

## EMPLOYEE VOLUNTEERING

ELCO Mutual feels very strongly about contributing to our community. Employees often get off work on Friday afternoon to spend their free time helping at Bernie's Book Bank which distributes books to at-risk youth or Feed My Starving Children where a team of volunteers assists in the packaging of nutritious meals for hungry children around the world. Seasonally, our staff collects school supplies for economically distressed districts in our area and partners with Catholic Charities to provide presents for seniors during the holidays. This year we will be taking another big step to expand our heart for volunteerism. We will be sponsoring The Promise Garden Tent for the Walk to End Alzheimer's in September and the Survivor's Tent at the Strides Against Breast Cancer Walk.

## INDUSTRY RESOURCES

ELCO Mutual Life and Annuity is proud to be a member of several organizations. Our membership helps our staff in learning and keeping abreast of regulatory changes. These organizations are well established and industry renowned.

- Life Insurance Council (LIC)
- Life Office Management Association (LOMA)
- International Claims Association (ICA)
- Society of Human Resources Management
- Mutual Life Companies Association

We are pleased that over 77% of our staff holds a professional designation. Many hold multiple designations while others are aspiring to earn either their first or additional designations. Our staff works tirelessly to improve their skills to better serve our policyholders.

## BOARD OF DIRECTORS

### Edmund J. Kulpins

*Chairman, Chief Executive and Financial Officer*

### David A. Bruce, ALHC, ACS

*President*

### Richard P. Leach, CLU

*Secretary & Senior Vice President*

### Robert E. Bruce

*Secretary Emeritus*

### William D. Bruce

*Chairman Emeritus*

### Patricia B. Payne

*Medical Doctor (Retired)*

### S. James Farrell

*Communications Consultant*

## OFFICERS

### Edmund J. Kulpins

*Chairman*

### David A. Bruce

*President*

### Richard Leach

*Secretary and Sr. Vice President*

### Roger A. Grum

*Vice President*

### Paul J. Grawe

*Vice President, Asst. Secretary & Asst. Treasurer*

### Ponni S. Nainar

*Treasurer*

### Lori Lemme

*Vice President of HR*



**LIFE & ANNUITY**

#### Direct-to-Department Numbers:

Agency	(888) 240-3351
New Business	(888) 872-7954
Policy Services	(800) 321-3526
Claims	(800) 962-8610

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



**ELCO  
MUTUAL**

**LIFE & ANNUITY**

**2017 REPORT**

Serving Financial Planning Needs in Forty-Three States

## A MESSAGE FROM THE CHAIRMAN

ELCO witnessed continued growth and prosperity in 2017. The goals that had been set for our 71st year of operations were surpassed. The long-standing decision to concentrate on the seniors' market remains astute. Today with the daily addition of 10,000 baby boomers turning 65, perpetuation of this market with its vast opportunities remains strong.

During the past year the company increased its total of state licenses to 43 by adding Alaska and Hawaii. Availability for products offsets the added administration costs. Much of our production success is attributed to policy contracts that are easily read, and which don't have hidden charges. We also boast that our absence of policyholder complaints is attributable in a large part to our "client-first" philosophy. We have not forgotten the importance of the human element by having our qualified staff answer our telephones.

The strong Home Office atmosphere of teamwork continues to grow. Lack of employee turnover improves technical knowledge of our staff while negating the cost of replacement training. The contribution to overall company morale is evidenced by our success.

In 2017, assets increased by 8.4% and our surplus increased by 13.8%. Our growth has been strong and sustainable. A company's solvency ratio is something that is critical. Some of the largest insurers have a solvency ratio of only 102%. ELCO's solvency ratio is 108%.

We are a true mutual insurer, meaning we do not have a holding company or stockholders that control the company. Our policyholders own the company and we work hard for them, providing the best products and service.

Challenges are always on the horizon, but we are confident that we will meet each new challenge as we have for the past 71 years.

*E.J. Kulpins*  
Chairman

## 2017 FINANCIAL HIGHLIGHTS

### Assets

Bonds	\$603,063,341
Preferred Stocks	3,000,000
Common Stocks	0
Mortgage Loans	1,803,057
Real Estate	2,958,231
Policy Loans	115,088
Cash and Short Term	107,629,197
Deferred Premiums	727,699
Other Assets	42,990,699

**Total Admitted Assets \$763,287,312**

### Liabilities

Policy Reserves	\$431,973,716
Policy and Contract Claims	844,112
Deposit Type Contract Reserves	258,800,646
Other Policyholder Funds	645,491
Other Liabilities	2,266,828

**Total Liabilities \$690,030,793**

### Policyholder Surplus

Special Reserves (AVR/IMR/AA)	\$14,562,695
Unassigned Surplus Funds	58,693,824

**Total Policyholder Surplus \$73,256,519**

**Total Liabilities and Surplus \$763,287,312**



### Asset Growth (in millions)\*



### Unassigned Surplus Growth (in millions)\*



\*Rounded to the nearest million