

Wisconsin Mutual Insurance Company posted record net income before Federal Taxes for the fourth consecutive year with \$9.4 million in 2005. We also added a record \$5.7 million to surplus or 21.5% return on equity. This was the 15th consecutive year of surplus growth with an average of 16.2% per year.

Admitted assets increased 11.6% to \$75.4 million while direct written premiums rose 4.7% to \$58.1 million. Incurred losses increased by 5.7% led by a more active storm season and major fires in property. This increase was partially offset by a reduction in auto claims. The resulting combined ratio of 87.0% (87.5% for 2004) was substantially below the industry average and one of the best in the state. Record underwriting profits increased 7.0% to \$6.7 million as the automobile lines with a combined ratio of 85.6% accounted for \$5.2 million (up 73.5%) of the total. The homeowner lines remained profitable contributing \$654,000 to the gain, with a combined ratio of 94.1%, even though incurred losses were up 55.3% from last year. The total incurred expense ratio improved from 28.6% to 27.0% (loss expense 6.9% and other operating expense 20.1%) and continues to be the leader in the state. The Company maintained its adequate reserving with one and two year development redundancies of 10.2% and 9.8% respectively.

Along with being the 31st consecutive year of increased writings, 2005 was the fourth successive year of record highs in total underwriting and net income, surplus and surplus growth, direct, net and earned premiums, and total assets, while paying out record profit sharing to employees and contingent commissions to agencies. These numbers, along with all key financial ratios are expected to remain strong into the future.

Wisconsin Mutual's outstanding performance is a product of the contributions of our dedicated employees and agents providing exceptional service to our policyholders through both person to person interaction and effective use of technology. We continue to expand our base of insurance offerings and are committed to keeping our products competitive in both price and function, and look to remain a financially secure Wisconsin based company into the foreseeable future.

Daniel A. Keyes
President

Our 103rd Annual Report

**For the Year Ended
December 31, 2005**



www.wiins.com

A Non-Assessable Mutual Company
Organized in 1903

WISCONSIN MUTUAL INSURANCE COMPANY
Statement of Financial Condition **December 31, 2005**

<u>ASSETS</u>	2005	2004
Bonds (Amortized).....	\$69,539,553	\$60,375,040
Stocks (Market).....	1,373,588	2,523,767
Real Estate & Mortgages on Real Estate.....	1,840,010	1,899,066
Cash, Bank Deposits & Other Invested Assets.....	(804,316)	471,594
Reinsurance Recoverable.....	572,372	17,498
Accrued Interest & Dividends.....	700,955	654,312
Tax Receivable(Including Deferred Tax Asset).....	1,440,751	1,295,832
Premiums Receivable.....	681,732	251,340
Other Assets.....	<u>11,737</u>	<u>39,532</u>
Total Assets.....	<u>\$75,356,382</u>	<u>\$67,527,981</u>
 <u>RESERVES AND LIABILITIES</u>		
Reserves for Unpaid Claims.....	\$22,548,210	\$21,611,800
Reserves for Loss Adjusting Expenses.....	3,890,434	3,469,589
Other Accrued Expenses.....	585,462	507,723
Accrued Taxes, Licenses and Fees.....	561,599	1,199,773
Reserves for Unearned Premiums.....	12,818,116	11,827,247
Ceded Reinsurance Balances Payable.....	285,892	206,045
Advance Premiums.....	640,787	530,323
Commissions Payable & Contingent Commissions....	1,524,420	1,400,793
Other Liabilities.....	<u>68,399</u>	<u>90,207</u>
Total Reserves and Liabilities.....	<u>\$42,923,319</u>	<u>\$40,843,500</u>
 <u>SURPLUS TO POLICYHOLDERS</u>		
Unassigned Surplus Funds.....	\$32,433,063	\$26,684,481
Total Surplus, Reserves and Liabilities.....	\$75,356,382	\$67,527,981
 <u>PREMIUMS, LOSSES, OTHER INCOME</u>		
Direct Premiums Written.....	\$58,131,461	\$55,537,245
Losses Incurred.....	30,890,783	29,230,860
Underwriting Gain/(Loss).....	6,660,233	6,222,575
Net Investment Income.....	2,398,761	2,185,629
Operating Income Before Federal Taxes.....	9,365,431	8,726,349
Increase to Surplus (Decrease).....	5,748,579	5,748,036
Combined Ratio.....	87.0%	87.5%