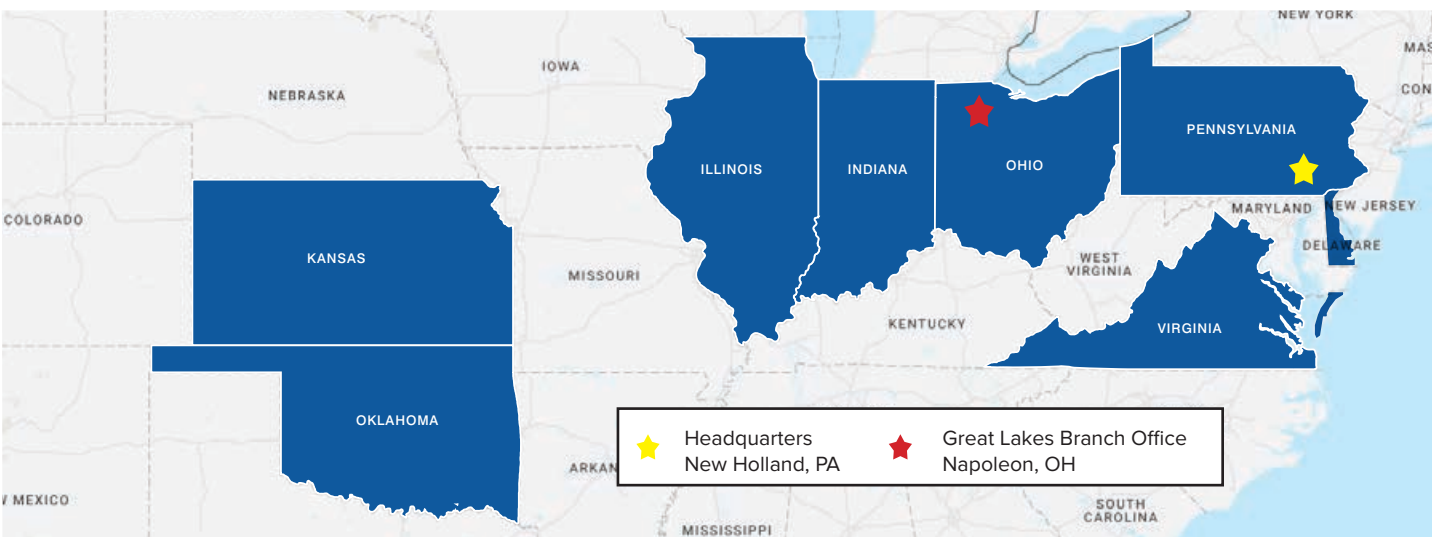
2017 Direct Premium Writings: \$4,637,546  
Number of agencies: 5

### INDIANA

2017 Direct Premium Writings: \$4,419,493  
Number of agencies: 14

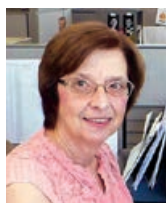
### ILLINOIS

2017 Direct Premium Writings: \$3,668,662  
Number of agencies: 15



# Employee Milestone Anniversaries

## Celebrating 40 Years



### 40 YEARS

**Donna Townsend** *Casualty Claims Manager - May 18*  
**Kathy Good** *Director of Product Development - June 1*

## Celebrating 35 Years



### 35 YEARS

**Keith Martin** *Senior Software Engineer - August 19*

## Celebrating 30 Years



### 30 YEARS

**Glen Hess** *Senior Claims Representative - February 9*  
**Mark Troyer** *Commercial Lines Underwriter - August 17*

## Celebrating 25 Years



### 25 YEARS

**Danita Riehl** *Accounts Payable / Payroll Administrator - November 10*

## Celebrating 15 Years



### 15 YEARS

**Phil Shirk** *Chief Financial Officer - February 11*  
**Susan Brendle** *Personal Lines Underwriting Processor Group Leader - October 25*

## Celebrating 10 Years



### 10 YEARS

**Rodney Eberly** *Senior Software Web Developer Analyst - June 13*  
**Jackie Diem** *Accounts Receivable CSR Clerk - December 3*  
**Fred Macy** *VP of Marketing - December 31*  
**Kylene Martin** *Commercial Lines Underwriting Processor - December 31*

## Celebrating 5 Years



### 5 YEARS

**Barb Beining** *Senior Commercial Lines Underwriter - February 13*  
**Heather Witmer** *Farm Underwriter / Processor - April 2*  
**Nick Manson** *Claims Representative - July 2*  
**Tracy Stark** *Claims Representative - September 24*  
**Alicia Heyl** *Assistant Personal Lines Underwriter - December 3*



## Employee Designations



**Alyson Leaman**  
*Controller*

In August, Alyson earned the Associate in Insurance Accounting and Finance (AIAF) designation from The Institutes.



**Paul Styer**  
*Personal Lines Underwriter*

Over the summer, Paul earned the Associate in General Insurance (AINS) designation from The Institutes.



**Chase Boian**  
*IT Help Desk Analyst*

In November, Chase obtained the CompTIA A+ certification from CompTIA.

