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**Brethren Mutual
Insurance Company**

is committed

to providing value,
quality in insurance

protection,

reliable service

and

financial integrity.

A property & casualty
company

founded

in 1897.

• 112th

Annual Statement to Policyholders

December 31, 2009



149 North Edgewood Drive
Hagerstown, MD 21740
800-621-4264
301-739-0950
www.bmic.com

Chairman of the Board
Michael W. Brashears

Board of Directors

David C. Beachley	Gregory L. Hare
Charles E. Delauter	David M. McGaha
Charles H. Flickinger	Kent N. Oliver
Wayne Z. Guyton	Thomas M. Wiles

Company Officers

Michael W. Brashears
CEO/Chairman

Charles H. Flickinger,
CPA, CIC, PHR, CPCU, ARe, CLU, RHU, REBC
President/Chief Operations Officer

John S. Snyder, Jr.,
CBCP, MCP, CNA, CEH, GSEC, CISSP, ISSMP
Vice President of Information Services

Tammy L. Aaron, CPA, CPP
Vice President of Finance/Treasurer

John D. Stoner, CIC, CPCU
Vice President of Underwriting & Marketing

Wanda L. Dorsey
Secretary



2009
Annual Report



Financials

Assets	2009	2008
Bonds (*)	129,637,957	124,398,925
Stocks (**)	39,498,794	33,261,457
Real Estate, net	1,757,449	1,776,080
Cash & Short Term Investments	11,187,526	12,509,320
Uncollected Premium	13,208,359	13,560,244
Reinsurance Recoverable on Paid Losses	305,700	130,708
Other Amounts Receivable from Reinsurance Contracts	953,889	199,377
Electronic Data Processing Equipment, net	100,614	236,770
Accrued Interest Receivable	1,593,315	1,589,710
Deposits in Pools and Associations	31,000	31,000
Deferred Premium Tax Credit	45,980	44,531
Income Tax Recoverable	924,204	1,800,243
Other Accounts Receivable	8,145	4,370
TOTAL ASSETS	199,252,932	189,542,735

Liabilities

Loss and Loss Adjustment Expense Reserve	35,997,779	38,984,975
Commissions Payable and Other Similar Charges	2,595,381	2,988,895
Accrued Expenses	1,232,214	1,386,779
Taxes, Licenses and Fees	472,991	619,612
Federal Income Taxes	1,539,980	576,974
Unearned Premium Reserve	42,104,311	42,272,552
Advance Premium	2,243,159	1,732,389
Ceded Reinsurance Premiums	418,938	358,642
Pension Obligation	1,057,156	830,481
Provision for Reinsurance	3,000	0
Other Liabilities	456,144	377,324
TOTAL LIABILITIES	88,121,053	90,128,623

Surplus

Policyholder Unassigned Surplus Funds	111,131,879	99,414,112
TOTAL LIABILITIES & SURPLUS	199,252,932	189,542,735

(*) Amortized Value

(**) NAIC Valuations of Securities Value



Policyholders & Friends

Brethren Mutual's 2009 financial statement continues to show strong capitalization despite economic difficulties and a soft underwriting market. The insurance industry remains a very competitive and challenging business.

Brethren Mutual continues to write business in three states: Maryland, Pennsylvania and Virginia. This allows our Company the opportunity to meet your personal, commercial and farm insurance needs while spreading its insurance risk.

We look forward to continued success in 2010 and beyond, and the opportunity to serve you, our valued policyholder.



Michael W. Brashears

Michael W. Brashears
CEO & Chairman of the Board