



7/15/2021

Board Meeting

Minutes of July 15, 2021

ATENDING DIRECTORS:

Dave Rutherford, Chair
Nancy Brown, Vice-Chair
Richard Barrett, 2nd Vice-Chair
Allan Sheppard, Past Chair
Bruce Buttar, Director (Virtual)
Van Darling, Director
Bill Dorland, Director
John Kernaghan, Director

ATENDING STAFF:

Alec Harmer, President
Warren Ting, VP Underwriting
Christine Howe, VP Business
Development
Donna White, VP Finance
Steve O'Connell, VP Claims
Bryce Clarke, VP Loss Prevention

REGRETS:

Bob Burley, Director

Barbara Dinnage
RECORDING SECRETARY

MISSION

“To protect your future as if it’s our own”

VISION

“Our family striving to provide you with peace of mind by protecting your tomorrows today”

Opening of the Meeting

Dave Rutherford, Chair, called the meeting to order at 9:37 a.m. Dave welcomed everyone to our first in person meeting in several months. Dave advised everyone that he has spoken to Bob and that Pat was not well and that he passed on that we are all keeping them in our thoughts. The Mission and Vision statements we read together as a group, and asked if there was a conflict of interest. There was none.

The summary agenda was presented.

Motion: *“to approve the agenda as distributed.”*

Mover: Van

Secunder: Nancy

Carried

It was asked if under Other Business that an update from the Nominating Committee be given by Nancy.

Consent Agenda Documents

The consent agenda items were as follows:

- Minutes of the previous board meeting
- OMIA Report
- FMGF Update AGM Notice
- Collectivfide Press Release
- Management Reports
- Service Standards

Dave reported that Van has been appointed to the OMIA Nominating Committee for the position of Director at Large that is open. Dave congratulated Van and advised everyone that in selecting the committee Van was highly recommended to join the group.

It was asked that we put together for the August Planning Meeting the cost of an agent acquisition versus a broker acquisition.

It was noted that advertising was being heard on local radio station in Belleville between Commonwell and Ontario Insurance Network. We should look at our advertising in this area.

Van inquired as to why the OMIA report included the pension report from last year. He was advised that it usually takes 6 months for full reports to be released after year end.

In reviewing the financial reports for the end of May growth was at 3.3% and that it appears to have rebounded to 4% to the end of June (approximately 6% for June).

Van asked if we should be concerned about Collectivfide hiring staff. Alec explained that now that they have acquired 4 brokerages and their staff, these hires could be replacements for existing staff within those brokerages. Also, it was noted that another mutual has joined the Collectivfide group.

Motion: *“to approve consent agenda items as distributed.”*

Mover: Allan

Secunder: Richard

Carried

Management Presentations

Alec lead the management presentations, he updated on the Pandemic. At this time, our doors remain locked to the public. Our staff are continuing with the COVID questionnaire to be completed when coming into the office, as well as temperature checks. Everyone in the building continues with wearing masks. We have now added the Rapid Tests to our prevention tools. At this time, it is still unclear if we can legally ask staff if they are vaccinated. OMIA is getting a legal opinion on what we can ask. Moving forward we expect to have some sort of a hybrid of in office and work from home. We are still scheduling the staff in the office in order to control the numbers each day. Alec reported that we experienced a Website Payment Attack. This occurred over the weekend of July 10th. There wasn't a breach, no loss and no cost to anyone. We are now looking at more security. Our website payments were back up and running by July 13th. Alec reported that looking ahead to the August Strategic Planning session, we will be involving the staff in a virtual meeting prior to our Director/Management session. We are planning on holding the meeting in person at the Best Western. We will be looking at refreshing the current Strategic Plan document and S.W.O.T. analysis. Alec compared the HTM results to the results of all mutuals. He reviewed growth, claims and loss ratios.

Barb presented the next management report. An update was given that the Accessibility Compliance Report had been completed and submitted to the Ontario Government. We are in compliance in all areas. A review of the completion of the Cognition + implementations in the underwriting department was given now that all 4 lines are completed. Barb continues to work with the Nominating Committee. All of the candidate has been mailed a package. The purge and shred of documents has been completed for this year. The next steps will be working towards a process to purge electronic information. Barb will be continuing with supporting the training of staff in underwriting as duties shift and cross training continues. Looking ahead, it is expected that exciting times are ahead for the upcoming Strategic Planning Session for HTM. The goal of completing to compliance calendar continues on through this year as we continue to track monthly requirements.

Donna gave a summary on the completion of the Cognition + set up in underwriting. Donna is working toward the Central Repository. The framework for this project is complete. Jennifer Coghill celebrated 5 years with HTM and the Admin department celebrated with an outdoor lunch. April Sendel completed her CIAA accounting course and congratulations to her on the accomplishment. Donna is preparing for IFRS 17. Cognition + and Qlik sense are working on the project to allow financial statement to be prepared in the IFRS 17 format. Donna continues to work on the research into a new phone system. This is a goal to complete for the fourth quarter. Donna will begin the Website review project. Also, in regards to the Central Repository the admin department will start populating documents.

