

N_{orth} E_{astern} W_{isconsin} S_{LETTER}

Spring/Summer 2018



Maple Valley Mutual
Insurance Company

"The Promise You Can Trust"



When an American says that he loves his country, he means not only that he loves the New England hills, the prairies glistening in the sun, the wide and rising plains, the great mountains, and the sea. He means that he loves an inner air, an inner light in which freedom lives and in which a man can draw the breath of self-respect.

Adlai Stevenson

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DON'T MISS!!

Agent Meeting/
21st Annual Golf Classic
August 21, 2018
Golden Sands Golf Course
Cecil

President's Message

Officer Changes - March 27, 2018

During our Board Meeting on March 27th, the following Officer changes were made:

John H. Matravers retired as Chairman of the Board. John has served on our Board of Directors since 1995, served in his present capacity as Chairman since 2012, was Vice Chairman and Secretary from 2008 to 2012 and a member of the Executive Committee since 2008. He will remain on the Board as a Director. John and his wife, Rose, reside in Oconto. The Director's present thanked him for his service as Chairman and an Officer of the Company since 2008.



Thomas A. Bitters was elected to succeed John H. Matravers as Chairman of the Board. Tom joined our Board of Directors in December of 2008 and became Vice Chairman and Secretary in March of 2012. Tom grew up in the Lena area on a dairy farm and graduated from Lena High School. In 1969, he was drafted into the US Army and served a tour of duty in Vietnam with the 244th SAC. He then received a Bachelor of Business Administration and Business Law from UW Whitewater. Tom worked 24 years as a Financial Services Officer for Green Stone Farm Credit Services and retired from this position in 2009. Tom and his wife, Kay, own and operate a hobby farm east of Lena.



Duane J. Magnin was elected to succeed Mr. Bitters as Vice Chairman/Secretary of the Board. Duane joined our Board of Directors in March of 2012. He grew up in the Lena area and graduated from Lena High School. Duane and his wife, Danna, own and operate Our Own Construction Company in Lena. He has attended University of Wisconsin - Green Bay and has an Associate's Degree in Architectural Drafting from NWTTC in Green Bay. Duane, his wife Danna and daughters, reside in the town of Oconto Falls.



President/General Manager Change effective September 1, 2018:

The long search for my replacement has been finalized. It started back on March 3, 2010 when a Succession Plan for the President/General Manager was established and approved by Maple Valley Mutual Insurance Company's (MVMIC) Board of Directors. The Plan included the usual items - Mission and Vision Statements, Duties and Responsibilities, Individual Qualities Necessary, What History Tells Us, Guidelines/Qualifications, Education/Skills, Experience Required, Time Frame and Available Options. As with any Plan, this document was reviewed, updated and approved by MVMIC's Board of Directors on an annual basis with the last revisions being approved on April 26, 2017. All provisions of this Plan were included in our recent evaluation and review to reach a final determination.

During this process, the following option was decided upon:

Promotion Within the Company - If a qualified and properly mentored current employee has the ability, knowledge and experience to manage the Company as set forth in the Succession Plan, this option should be taken into consideration. This is the way this type of change has been handled in a number of mutual insurance companies to provide the necessary training, background and Company information to the new manager before he/she takes on the position.

During our Board Meeting on April 25th, your Board of Directors determined that a current employee of the Company, Chadwick J. Schuettpelz, has the ability, knowledge and experience to successfully manage the Company as set forth in the Succession Plan for President and General Manager. A motion was made, seconded and carried that effective September 1, 2018, Chadwick J. Schuettpelz be promoted to President and General Manager of Maple Valley Mutual Insurance Company and also be elected to the Board of Directors to serve in this capacity.



(Continued on page 2)

Chad joined Maple Valley Mutual as Claims Manager back in March of 2014 and became Vice President-Claims July 1, 2017. Chad grew up in the Lena area and graduated from Lena High School. He has attended University of Wisconsin - Green Bay and is almost finished with his Associate's Degree in Business Management from NWTC in Green Bay. He has also completed numerous other insurance related courses including Dale Carnegie and Randall Resources leadership courses and is currently involved in a continuing education program with Randall Resources.

