

Sentry<sup>®</sup>

2016

YEAR IN REVIEW

*Let's talk.*

# Pete McPartland

Sentry chairman of the  
board, president, and CEO



I am pleased to inform you that in 2016 Sentry once again achieved a very strong financial performance while broadening our customer base, advancing strategically on a number of fronts, and continuing to find new ways to deepen our community support.

We had a very good year financially. Our premium and premium equivalents grew by \$187 million to \$3.49 billion. Surplus, which represents the excess capital over our current obligations, grew by \$311 million to \$4.75 billion. Sentry remains one of the best capitalized insurance companies in the industry. Invested assets grew \$627 million to \$11.21 billion. We're pleased that A.M. Best recognized our financial strength with an A+ rating for the 25th year in a row.

Our businesses are profitable and their vitality is strong. New initiatives and acquisitions are enhancing Sentry's growth and will continue to create growth for years to come. The integration of Florists' Mutual (branded "Hortica") was announced in mid-2015. That integration is ahead of schedule, with Hortica benefitting from Sentry's nationwide claims network and purchasing power. Next year, Hortica will begin to benefit from TITAN, Sentry's leading-edge commercial insurance technology platform.

Our Regional commercial insurance business continues to expand. We opened offices in Charlotte and Hartford, adding to established offices in Montgomery, Madison, and Milwaukee. Independent agents are finding Sentry to be a strong responsible carrier to partner with. You can read more about this effort on pages 9-10.

The most exciting event for us in 2016 was the rollout of our new corporate and commercial insurance brand, a story we feature on pages 13-15. Our new brand identity aligns with the way we've always done business—a two-way dialogue with our customers—providing a dedication to fully understanding their businesses.

Sentry associates continue to display a giving heart and the Sentry Foundation continues to find new ways to connect with and strengthen our communities. One example is our longstanding partnership with the University of Wisconsin-Stevens Point. On page 5, we highlight how we gave the largest gift in the history of the university by endowing two chairs to create a data analytics program. On page 7, we introduce you to what we've been doing to expand our efforts to create a stronger pipeline of IT programmers through our IT co-op program. Both of these efforts demonstrate our commitment to ensuring we have the talent to keep Sentry strong.

Lastly, I want to inform you that we are dedicating this year's annual report to the memory of Ed Steinike, a beloved member of our board of directors, who passed away last summer. In Ed's five years on Sentry's board, he was an impact player. He chaired our Technology Committee, which worked with our IT department to dramatically pivot to new platforms in all major areas while successfully retiring old systems. Ed's expertise and guiding hand will be missed, as will his energy and sense of humor.



**2016**

**YEAR IN REVIEW**

# Moving forward as a community

We've called Stevens Point, Wisconsin, home since 1912, and our dedication to this community has never wavered. In particular, we've built a strong relationship with the University of Wisconsin-Stevens Point.

In March 2016, we presented the university with the largest gift in its 122-year history, and the largest one-time contribution we've ever made to any organization: a \$4 million donation to endow two new faculty positions and create a new undergraduate major in data analytics.

Central Wisconsin employers, including Sentry, identified a talent gap in data analytics. Simply put, we are all looking for more employees with the talent and analytics training to keep pace in our industries—and we believe empowering local students is a fine place to start.

Data analytics involves acquiring, validating, and analyzing data. While these skills naturally translate to business analytics careers, the breadth of knowledge these students receive will prepare them for a range of occupations, both within the insurance industry and beyond.

*“Technology has dramatically enhanced the availability of data in all aspects of business. However, there is a significant shortage of talent to harvest that data that can be put to good use.”*

—Pete McPartland,  
Sentry chairman of the board, president, and CEO



## A unique IT program for local students

2016 was a year of progress at both Sentry and UW-Stevens Point. Along with our donation to the university, we opened an IT co-op program to provide UW-Stevens Point students the chance to gain valuable real-work experience.

Working at the co-op, students develop and maintain websites, services, and applications. They receive competitive compensation, amenities, and the potential for full-time employment. This program—like our successful operation in Madison—provides opportunities

for students to work alongside Sentry IT staff as they pursue their degrees.

We want central Wisconsin to continue thriving—an effort that begins within our community.

“It is an investment in the future of the university,” said Chancellor Bernie Patterson, “and a vote of confidence in how UW-Stevens Point is preparing students for the changing needs of the business world.”

*“The co-op provides these students a chance to work on real projects, gain valuable experience, and become great applicants for jobs at Sentry when they graduate.”*

—Jim Stitzlein,  
Sentry senior vice president  
and chief information officer



## January

### SENTRY FOUNDATION ADDS TO MATCHING GIFT PROGRAM

Sentry Insurance Foundation expands the associate matching program to include 13 additional nonprofit organizations.



## February

### DAIRYLAND® LAUNCHES NEW CONSUMER WEBSITE

The Dairyland brand completes a makeover of its consumer website, adding more digital tools, better visibility, improved customer engagement, and more mobile-friendly tools.



