

For the Board Meeting of: 6/10/2021

Executive Summary

May was a normal month for claims but one of our larger months for premiums. We will make a nice underwriting profit for the month but not the windfalls we have had over the last 4 months. The largest drag on income this year is auto; not only below budget but trailing the prior year. A couple of factors could be at play such as competition and the economy in a pandemic environment. Once the second quarter is over, Christine will be reaching out to our brokers for a review and a focus will be on growth in their brokerages.

Overall, the atmosphere in the company is excellent and we continue to work in a hybrid model of at-home and in-office work. As time carries on, we are seeing some new faces back in the office. Staff are voluntarily offering up their vaccine status and there's only a few unknowns out of 38. Very positive. We are investigating the implementation of self-testing in the office for COVID. This will be another level of protection for the staff.

Update on Major Goal(s)

We have gone live on Cognition+ for the farm line of business. Commercial is well underway and will follow in a couple weeks. The consumer portal should be available prior to the next board meeting to provide to our policyholders.

Emerging or Future Issues

Ontario is opening up slowly. I anticipate we could do an outside barbecue for staff and directors, even if we manage numbers through splitting the group up into two time periods.

The planning session is up for discussion. I know the preference is in person, and I believe we could accomplish it through the use of facility like the Best Western. They have very large rooms and if we are allowed, that may give us the opportunity to do so.

Management Team

I met one on one with my managers. Overall they are doing well managing their departments.

The manager's conference was a two half-day virtual session. I split managers up to take part in a half day. There were a few concepts that came out of the meeting that are interesting:

1. Central rating for residential policies (mainly homeowners), which starts with analyzing data and providing a peril score by risk (fire, crime, water, etc.).

Potentially we could use this to augment our current rating program. Ultimately the goal is to provide individual rating for any homeowners risk.

2. Climate and the risks associated with climate change
3. Environment and how HTM could be a "net zero" contributor to climate change.

We also had the leadership team meeting. The focus of the meeting was on the future working environment of HTM. Several themes came out:

1. We don't believe full-time from home is a good option
2. We do believe there needs to be some flexibility in working from home
3. There should be overlap to allow staff get to see other staff over a period of time
4. We need to ensure communication is done well in this environment
5. Each department is different and may require a distinct strategy around their work-at-home scheduling
6. We need to ensure there are company-wide in-person events to bring us together from time to time

Other

In reviewing the survey, I saw an overall acceptance of the new reporting methods. Different and opposing comments were still seen within the report.

One action I have taken to satisfy the data hungry directors is to provide the management analysis file to you through the secure area of our website. To use this file, directors need an application on their iPad or home computer that reads excel files. So having excel is best of course, but on the iPad, an application like "Numbers" can be used. I have tested it on my 6 year old iPad mini and it worked. The only privacy issue with the file I have is with Broker names. To eliminate this risk, names have been removed.

Stats

As I mentioned, May was a good month, but not the spectacular performance we have seen in prior months. May's result pushed the Gross Loss ratio up to 17.9% from 12.8% last month. We will be in contact with all our brokers in July to review growth in their brokerages relative to growth with HTM.

HTM Overall Performance (Year-to-Date)

By Class of Business

Policy Class	Policy Count	Growth	Premium Written	Growth	Claims Incurred	Loss Ratio
Auto	5,668	1.1%	3,527,204	(3.1%)	464,450	13.5%
Commercial	1,849	(0.8%)	1,921,837	4.6%	369,917	20.7%
Farm	2,823	1.9%	3,327,762	8.1%	411,070	11.7%
Residential	10,222	1.7%	4,615,523	4.6%	1,284,302	23.9%
Total	20,562	1.3%	13,392,326	3.3%	2,529,739	17.9%

Respectfully Submitted,



Our Mission

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