Chad is very well versed on the insurance industry and keeping current on practices and trends as noted by the progress he has made at Maple Valley Mutual, his participation in NAMIC, WAMIC and other educational and association activities. His completion of all the requirements to earn the Professional Farm Mutual Manager designation and receiving the NAMIC Merit Award after working only 2 1/2 years in the industry are very nice accomplishments.

Chad has shown very good leadership skills with his management of our Claims Department including hiring and training of employees. He also did a very good job of managing this Department during a very difficult year for losses in 2017. He has also demonstrated the ability to deal with a variety of people in various stages of stress and anxiety in a polite and professional manner.

Chad has also received extensive training, coaching and mentoring from myself as the current President who is probably one of the more knowledgeable, experienced and successful persons within the smaller mutual industry with 44 years of experience.

He has also been involved with all of the Agency changes during 2017 and the first part of 2018. Annual Agency visitations have enabled him to understand how this part of the Company's operations work.

Chad has also been actively involved with Company Agency meetings these past four years and the program changes that were discussed. He also participated as a speaker at these meetings.

He has also been involved with the processes and the hiring of the last four employees for the Company and is currently supervising and training three employees.

Chad currently works with claims people, underwriters, people involved with technology and loss prevention, and accountants. He will have no problem leading the daily operations of the Company. Chad, his wife Lisa and daughters, reside in the town of Ledgeview, near the east side of De Pere.

Final Officer Change - September 1, 2018:

As of this date, I will continue as CEO of the Company and remain on the Board of Directors until my term ends in 2020. I may then serve in some type of Emeritus status. I will also continue as an Employee working with underwriting, loss prevention, a number of projects that I have started and also be a Consultant as long as I am needed. I am looking forward to a reduced work load and helping the Company with this change. I joined the Company as a trainee/adjuster back in November of 1973, joined our Board of Directors and became Secretary/Treasurer and General Manager in January of 1975 and became President in 1989. I grew up in the Suring area on a dairy farm and graduated from Suring High School. In 1965, I was drafted into the U. S. Army and served a tour of duty in Vietnam as an Infantryman with the 25th Infantry Division. I then received a Bachelor of Science Degree - concentration in modernization processes and collateral in public administration from the University of Wisconsin - Green Bay. Over the years, I have served as a Director and Officer for a number of organizations including Guilderland Reinsurance Company, our National Association's Professional Society and the Wisconsin Association



of Mutual Insurance Companies. In 2003, I received the prestigious NAMIC Service Award. I reside in the Town of Ledgeview, near the east side of De Pere, with my wife, Ellen.

Claims Manager change - September 1, 2018

Effective this date, Anthony Willems will be promoted to Claims Manager of Maple Valley Mutual. Tony joined the Company back on November 21, 2016 and has been doing a very good job of loss adjusting for the Company's Policyholders. He has also received extensive training, coaching and mentoring from our current Vice President - Claims, Chad Schuettpelz. Prior to joining Maple Valley Mutual, he worked 13 years for Recoveron Restoration, 9 months as a Property Claims Adjuster for Erie Insurance, several years as owner of a remodeling and restoration firm and 10 years as an owner/partner of a custom home building construction firm. Tony grew up in the Green Bay area and graduated from Green Bay West High School. Tony, his wife Kristin, and daughter reside near Sobieski.



I would like to congratulate Chad and Tony on their well deserved promotions and am looking forward to working with them and the rest of our staff to complete this transition.

Director Changes - December 13, 2017

During our Board Meeting on December 13, 2017, the following changes were made to our Board of Directors:

Dr. Gary M. Kotecki resigned as a Director of the Company due to other changes he is planning in his life and his concern about not giving all the required time he thinks is needed to be a Director of the Company. He has served as a Director since March of 2013. Everyone at the meeting wished him well in the future.