### SENTRY ANNOUNCES NEW IT CO-OP PROGRAM

Replicating the successful IT co-op program in Madison, Wisconsin, we announce the opening of a new IT co-op program for UW-Stevens Point students. In addition, we donate \$34,000 to the UWSP Foundation for IT training.

### PJ'S – SENTRYWORLD NETS GOLDEN FORK AWARD

Golf Inc. magazine awards PJ's – SentryWorld second place in its Golden Fork Awards for most improved public dining facility at golf courses and clubs.



*“Our customer comments reveal that the staff is very friendly and accommodating. This is the secret to our success”*

—Mike James,  
PJ's – SentryWorld  
general manager

## March

### SENTRY DONATES \$4 MILLION TO UW-STEVENS POINT

We present a \$4 million donation to UW-Stevens Point to endow two new faculty positions and create a new major in data analytics. The gift is the largest one-time donation Sentry has made to an organization.



### UNITED WAY RECOGNIZES SENTRY WITH SPIRIT OF WAYNE AWARD

Our associates in Goldsborough, North Carolina increased United Way giving in 2015, receiving the Spirit of Wayne Award by the United Way of Wayne County in North Carolina.





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# Building a business

## Region by region, we're finding success in the independent insurance agent market

In 2014, we began an effort to expand our presence in the independent agent market.

"We recognize that it's a natural expansion of our distribution system to use both independent agents and direct writers to sell Sentry products," says Jim Weishan, Sentry executive vice president and chief investment officer.

Jumping into the independent agent market has proven to be successful. We've established Southeast and Midwest regional offices and are now writing business in five states—all of which are showing solid results. Additionally, in mid-2017 we plan to begin writing business out of a new Northeast regional office.



*"With geographic expansion, we're planning to have a major presence in the independent agent insurance market, east of the Mississippi."*

—Jim Weishan,  
Sentry executive vice president  
and chief investment officer

### TO WHAT CAN WE ATTRIBUTE OUR SUCCESS?

We can thank our reputation as a financially secure, national brand with powerful technology and excellent claims services, along with our regional executives and associates who've formed long-term relationships with talented independent agents.

"Agents know that a Sentry appointment is by invitation only. The exclusivity of a Sentry contract is valuable," says Bob Bordeaux, Northeast region executive.

Roger Kaland, Midwest region executive, says "The best way to tap into the independent

agent market is through relationships—we're pairing high quality relationships with high quality service."

After seeing successful growth, we're excited to continue building our business. In addition to the Northeast expansion, we'll continue growing our Southeast and Midwest regions by writing business in additional states over the next few years.

"It's exciting to be part of this new operation where we get to build things the way we want. Everyone's ideas are being considered. Not many other companies do that," says Jonathan Dillon, Southeast region executive.

# Sentry earns A+ rating 25 years in a row

In 2016, we once again earned our reputation as one of the most financially strong mutual companies in the United States, earning an A+ (Superior) rating from A.M. Best\* for the 25th straight year.

To put that into perspective, less than 15 percent of U.S.-based insurance companies are rated A+ or better—and even fewer have been listed A+ or higher for 25 years.

### A+ RATING IMPORTANT TO CUSTOMERS, TOO

For Sentry, the A+ rating is quite an accomplishment. However, the rating is especially important to our customers.

Policyholders rely on our financial strength for two distinct reasons. When a business seeks capital to grow, banks often require their insurer have a high A.M. Best rating. And customers who bid on construction jobs, or contract with a national supplier, often find more doors open when backed by a strong insurer.



*"I am extremely pleased that Sentry's management and associates carry on the legacy of Sentry retirees in building a company that continues to grow and demonstrate exceptional financial stewardship."*

—Pete McPartland,  
Sentry chairman of the  
board, president, and CEO

Sentry's financial strength impacts whole industries, says Mike Schimke, assistant vice president of corporate underwriting. For example, when seeking a partner to spur growth, Florists' Mutual—doing business under the Hortica® brand name—affiliated with us in 2015 due to our financial strength.

"Prior to the affiliation with Sentry, our A.M. Best rating had fallen below A," says Mona Haberer, Hortica business segment executive. "Despite our expertise in horticulture-related insurance, customers who require an A or

higher rating were forced to move on to other insurers. Now that we have Sentry's A+ rating, we're able to meet those customers' needs while growing our customer base."

The high rating reflects what's in our DNA—the resolve to do the right thing, day in and day out. We strive for that goal so policyholders can rest assured that when they need us most, we'll be there.

\*A.M. Best, based in Oldwick, New Jersey, is recognized as the insurance industry's leading rating authority. A.M. Best rating as of 5/19/2016.

## April

### A.M. BEST RATES SENTRY A+ FOR 25TH YEAR IN A ROW

We're rated as one of the financially strongest mutual insurance companies in the U.S. for the 25th straight year. A.M. Best, the leading insurance company rating agency, rates Sentry A+ (Superior). Less than 15 percent of U.S.-based insurance companies are A+ or better—even fewer have been listed A+ or higher for 25 years. (See page 11 for further details.)

