

For the Board Meeting of: 5/13/2021

Executive Summary

The month was favourable with an increase of \$1.2 million in underwriting profit and just over \$1.1 million after taxes. This brings the year to date net profit to \$3.4 million. Market value on investments did rebound again in April and year to date investment income is just over budget and 55% over last year.

Update on my Department

This month I met one on one with each of the staff in the department and morale is excellent considering the environment that we are currently living in and everyone is working extremely well together. Jenn and April both completed another accounting course this month and Ryan has been doing some online technology courses.

We are managing the work by everyone coming in a couple of days a week to keep our numbers down. Ashley continues to come in daily to keep our communication lines with our insureds and brokers open.

Update on Major Goal(s)

Ryan and I have been involved with the Cognition project, and more so this month with farm going live in May. We have also been working on the framework for the central repository project. Ryan has been receiving input from various staff members on what information they feel will be beneficial to store centrally.

Emerging or Future Issues

Our goal is to present the proposed framework for the central repository to the management team this month and then start adding documents. As soon as the central repository project is well on its way, we will be investigating the cost/benefit of a new phone system. Our current system has served us well up until the pandemic, however there are new systems available that could provide more flexibility going forward.

I do have some concerns with the continued pandemic and the future impact this will have on our results, underwriting and investment. Investment market values are on a bit of a roller coaster and some individuals are really suffering financially. Hopefully we will be at a more stable position by year end once the population is vaccinated and we are able to open up more.

Financial Results

Year to date our premiums are up 3.4% over the same period last year and our net claims incurred are down 49.4%. General expenses are up just over 1.6%. This has resulted in an underwriting profit of \$4.1 million, up 132% from last year.

Underwriting Profit / (Loss) (YTD)

5 Year Trend - based on Financial Statement

| Year | Amount \$ | Change \$ | Change % |
|------|-------------|-------------|----------|
| 2021 | 4,188,762 | 2,383,974 | 132.1% |
| 2020 | 1,804,788 | 3,253,631 | (224.6%) |
| 2019 | (1,448,843) | (749,771) | 107.3% |
| 2018 | (699,072) | (1,359,322) | (205.9%) |
| 2017 | 660,250 | | |

The financial ratios 2021 year-to-date are remarkable and unprecedented in my memory. We did have some reserve recoveries this quarter however even without these recoveries our results would still be considered excellent.

Financial Ratios (Year-to-Date)

5 Year Trend - based on Financial Statement

| Year | Net Loss | Expense | Combined |
|------|----------|---------|----------|
| 2021 | 19.5% | 39.7% | 59.1% |
| 2020 | 40.8% | 41.4% | 82.2% |
| 2019 | 108.9% | 42.5% | 151.4% |
| 2018 | 108.2% | 43.8% | 152.0% |
| 2017 | 61.9% | 43.1% | 105.0% |

Respectfully Submitted,

Donna White

Vision Statement

*“Striving to provide you with peace of mind by protecting your
tomorrows today.”*