(See award presentation below)

Garrett E. Weber was elected to succeed Mr. Kotecki as a Director of the Company. Garrett grew up in the Lena area and graduated from Lena High School. In 1995, he enlisted in the United States Air Force and served most of his four years in service at Ellsworth Airforce Base in South Dakota. In 2005, he received an Associate Degree in Computer Networking from ITT of Green Bay. Garrett currently is a Senior Technical Analyst for Georgia Pacific in Green Bay. Garrett, his wife Thressa, and two younger children reside in the Green Bay area.



Below - (L to R) Tom Bitters, Vice Chairman/Secretary, John Matravers, Chairman, Dr. Gary M. Kotecki and Al Schuettpelz, President & CEO present Dr. Gary Kotecki with a plaque in appreciation of his service as a Director for the Company.



On March 27th, Maple Valley Mutual Insurance Company held its 127th Annual Meeting for policyholders at The Ravine Pub & Grill on Manitowoc Road in Green Bay. Approximately 185 policyholders, guests, agents and employees were in attendance.

In presenting his reports, President Al Schuettpelz reported that corporate performance for calendar year 2017 was more than acceptable with the storm losses that occurred during the year. Premiums written increased to \$6,686,428, the Company's surplus increased by \$847,000, underwriting income came in at \$140,000, incurred losses showed a significant increase from the previous year with a gross loss ratio coming in at 52.7% and the Company's combined ratio came in at a very decent 97.1%.

He also talked briefly about reinsurance costs and recoveries with Wisconsin Reinsurance Corporation (WRC). For the past nine years, the Company has paid \$6.7 million more than it has recovered from WRC. This is still a large difference, he noted; but it is improving with the increase in reinsurance recoveries this last year and reinsurance costs staying basically the same this year.

He also commented briefly on the Company's \$2.7 billion of insurance in force, home/auto discount for the homeowners program, Real Time Personal Lines Rating System, and Assembly Bill 773 known as the Civil Justice Reform Bill.

He concluded his remarks by thanking the policyholders for their support and for attending the Annual Meeting.

In his Report to the Policyholders, Chairman John Matravets talked about agency appointments in a number of areas and the changes to Company programs this past year.

He also discussed the updates and improvements that were made to the Company's properties.

He also noted that the Company's A- (EXCELLENT) rating with the A. M. Best Company and the A+ rating with the Better Business Bureau were continued for another year.

Re-elected to the Board of Directors for a three year term were Francis Wranosky, Oconto Falls, Linda Sinkula, Kewaunee and Duane Magnin, Oconto Falls. Re-elected to the Board of Directors for a one year term was Garrett Weber, Green Bay. Other Directors of the Company are Thomas Bitters, Lena, James Kugel, Lena, John Matravets, Oconto, Alvin Schuettpelz, De Pere, and Patrick Van De Hey, De Pere.

Karen Shehow was honored for her 5 years of service as an Employee of the Company. Karen works with our Loss Prevention Program, receptionist duties and other office work.

(Annual Meeting continued on Page 4)



Elected to the Board of Directors (L to R): Francis Wranosky; Garrett Weber; Duane Magnin - Vice Chairman & Secretary; and Linda Sinkula



Company Officers: (L to R): Renee Wirtz - Vice President - Operations; Tom Bitters - Chairman; Duane Magnin - Vice Chairman & Secretary; Chad Schuettpelz - Vice President - Claims; and Al Schuettpelz - President & CEO



Company Directors: Back Row (L to R): Linda Sinkula, Garrett Weber, James Kugel, Duane Magnin, Patrick Van De Hey and Francis Wranosky
Front Row (L to R): Tom Bitters, John Matravets and Al Schuettpelz

Mary Koch was honored for her 15 years of service as an Employee of the Company. Mary is our underwriter for the Farmowners and Farm Programs and also supervises and works with rating and software changes to our programs.

Diane Tisch was honored for her 20 years of service as an Employee of the Company. Diane is our Receptionist and assistant to our Claims Department.

Patrick Van De Hey was honored for his 5 years of service as a Director of the Company.