## May

### STATE HONORS DAIRYLAND CYCLE®, NATIONAL MOTORCYCLE DAY

Wisconsin Senator Julie Lassa and Representative Katrina Shankland visit Sentry to present a citation to honor the 50th anniversary of Dairyland Cycle. And to celebrate and promote all things motorcycle-related, Dairyland Cycle announces the creation of National Motorcycle Day—also recognized by Sen. Lassa and Rep. Shankland.



*"Thank you for all that you do to contribute to Wisconsin's rich motorcycle heritage."*

—Wisconsin Representative  
Katrina Shankland

## June

### SENTRY RANKS NUMBER 755 IN FORTUNE'S TOP 1,000 LIST

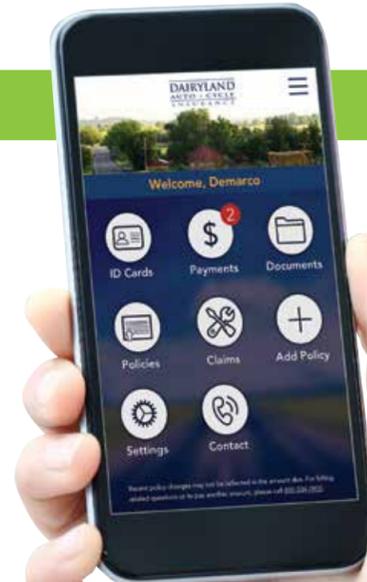
Based on total revenues, Fortune magazine ranks Sentry number 755 on its Fortune 1000 list of U.S. companies, up from number 799 in 2015 and number 777 in 2014.

### REGIONAL OFFICE OPENS IN CHARLOTTE

Taking advantage of the growth opportunities available through the independent agent market, we open a regional office in Charlotte, North Carolina, to better serve the needs of our customers in the southeast region of the country.

### DAIRYLAND® MOBILE APP GOES LIVE

The Dairyland® mobile app offers an enhanced customer experience by providing another self-service tool to Dairyland Auto® and Dairyland Cycle® customers.





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# Hello. We're Sentry.

The power of expert conversation: That's the key message behind our corporate rebrand, unveiled in 2016.



*"Checking in with our customers—as well as our associates, retirees, and the communities we are a part of—we realized we were on to something."*  
 —Stephanie Smith, Sentry vice president of Marketing and Brand Management

#### FINDING INSPIRATION WITHIN

After recently re-dedicating the Sentry brand to our historical focus on business insurance, we saw an opportunity to better tell our story through a corporate rebrand. Looking back at over 100 years of history, we noted customers often told us the way we do business sets us apart from our competitors. This, we realized, should be the heart of our brand.

"We've always emphasized relationships and customer service," says Stephanie Smith, Sentry vice president of Marketing and Brand Management, "Our own heritage drove this project forward."

Since 1904, we've excelled at serving companies in specific industries, providing insights and value through sharing our experience in those industries. Our people, including sales professionals, underwriters, safety consultants, and claims handlers, deliver deep institutional knowledge to our customers. We apply that knowledge intelligently to each customer's situation through smart conversations.

Each conversation is a two-way exchange with our customers.

"At the core of the relationships we have with our business customers is two-way dialogue," says Pete McPartland, Sentry chairman of the board, president, and CEO. "Our new brand represents the things our customers said they like about us, how we're easy to talk to, and how we see the unique aspects of each customer."

#### SHAPING OUR STORY

"The importance of conversation is highlighted in single quote marks featured in our new logo," adds Smith. "They represent both sides of a conversation. Your side, our side. In balance, working together. One powerful collaboration."

Truly, it's all about conversation.

And with our new brand heralding our commitment to you, we'll keep that conversation going.



## July

#### NATIONAL MOTORCYCLE DAY DEBUTS

To celebrate the 50th anniversary of Dairyland Cycle®, National Motorcycle Day is born. Henceforth, National Motorcycle Day takes place annually on the second Friday in July. The goal is to engage riders through social media to share stories and honor the good work being done in communities.

## August

#### SAME SENTRY, NEW LOOK

Sentry rebrands, featuring a new logo, color scheme, and communication strategy to reflect our strong relationships with our customers.

#### INVESTMENT IN DATA ANALYTICS MAKES HEADLINES



On the heels of the \$4 million donation to the University of Wisconsin-Stevens Point to help fund a data analytics program, Sentry's efforts are recognized on the cover of Insurance Networking News magazine, with Sean Nimm, vice president of Analytics, and Jim Frank, vice president of Information Technology, pictured.

## September

#### MUSCULAR DYSTROPHY ASSOCIATION RECEIVES \$13,500

The Dairyland Cycle® team raises \$13,500 for the Muscular Dystrophy Association (MDA) during the Tomahawk Fall Ride. Dairyland Cycle serves as the premier sponsor for the event. As many as 40,000 motorcycle enthusiasts visit Tomahawk, Wisconsin, each September to take in the fall colors, listen to live music, and celebrate motorcycles.