## Charitable Initiatives

### Eight Categories of Giving

An important component of our mission statement is to contribute a portion of our operating profits to charitable organizations. Our Board has provided us with a goal to contribute 2% of Goodville's net earnings annually to charitable organizations. We are happy to be able to contribute to organizations within the following categories:

- 1 - Colleges and Seminaries
- 2 - Pennsylvania Primary and Secondary Schools
- 3 - International Relief and Development
- 4 - US Disaster Relief
- 5 - Lancaster County not-for-profits
- 6 - Northwestern Ohio not-for-profits
- 7 - Local Fire & Rescue Departments
- 8 - Employee not-for-profit initiatives



Claims Processor  
**Angie Spradlin**  
volunteering for  
Adopt America  
Network's annual  
auction in Ohio.



Marketing  
Communications  
Specialist **Jessica  
Leddy (L)** and  
Actuary **Tina  
Zimmerman (C)**  
dropping off  
donations to the  
New Holland  
Learning Center.

# Administration



## Managing Officers

FROM LEFT TO RIGHT: **Jerry L. Goodpaster**, *Vice President Underwriting*, **Michael S. Zimmerman**, *Vice President Claims*, **David C. Gautsche**, *President & CEO*, **Philip W. Shirk**, *Chief Financial Officer*, **Fred M. Macy**, *Vice President Marketing*



## Board of Directors

FRONT ROW FROM LEFT TO RIGHT: **Miriam E. Shirk**, *Goshen, Indiana*, **Carlton L. Miller**, *Vice Chairman, Boalsburg, Pennsylvania*, **David C. Gautsche**, *President, Lancaster, Pennsylvania*, **A. Pete Wyse**, *Wauseon, Ohio*, **Keith W. Lehman**, *Lititz, Pennsylvania*

SECOND ROW FROM LEFT TO RIGHT: **James M. Harder**, *Chairman, Bluffton, Ohio*, **Donald L. Nice**, *Perkasie, Pennsylvania*, **Allon H. Lefever**, *Treasurer, Lancaster, Pennsylvania*, **Andrew Dula**, *Lancaster, Pennsylvania*, **Lori B. Miller**, *Archbold, Ohio*, **Jeremy C. Shue**, *Goshen, Indiana*

THIRD ROW FROM LEFT TO RIGHT: **John L. Frankenfield**, *Secretary, Harleysville, Pennsylvania*, **Gregory A. Edwards**, *Napoleon, Ohio*, **Scott Miller**, *Defiance, Ohio*, **Sanford L. Alderfer**, *Harleysville, Pennsylvania*

NOT PICTURED: **Glennys H. Shouey**, *Mt. Crawford, Virginia*



Goodville's Board of Directors works on behalf of our many policyholders to ensure that the company consistently provides the enduring relationships, competitive products, outstanding service and financial stability that have become the hallmarks of Goodville throughout our long history.

As a board, we recognize, with great appreciation, the daily efforts of all Goodville employees in achieving those outcomes, and in doing so with the strongest ethical standards. We also highly value and recognize the importance of the efforts of our dedicated network of community-based independent insurance agents in providing front-line services to our policyholders.

Goodville is truly a team effort—thank you! - **James M. Harder**, *Board Chairman*

# Financials

ASSETS	2017	2016
Bonds	\$ 200,349,022	\$ 183,635,056
Stocks	60,842,271	53,667,951
Real Estate	6,357,582	4,799,529
Cash & Short-term Investments	15,110,443	15,599,678
Premiums Receivable	20,910,749	19,008,530
Other Assets	2,288,712	4,312,498
<b>Total Assets</b>	<b>\$ 305,858,779</b>	<b>\$ 281,023,242</b>

LIABILITIES & POLICYHOLDERS' SURPLUS	2017	2016
Reserve for Unpaid Losses	\$ 50,101,946	\$ 43,016,760
Unearned Premiums	61,359,338	57,167,854
Other Liabilities	15,113,873	16,425,218
<b>Total Liabilities</b>	<b>126,575,157</b>	<b>116,609,832</b>
<b>Policyholders' Surplus</b>	<b>179,283,622</b>	<b>164,413,410</b>
<b>Total Liabilities &amp; Surplus</b>	<b>\$ 305,858,779</b>	<b>\$ 281,023,242</b>

INCOME STATEMENT	2017	2016
Premiums Earned	\$ 143,373,223	\$ 135,516,211
Loss & Loss Adjustment Expense	98,250,230	80,442,660
Underwriting Expense	40,828,410	38,080,797
<b>Underwriting Gain / (Loss)</b>	<b>4,294,583</b>	<b>16,992,754</b>
Investment Income	7,293,292	6,753,273
Other Income	349,997	344,081
Federal Income (Tax) or Credit	(2,533,480)	(5,874,428)
<b>Net Income / (Loss)</b>	<b>\$ 9,404,392</b>	<b>\$ 18,215,680</b>

OPERATING RATIOS	2017	2016
Losses Incurred to Premiums Earned	68.5%	59.4%
Expense Incurred to Net Premiums Written	27.7%	27.7%
Combined Loss and Expense Ratio	96.2%	87.1%

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Throughout our 22 years of working with Goodville, their personable staff has always been very responsive and accommodating. Also, the user-friendly website makes quoting and policy changes efficient.

*Phil Godshall, Principal and Goodville agent at Godshall Insurance Agency, LLC*



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