At the Board of Director's following meeting, John Matravers announced his retirement as Chairman of the Board. He has served on the Company's Board of Directors since 1995, served in his present capacity of Chairman since 2012, was Vice Chairman and Secretary from 2008 to 2012 and a member of the Executive Committee since 2008. He will remain on the Board as a Director.

The Board of Directors then elected Thomas Bitters, Chairman of the Board, Alvin Schuettpelz, President, CEO and General Manager and Duane Magnin, Vice-Chairman and Secretary.

On May 23, 1891, the Company was established by 44 residents of Oconto County for the purpose of providing themselves and their local communities with fire and lightning insurance protection. On January 1, 1987, the Company reorganized from a town mutual to a non-assessable domestic mutual insurance carrier writing business in northeastern Wisconsin. On August 1, 1995, Kossuth Mutual Insurance Company merged into the Company.

Today, the Company writes Farmowners, Homeowners, Businessowners, Commercial, Dwelling, Mobile-homeowners, Inland Marine and Umbrella Coverages for residents who live and/or own property in the Company's writing territory of twenty-one counties in northeastern Wisconsin.



Al Schuettpelz, President & CEO presents Mary Koch with a 15 year service award and gift.



Al Schuettpelz, President & CEO presents Diane Tisch with a 20 year service award and gift.



Al Schuettpelz, President & CEO presents Karen Shehow with a 5 year service award and gift.



Al Schuettpelz, President & CEO presents Patrick Van De Hey with a 5 year service award and gift.



J. Matravers, A. Schuettpelz, J. Wenzel, S. Wenzel. Mr. Wenzel served as the Company's Claims Manager from 1987 to 2007.



Sitting (L to R): R. Wirtz, M. Koch, D. Tisch, K. Shehow
Standing (L to R): C. Schuettpelz, J. Kugel



T. Bitters, A. Schuettpelz, P. Bonnin, B. Bonnin. Mr. Bonnin served as the Company's Loss Prevention Person/Manager from 2000 to 2016.



D. Van De Hey, P. Van De Hey, D. Wranosky, L. Sinkula, F. Wranosky



J. Kugel, G. Weber, T. Bitters, K. Bitters, D. Magnin



C. Modschiedler, J. Schonfeld, C. Schuettpelz

Our country is not the only thing to which we owe our allegiance. It is also owed to justice and to humanity. Patriotism consists not in waving the flag, but in striving that our country shall be righteous as well as strong.
James Bryce



G. Van Drisse, C. Klein & E. DeBruin



Jessica Angus - Commercial and Personal Lines Underwriter

Jessica began working for Maple Valley Mutual on August 6, 2017. She works as an Underwriter with the Company's Businessowner, Commercial and Dwelling Programs. She is still in training for this position; but is making very good progress in this regard. She is also learning to be a back-up in our Finance/Accounting Department. She has an Associates Degree in Accounting from Northeast Wisconsin Technical College in Green Bay. Prior to joining Maple Valley Mutual, she worked for a local bank. Jessica, her husband Eric, and daughter reside in the Lena area.



Colin Modschiedler - Claims Representative

Colin began working for Maple Valley Mutual on November 20, 2017. He works as a Claims Representative adjusting property losses for the Company. He is still receiving training, coaching and mentoring from other people in the Claims Department. He grew up in Menominee, Michigan and graduated from Menominee High School in 2013. He also has a Bachelor of Science Degree in Criminal Justice with a minor in Loss Prevention Management from Northern Michigan University in Marquette. He resides in Menominee, Michigan.