#### NEW OFFICE BUILDING TO HOUSE CLAIMS STAFF

We announce a new office building will be constructed in Stevens Point, Wisconsin, near our national headquarters. This will house our Stevens Point-based claims staff. Currently, our 500 claims associates are located in three offices throughout Stevens Point.

*"We have outgrown the space in our Strongs Avenue location. This project will alleviate those space needs, bringing together all of our local claims staff at one modern, technologically-advanced claims complex."*

—Pete McPartland,  
Sentry chairman of the board,  
president, and CEO

#### G2 SPACE GETS A NEW LOOK, NEW RESIDENTS

A portion of the Sentry Home Office in Stevens Point—known to associates as G2—receives a new look. The space offers services to associates, their families, and the public, including Sentry Credit Union, Aspirus medical clinic, occupational health services, and the Hairport salon. The G2 space is the first at Sentry Home Office to be part of the rebrand efforts.

#### RIGHT BY YOU CAMPAIGN KICKS OFF

Our Right By You campaign launches, demonstrating our approach to getting to know our customers by listening to their needs, and engaging in conversations to better understand their businesses. This approach results in the kind of long-standing, trusting relationships with customers our company is known for. The campaign's goal is to re-introduce and raise awareness of Sentry as a modern company.

#### CARING REACHES NEW LEVELS

Our Stevens Point-based associates raise \$1.1 million to help support the United Way of Portage County. The money, which accounts for more than one-third of the United Way of Portage County's campaign fundraising goal in 2016, includes associate pledges, funds raised via special events, and a matching donation from the Sentry Insurance Foundation. Associates in field offices raise another \$229,567 for United Way agencies in their communities.

**Q4**

**2016**

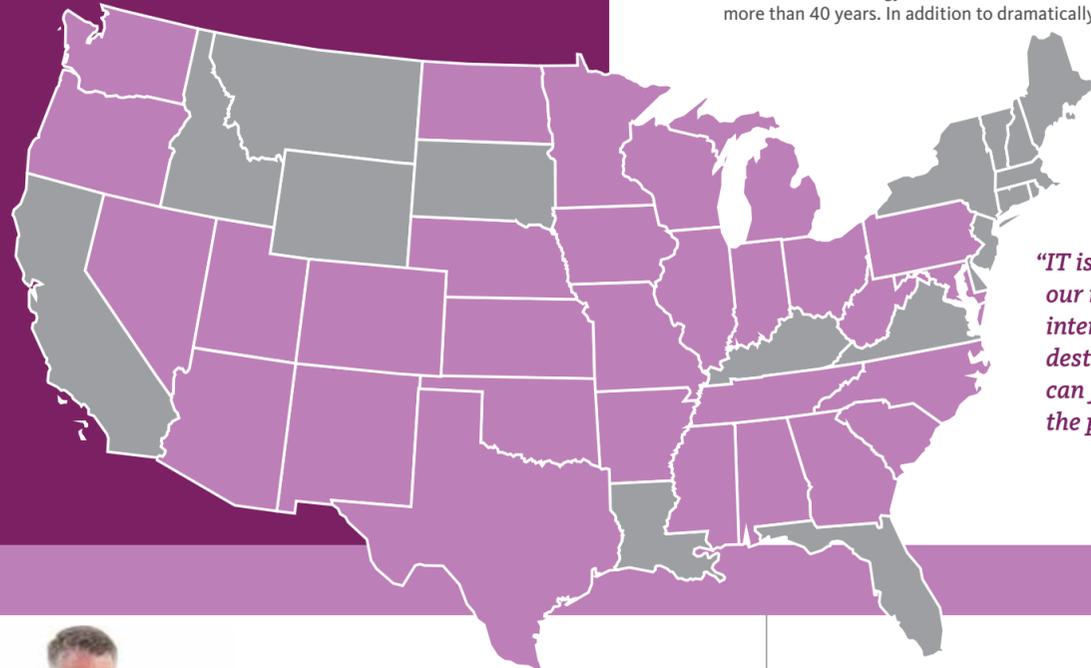
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*“Sentry is fortunate to have the financial strength and stability required to take on a technology transformation of this scale. These efforts are something companies undertake every couple of generations, and those that cannot afford to make this type of investment will see themselves falling further behind companies like Sentry.”* —Jim Stitzlein, Sentry senior vice president and chief information officer

# An industry leader in information technology

Sentry technology upgrades benefit associates and customers

Customers continue to enthusiastically embrace Sentry’s technology enhancements. From billing and policy administration system upgrades, to hardware and software investments, we prioritize the application of new technologies that improve the productivity of our associates and quality of our customer service.



## New commercial lines system celebrates 30-state milestone

In Q4 of 2016, we celebrated a major information technology milestone when our new commercial lines policy and billing system rollout reached 30 states. This system replaces mainframe technology that’s been in use for more than 40 years. In addition to dramatically

faster quote processing, the new system allows better data-driven decision making.