Donna reviewed the financial statements to June 30, 2021. The balance sheet is showing a surplus of \$42,737,315 which is an increase of 19% over last year. The income statement shows an underwriting profit of \$5,841,014. This is up 147.1% over last year. The net profit is \$5,096,956. This is an excellent result. Donna continued showing a comparison of the balance sheet as of June 30th compared to the budgeted balance sheet that had to be created for government reporting. Some numbers are extremely challenging to estimate especially when we have remarkable results such as we have had year to date. Our results year to date are extremely close to budget for revenues and general expenses. Our general expenses are under budget by 2%. Travel, advertising and conventions are all below budget as we had thought that we would have been able to get back to our pre pandemic activities earlier.

Motion: "to approve the financial report to June 30th."

Mover: John

Secunder: Allan

Carried.

The next manager to report was Warren. He also commented on the Cognition + implementation being completed in underwriting. He mentioned the new staff, Nick and Katherine are progressing well and we hope to have a long term relationship with them. Warren continues to be a member of the ARFC and is now part of the OMAP organizing committee. Warren participated virtually in the Manager's convention in June. Warren reported his completion of the CIAA accounting course. Warren reviewed overall policy counts and premiums written by line for the end of June. He highlighted the new policy counts and premiums written for the end of June as well. Farm had the biggest growth over last year being up by 75.4%. Auto decreased by 17.1%, Property decreased by 4.1% and Commercial decreased by 3.8%. These results are attributed to having our farm department fully staffed this year. Once health restrictions ease we expect to be visiting brokers and providing training in the farm line. Our auto premiums had decreased during the pandemic due to class reductions and suspending coverage or deleting vehicles all together. Commercial businesses suffered and in some cases closed as a result of the pandemic. The gross loss ratio is 18.1% and we are very happy with the first 6 months of the year growth. Looking forward, Warren is planning on continuing to develop training videos for staff. The underwriting department is transitioning for the upcoming maternity leave. Warren and Steve are working on a review of wordings and the underwriting manual. Warren has entered into an agreement with the underwriting manager at K & E Mutual to do a file audit between our 2 companies. Warren is on the hiring committee for the OMAP VP position.

Steve provided an update which started with Melody joining the claims department as an adjuster. She is busy training and with education sessions as well as adjusting a variety of claims. Steve advised that the claims department has been approached by an adjuster from another mutual that will be moving to this area in the next year. Having reviewed her resume and met informally when she was in the vicinity. Our interest is mutual. They planned to meet again once her timeline becomes clear. YTD New claim counts are running below plan in all business lines, and under 2020 in all Policy classes save Commercial. We have booked 261 claims in the first half of the year compared to 325 over 2020. The corresponding Gross Claims Incurred numbers are excellent; posting below budget and 2020 across all lines. Steve report year-to-date losses in liability and in the auto claims class. The corresponding Gross Claims Incurred numbers are excellent; posting below budget and 2020 across all lines. Steve reported that he continues to work on the HR project. Job descriptions are being looked at and updated as necessary.

Steve reported on staff claims while he was present at the meeting.

Owen & Amy Merrill – 2016 Jeep Hit a deer. DOL June 26, 2021.

Appraisal \$6,281 less \$500 deductible plus Loss of use. Reserve amount \$9,235.

Bryce & Brenda Clarke – Equipment breakdown Refrigerator.

Home System Protection coverage. DOL June 30, 2021. Reserve amount \$2,000.

Rose & Greg Clarke – 2011 Polaris Hit a stump. DOL April 24, 2021.

Total Loss \$8,500 + HST less \$500 deductible. Salvage recovered \$2,073. Net amount \$7,020. Reserve amount \$7,500.

Motion: “to approve claims as presented.”

Mover: Bill

Secunder: Nancy

Carried

Christine gave her report, starting with looking back. She updated on the Consumer Portal and the testing that had taken place. The Q2 auditing of the agents has taken place and very few flags were found. Christine has been contacting the brokers/agents and encouraging the use of the marketing dollars and donations. Christine reviewed the top and bottom 5 brokers up to June 30th. It was noted that the HTM staff account was showing in results and it is a very small portfolio. Discussion took place that looking ahead we will move policies over to our agent portfolios. Christine continue to report on our overall book of business by policy class in regards to retention. Overall we are at 91.2% and the agents are at 94.1%. Loss ratios were shown by broker/agents and there are only 4 broker is the area of concern. All 4 are small portfolios and a single claim can affect the overall loss ratio for their portfolio. Looking forward, Christine will be having touch point meetings with the brokers. Christine is planning an in person meeting with the agents in early August. She is continuing to work on the Consumer Portal and expect a soft launch in August of 2021. Wellness committee initiatives continue to take place. Meetings will also continue to take place for the Pearson Insurance purchase. Investigation will continue into developing a sales website.