Company Personnel and Information

PERSONNEL

Al Schuettpelz, President & CEO
 Chad Schuettpelz - Vice President - Claims
 Renee Wirtz, Vice President - Operations
 Tony Willems, Claims Representative
 Josh Schonfeld, Loss Prevention
 Colin Modschiedler, Claims Representative
 Wanda McCarthy, Personal Lines Underwriter
 Mary Koch, Farm Lines Underwriter
 Michelle Ziesmer, Accountant & Underwriter
 Jessica Angus, Commercial & Personal Lines Underwriter
 Diane Tisch, Receptionist & Claims Assistant
 Karen Shehow, Office & Loss Prevention Assistant

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 800-23MAPLE

Company Results For First Three Months

The following are Maple Valley Mutual's Operating Results for the first three months as compared to previous years:

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---------------------------------------|----------------|----------------|------------------|
| UNDERWRITING INCOME | | | |
| Direct premiums written | \$ 1,355,954 | \$ 1,378,287 | \$ 1,345,203 |
| Premiums earned | 1,649,312 | 1,639,268 | 1,579,269 |
| Cost of reinsurance | <u>308,300</u> | <u>301,887</u> | <u>314,405</u> |
| Net premiums earned | 1,341,012 | 1,337,381 | 1,264,864 |
| LOSSES INCURRED | | | |
| Losses incurred | 368,169 | 1,241,440 | 305,430 |
| Reinsurance recoveries | <u>72,117</u> | <u>535,325</u> | <u>(-77,910)</u> |
| Net losses incurred | 296,052 | 706,115 | 383,340 |
| NET LOSS ADJUSTMENT EXPENSES | 167,783 | 119,780 | 110,112 |
| OTHER UNDERWRITING EXPENSES | 461,352 | 428,131 | 471,389 |
| TOTAL LOSSES/EXPENSES INCURRED | 925,187 | 1,254,026 | 964,841 |
| NET UNDERWRITING INCOME | 415,825 | 83,355 | 300,023 |
| INVESTMENT/OTHER INCOME | 88,224 | 94,313 | 106,224 |
| NET INCOME BEFORE TAXES | 504,049 | 177,668 | 406,247 |
| SURPLUS | 10,341,656 | 9,320,685 | 8,375,678 |
| COMBINED RATIO | 78.6% | 101.6% | 84.7% |

Make plans now to join us on **August 21st** for our **Twenty-First Annual Golf Classic and Agent Meeting**. This event will be held at **The Golden Sands Golf Course** in Cecil.

TENTATIVE SCHEDULE FOR THE DAY

8:30 AM **Coffee and Sweet Rolls**

9:00 AM **Agent's Meeting -** **Chad Schuettpelz, Vice President - Claims**
- Management Change - The Future
- Technology - Company Changes
- The Current Marketplace

Al Schuettpelz, President & CEO
- Farmowner and Farm Updates
- Commercial Program Changes
- Company Results (First 6 Months)
- Home/Auto Discount -Update
- Other Items of Interest

Tony Willems, Claims Representative
- April 13th -16th Snowstorm
- Other Loss Information

Josh Schonfeld, Loss Prevention
- Loss Prevention Information
- Review of Industry Information

Cassidy Kuchenbecker, MS, Senior Microbiologist
Environmental Initiatives of North America, Inc.
- Smoke Tracking
- Lead and Asbestos Information

Pete Opichka, President, Square One Restoration
- ICAT System - Personal Property Valuations

Door Prizes

11:30 AM **Buffet Lunch (open bar) and Golf Registration**

12:15 PM **Golfing - Golf Course Information:**

The 18 hole Golden Sands Golf Course in Cecil features 6,122 yards of golf from the longest tees for a par of 71. This hilly and wooded course has tree-lined fairways. The greens are medium sized and have moderate speed. Water hazards (ponds) come into play on five holes. The signature hole is #2, a 183 yard, par 3, requiring a straight tee shot to the green. The course rating is 69.2 and it has a slope rating of 117 on Bent grass. Golden Sands opened in 1970 and is owned and managed by James Acker.

Non-Golfers - Potentially working on setting up a tour for either Marion Body Works in Marion or Marquis Yachts in Pulaski and one other destination. Land or Sea, what will it be?

4:45 PM **Buffet Dinner and Presentation of Awards and Door Prizes**

Open Bar Before and After Dinner

LOOKING FORWARD TO SEEING ALL OF YOU ON THE 21ST!!!