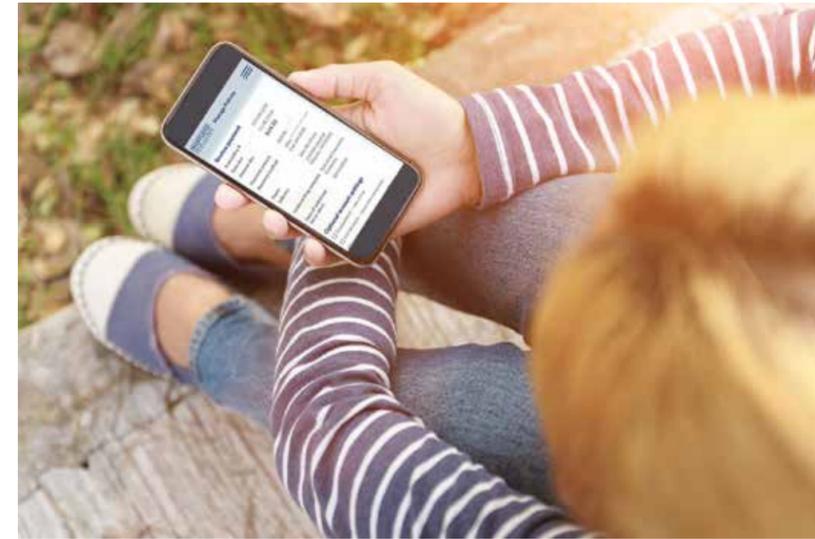
The replacement of our mainframe systems would not have been possible without the dedication and skills of our associates. We made the strategic decision to invest in IT talent to enhance and maintain technology, while many companies have opted to work with consultants. The 30-state milestone in December of 2016 has everyone excited, but eyes and efforts are still focused on Q1 of 2018, when all states will be live.

*“IT is a core competency for Sentry. Leveraging our in-house expertise and maintaining a strong internal IT team allows us to control our own destiny on these large projects and ensure we can fully support and enhance the system when the projects are complete.”*

—Dan Wuest,  
Sentry vice president of Information Technology



## New personal lines system provides best-in-class user experience



In 2016, IT continued the rollout of our personal lines policy and billing system bringing nonstandard auto and motorcycle policies onto one platform. The personal lines system was designed with end users in mind, focusing on user experience, functionality, and integration, so we can provide a best-in-class experience to our independent agents and customers. Like its commercial lines counterpart, this system is a game-changer for Sentry and differentiates us as a leader in the industry. The country-wide roll-out is slated to be complete in November of 2018.

*“Our new digital portals—custom built by our associates—provide the full features of a back-office system with the best-in-class user experience that our agents expect.”*

—Kevin Schmidt,  
Sentry director of Information Technology

### October

#### HARTFORD SITE OF NEW REGIONAL OFFICE

Our regional expansion continues in the independent agent market with an office in Hartford, Connecticut. The office will begin serving customers in Connecticut, Massachusetts, and other Northeastern states, expanding the independent agent distribution channel.

#### MCPARTLAND ELECTED AS SECOND VICE CHAIR ON PCI BOARD OF GOVERNORS

Pete McPartland is elected second vice chair to the Property Casualty Insurers Association of America (PCI) Board of Governors. PCI is the industry’s most effective and diverse trade association—it advocates public policy positions for its nearly 1,000 member companies in all 50 states and Washington, D.C. Sentry has been a member of PCI since 2012.



*“This announcement reflects directly on the investment Sentry has made to establish a strong Government Affairs operation that has influence at the state and Federal level.”*

—Kip Kobussen,  
Sentry assistant vice president of Government Affairs

### November

#### SENTRYWORLD RECEIVES ACCOLADES

Golf magazine ranks SentryWorld number 4 in its “Best Golf Courses You Can Play in Wisconsin” category. The magazine also ranks SentryWorld number 78 in its “Top 100 Courses You Can Play” category.



#### CLOSE THE COURSE RUN/WALK RAISES \$3,500

More than 550 participants in SentryWorld’s first Close the Course run/walk raise \$3,500 to help individuals and families who need clothing, food, or assistance paying bills.



### December

#### HORTICA ASSOCIATES BECOME SENTRY ASSOCIATES

In an ongoing transition since affiliating in 2015, we welcome Hortica associates as Sentry associates.



#### CLAIMS TAKES TO THE SKIES TO HELP

Our Claims department remains on the cusp of technology, purchasing drones and training field and general property adjusters to use them to get our customers back in business. Drones allow adjusters to survey damage from above, avoiding high-risk areas such as high roofs and damaged structures.

#### GOVERNMENT AFFAIRS ADDS REPRESENTATION

Sentry’s Government Affairs staff grows with additional members in late 2016. We now have representation in Washington, D.C. to look for insurance-related issues on a federal level. Additionally, a staff member is now based in California, serving nine western states.

#### RECORDS SET IN 2016

Our National Accounts business unit—serving large customers—closes 2016 with a record \$1.15 billion in premiums. Our Standard Business Products business unit—serving diverse market-specific companies—set a record for sales of annual 401(k) plans, topping the previous record by \$50 million.