Bryce reported that inspections continued in the past quarter to be on and off due to lockdowns in the province. The virtual inspection tool is being used. Inspections on Country Farm properties has now resumed. During Q2, 164 inspections were completed and of those 67 had recommendations. Bryce shared some photos of some of the areas of concern found. Looking forward, now that the province is entering stage 3 reopening full farm inspections will resume, followed by commercial inspections. Discussions are taking place that interior inspections will resume. Bryce updated on the Cross training project. Bryce has collected information from each department and will be breaking down subjects for cross training. It is expected this will occur in the fall.

Planning Session

Alec advised that we will be holding a virtual session with Gary and the staff to get their feedback. A survey to the staff will be sent out in order to collect thoughts from everyone. The strategic planning document will be updated. Alec has arranged for 3 virtual speakers for the first day of the August session. John Taylor will give an OMIA update. Kevin Cameron will update from Farm Re on rate changes and what is happening outside of the mutual world. The CEO of Cognition + will give an update

on the direction Cognition + is going and competitors and what they are doing with technology. Each of these speakers will be a maximum of 15 minutes.

It was asked, What do directors want to see?

They would like a review of where we are at. Has COVID changed our mindset? They want to be sure everyone has a chance to talk. Gary's duties are to make sure each person is heard from and record the contents of the meeting. Emerging issues: How to move forward? Get examples of how others handle situations. How are we prepared to move forward to future challenges? Staff will generate some topics for the Director/Management meeting. We hope to develop a list to be tackled in 2022.

At the August board meeting we will review the last plan to prepare for the Strategic Planning Meeting.

Other Business

Conventions:

A discussion on conventions took place. At the May board meeting, a discussion on out of country conventions took place. It was asked to be put back on for discussion now that most people have been double vaccinated. There was concern that if the P & M's convention in Ontario opens up and 3 directors attend that this is a fair practice to the other 6 directors. We are aware that the CAMIC convention was cancelled for 2021. The risks are that there is a lower rate of vaccine level in the USA for NAMIC convention. The convention is in Nashville and more population in Tennessee are against vaccination and there is an increased risk from airport travel. The P & M's is still being discussed. It possibly will be happening with restricted attendance or possibly cancelled. A decision is expected in August. Dave polled each board member for their thoughts.

Allan felt it was fine to attend with double vaccination.

John had no issue with attending.

Bruce felt that we should register to hold a spot and then wait to see how things open up and case counts.

Bill felt it wasn't worth the risk and that the board should show leadership.

Van felt that this is a personal risk. He also wanted fairness among all 9 board members.

Richard felt it is too early to travel.

Nancy noted variants are much stronger. She suggested starting with new travel groups in January. By then, we will have 2 new board members as well. Nancy mentioned that we should invite Bruce and Bob to the March OMIA convention.

Bob was absent from the meeting, his thoughts on this issue had been conveyed to Dave and he shared with the group. Bob feels that the exposure for air travel and the convention was too high. He asked, "Is the risk worth it for what you learn?"

Dave didn't feel that it was worth the risk at this time. He felt attending didn't set a good example for staff and management.

Motion: “That all out of province/country conventions not be considered for in person attendance for the year 2021”

Mover: Nancy

Seconder: Bill

Recorded Vote:

Bill	For	Van	Against
Richard	For	Allan	Against
Dave	For	Bruce	Against
Nancy	For		
John	For		

Carried

It was asked that 2022 Conventions be put on the agenda for the August Board Meeting.

Refund from Surplus

A committee was formed and consists of Dave, Van, Bill and Alec. They have had one meeting and will have one more meeting. They will present their findings at the August Board Meeting.

This will be a topic at the August Strategic Planning Meeting.

President’s Performance Document

Alec updated on key items. He indicated timelines on either completion or updated on the current status of items. The performance document had been sent out prior to the meeting. Nancy indicated she was happy with this process and it gave time for it to be absorbed prior to the meeting. Alec let the board know that on the quarterly board meetings he reduced his role and let the managers take on more of a role. The next update will be at the October meeting.

Nominating Committee

Nancy is chair of Nominating Committee and gave an update on the progress. All candidates have received a package by mail and we will be following up with a copy by email as well. Nancy advised that we thought that there was a possible 6th candidate however they have decided this isn’t the best time for them to put their name forward. The committee has an in person meeting July 27th at 9:30 a.m. This is a dry run with the interview questions and checklist. Actual interviews will take place first week of August.

[Adjournment of the Meeting](#)

Motion: “to declare the meeting adjourned.”

Mover: Richard

The meeting was adjourned at 2:27p.m. An in-camera session followed.

Date

Dave Rutherford, Chair

Barb Dinnage, Secretary