## Breaking it down: Our business units

Our company was formed in 1904 to provide mutual insurance to hardware store owners who felt they had been paying too much for fire insurance. This industry-specific approach became a repeated pattern as we expanded into other industries through both organic additions and direct acquisitions. Today our company consists of several insurance businesses and one hospitality business (SentryWorld). The diversity and balance of our book continues to foster the creation of expertise in a wide variety of areas while providing the resiliency to weather industry cycles.

## Commercial insurance business units

### NATIONAL ACCOUNTS

Provides workers' compensation, auto, general liability, and other insurance solutions to large corporate accounts with complex risks. Sold through independent brokers and agents.

### STANDARD BUSINESS PRODUCTS

Provides a wide variety of business insurance solutions and safety services to companies in manufacturing and processing industries, including hard goods, wholesaling, and retailing. Sold exclusively through employee direct writers.

### DEALER OPERATIONS

Provides property and casualty insurance, as well as safety services, to franchise auto, truck, equipment, motorsports, and boat dealers. Sold exclusively through employee direct writers.

### TRANSPORTATION

Provides casualty and cargo insurance, as well as safety services, to companies with trucking risks. Sold primarily through a select group of independent agents and owned agencies that specialize in trucking insurance.

### REGIONAL

Offers commercial property and casualty insurance sold to a variety of industries in specific geographic areas, through established independent agencies supported by regional hub offices.

### HORTICA®

Specializes in property and casualty products, as well as safety services, for the horticultural industry, including retail and wholesale florists and growers. Sold through employee direct writers and independent agents that specialize in horticultural insurance.

### LIFE & ANNUITIES

Provides 401(k) and life insurance to Sentry's Dealer Operations and Standard Business Products customers.

## Personal insurance business units

### DAIRYLAND AUTO®

Provides personal nonstandard auto insurance sold largely through independent agency specialists.

### DAIRYLAND CYCLE®

Provides motorcycle insurance distributed via multiple channels.

## Hospitality

### SENTRYWORLD®

A world-class 18-hole golf course, banquet facility, restaurant, and sports complex on Sentry's home office campus.

# Strong financial performance

## BUSINESS RESULTS CONTINUE TO SHOW GROWTH IN 2016

The results for fiscal year 2016 continued to show healthy top line premium growth while improving upon our industry-leading capital position. We increased scale in our core business segments, while successfully growing our presence in new markets. We focused on innovation and invested in technology, further enhancing the service experience that we provide to our customers. We take great pride in our A+ (Superior) rating from A.M. Best, the industry's leading rating authority, and will continue to strategically maintain this financial strength while enhancing our market position.

### Basis of financial statements

The following consolidated financial statements of Sentry Insurance a Mutual Company (SIAMCO), Subsidiaries, and Affiliates (the Company) were prepared in conformity with statutory accounting practices prescribed or permitted by the insurance departments of the states in which SIAMCO and its consolidated insurance subsidiaries and affiliates are domiciled.

These charts show comparative financial highlights from the past 20 years.

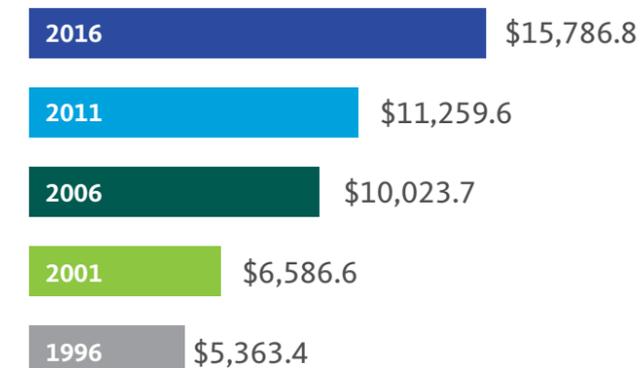


Todd Schroeder  
CFO, treasurer, and vice president – Life & Annuities

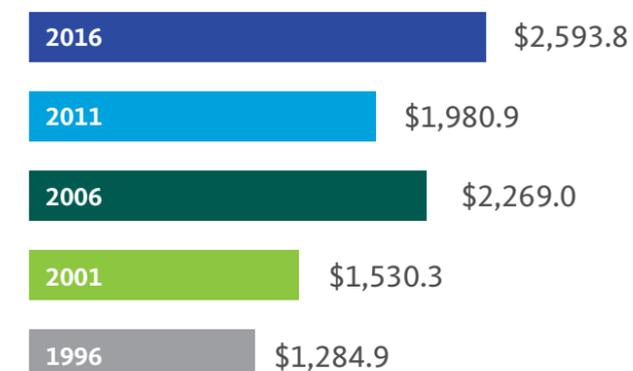


# Financial highlights (unaudited)

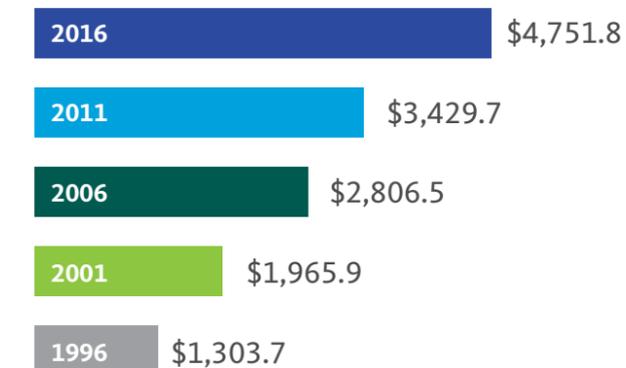
## ASSETS—DECEMBER 31 (millions)



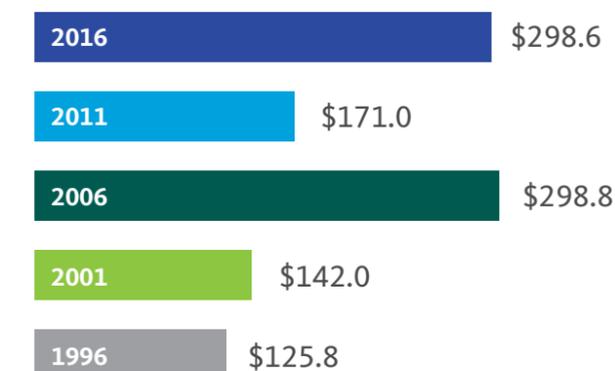
## PREMIUMS EARNED— YEARS ENDED DECEMBER 31 (millions)



## POLICYHOLDERS' SURPLUS—DECEMBER 31 (millions)



## INCOME BEFORE NET REALIZED GAINS (LOSSES) AND INCOME TAXES—YEARS ENDED DECEMBER 31 (millions)



**CONSOLIDATED STATUTORY BALANCE SHEETS (UNAUDITED)**

December 31 (Millions)	2016	2015	December 31 (Millions)	2016	2015
<b>Assets</b>			<b>Liabilities</b>		
Cash and investments			Property and casualty losses and loss expenses	\$ 3,073.7	\$ 2,937.5
Bonds	\$ 8,798.8	\$ 8,279.7	Life and other future policy benefits	2,462.2	2,319.9
Common stocks	1,170.4	1,052.7	Accident and health unpaid claims and claim expenses	95.5	93.5
Company occupied properties	44.3	42.4	Unearned premiums	960.7	912.9
Policy loans	12.6	12.9	Other policyholder funds	12.8	13.5
Cash and short-term investments	21.7	94.0	Accounts payable and accrued expenses	777.1	706.3
Partnerships	1,150.5	1,079.2	Other liabilities	217.5	274.3
Other	13.8	23.8	Separate account liabilities	3,435.5	3,032.4
Total cash and investments	11,212.1	10,584.7	<b>Total liabilities</b>	<b>11,035.0</b>	10,290.3
Receivables			<b>Policyholders' surplus</b>		
Insurance premiums and reinsurance	797.0	755.5	Surplus note	-	7.0
Interest and dividends	102.1	99.0	Unassigned surplus	4,751.8	4,433.5
Federal income tax recoverable	16.9	5.4	<b>Total policyholders' surplus</b>	<b>4,751.8</b>	4,440.5
Other	2.3	2.4	<b>Total liabilities and policyholders' surplus</b>	<b>\$15,786.8</b>	\$14,730.8
EDP equipment and operating software	10.9	11.8			
Other assets	65.5	59.8			
Net deferred tax asset	143.2	178.6			
Separate account assets	3,436.8	3,033.6			
<b>Total assets</b>	<b>\$15,786.8</b>	\$14,730.8			

**CONSOLIDATED STATUTORY STATEMENTS OF OPERATIONS AND CHANGES IN POLICYHOLDERS' SURPLUS (UNAUDITED)**

Years Ended December 31 (Millions)	2016	2015
<b>Revenues</b>		
Premiums earned	\$2,593.8	\$2,449.6
Net investment income	473.1	477.3
<b>Total revenues</b>	<b>3,066.9</b>	2,926.9
<b>Expenses</b>		
Insurance claims and policyholders' benefits	2,151.7	2,030.4
Operating expenses	616.6	563.4
<b>Total expenses</b>	<b>2,768.3</b>	2,593.8
Income before net realized losses	298.6	333.1
Net realized losses, net of tax	(13.9)	(44.3)
Income from operations before income tax	284.7	288.8
Income tax expenses	63.0	4.5
<b>Net income</b>	<b>\$ 221.7</b>	\$ 284.3
<b>Policyholders' surplus</b>		
Balance January 1	\$4,440.5	\$4,177.0
Florists policyholders' surplus, January 1, 2015	-	34.0
Net income	221.7	284.3
Change in net unrealized capital gains and losses	68.0	(42.2)
Change in nonadmitted assets	12.6	(2.1)
Deferred income tax	2.9	(68.8)
Postretirement benefit plans and other surplus changes	6.1	58.3
<b>Change in policyholders' surplus</b>	<b>311.3</b>	229.5
<b>Balance December 31</b>	<b>\$4,751.8</b>	\$4,440.5

## Board of directors



**Peter G. McPartland**  
Chairman of the Board,  
President, and Chief  
Executive Officer  
Sentry Insurance a Mutual  
Company



**Graham W. Atkinson**  
Retired Chief Marketing  
and Customer  
Experience Officer  
Walgreen Co.



**David R. Casper**  
President and  
Chief Executive Officer  
BMO Harris Bank



**William D. Harvey**  
Retired Chairman,  
President, and  
Chief Executive Officer  
Alliant Energy



**Leo M. Henikoff**  
President and  
Chief Executive Officer  
Emeritus  
Rush University,  
Rush Medical Center



**Stephanie Pace Marshall**  
President Emerita  
Illinois Mathematics  
and Science Academy



**James D. Pearson**  
Retired President  
Aurora Metals Division, LLC



**Peter J. Pestillo**  
Retired Chairman  
of the Board  
Visteon Corporation



**Jean H. Regan**  
President, Chief Executive  
Officer, and Chairman  
of the Board  
TranzAct Technologies, Inc.



**Shirley A. Weis**  
President  
Weis Associates, LLC

## In memoriam: Ed Steinike

Board member Ed Steinike passed away in July 2016.

Ed was the founding chairman of Sentry's Technology Committee, helping to oversee significant investment in our commercial and personal lines platforms.

He grew up in the Milwaukee area and graduated from Marquette University.

Sentry benefited from the wealth of Ed's corporate experience, including a 26-year career at General Electric, three years at ING Insurance, and 11 years at Coca-Cola, where he had been serving as Coke's senior vice president and chief information officer.

Ed is sorely missed.



## Sentry officers

**Peter G. McPartland**  
Chairman of the Board  
President and Chief Executive Officer

**James J. Weishan**  
Executive Vice President  
Chief Investment Officer

**Peter G. Anhalt**  
Senior Vice President  
Group Executive – Personal Lines

**Kenneth J. Erler**  
Senior Vice President  
Chief Administrative Officer  
General Counsel and Corporate Secretary

**James D. Stitzlein**  
Senior Vice President  
Chief Information Officer

**Mark R. Trautschold**  
Senior Vice President  
Chief Claims Officer

**James W. Frank**  
Vice President  
Information Technology

**John J. Hyland**  
Vice President  
Segment Executive –  
Standard Business Products,  
Dealer Operations

**James E. McDonald**  
Vice President  
Chief Investments Officer

**Scott A. Miller**  
Vice President  
Segment Executive –  
National Accounts, Transportation

**Sean R. Nimm**  
Vice President  
Analytics

**Jayne K. Petruska**  
Vice President  
Chief Human Resources Officer

**Todd M. Schroeder**  
Chief Financial Officer, Treasurer,  
and Vice President – Life & Annuities

**Stephanie L. Smith**  
Vice President  
Marketing and Brand Management

**Michael J. Williams**  
Vice President  
Chief Actuary and Risk Officer

**Daniel R. Wuest**  
Vice President  
Information Technology – Commercial Lines

**Greg Armstrong**  
Assistant Vice President  
Personal Lines Claims

**Jeffrey R. Cole**  
Assistant Vice President  
National Accounts  
Products and Pricing

**Michael W. Dietry**  
Assistant Vice President  
Personal Lines  
Product and Agency Sales

**Michele M. Dufresne**  
Assistant Vice President  
Workers' Compensation Claims

**Timothy P. Kelly**  
Assistant Vice President  
Commercial Lines Claims

**Kip Kobussen**  
Assistant Vice President  
Government Relations

**Stephen P. Marsden**  
Assistant Vice President  
Personal Lines Products and Pricing

**Christopher C. Meadows**  
Assistant Vice President  
Equity Investments

**Elisha E. Robinson**  
Assistant Vice President  
Financial Planning and Analysis  
and Process Improvement

**Nicholas W. Saeger**  
Assistant Vice President  
Transportation Products and Pricing

**Michael R. Schimke**  
Assistant Vice President  
Corporate Underwriting and Products

**Michael J. Toth**  
Assistant Vice President  
Commercial Lines Pricing

**Robert J. Yeiser**  
Assistant Vice President  
Personal Lines Customer  
and Brand Development



# Sentry Insurance Group of Companies

- Sentry Insurance a Mutual Company
- Dairyland County Mutual Insurance Company of Texas
- Dairyland Insurance Company
- Florists' Insurance Company
- Florists' Insurance Service, Inc.
- Florists' Mutual Insurance Company
- Middlesex Insurance Company
- Parker Centennial Assurance Company
- Parker Services, L.L.C.
- Parker Stevens Agency, L.L.C.
- Patriot General Insurance Company
- Peak Property and Casualty Insurance Corporation
- Point Insurance Agency, LLC
- Sentry Casualty Company
- Sentry Equity Services, Inc.
- Sentry Life Insurance Company
- Sentry Life Insurance Company of New York
- Sentry Lloyds of Texas
- Sentry Select Insurance Company
- Viking Insurance Company of Wisconsin



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[sentry.com](http://sentry.com)**

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