

VP Underwriting Report

For the Board Meeting of: 1/14/2021

Executive Summary

As I am putting together this report, I am reflecting on the year that was 2020. The year started with a bang and ended with a whimper in the midst of a 2nd Covid lockdown. The Underwriting department went through all its up and downs during the year and I would say that we are ending on a high note in spite of everything that is happening around us. The team is now fully staffed, team morale overall is positive based on the employee assessment feedback and workflow efficiencies are starting to show as all workflow assignments are solidified. As with all things, changes will continue to happen in 2021 with the hopes that what the team has a great foundation to prepare for what is to come. I felt positive and pumped for 2021 as I left for a two-week staycation over the Christmas break and am looking forward to the light at the end of this Covid tunnel hopefully by summer. Fingers crossed!

Action Plan Item(s)

Action Plan items for January are:

- "Alpha" testing on Cognition+ for Farm/Commercial
- Training of new Underwriting Admin person
- Transition of Barb's broker split to Lindsay, our new underwriter
- Transition of Jade to Lindsay's prior role, Renewal Analyst

Department Update

December was a relatively quiet month compared to the rest of them in 2020. I worked for first half of the month and took a two-week staycation where I did not turn out my emails and/or phone for a much-needed break. In the weeks that I was working, we managed to solidify a hire to start in January. Kay Farrell-Lang will be joining us in the New Year as Underwriting Administration, replacing Jade, who will be moving into the Renewal Analyst role and Lindsay will be moving into the Underwriter role. This is positive career growth for team members in the department. The movement of Barb into the Corporate Secretary role will result in a continuation of support to the Underwriting team in a "utility-person" role with no broker allocation assigned. Overall, these moves show a commitment to my team members that I have always preached about with growing their career from within the company.

Key Factors

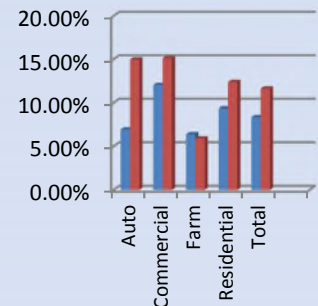
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December Policy Activity

	New	Canc.
Auto	45	26
Commercial	19	27
Farm	28	18
Residential	83	89
Total	175	160

Premiums Growth YTD

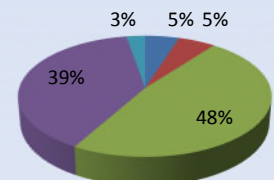
Blue (left bar) = 2020
Red (right bar) = 2019



Transactions for December

3234

Cancelled New Business
Endorsements Manual Renew
Automatic Renew



December was the first quiet month on the Cognition+ front with a couple of meetings in regards to the Farm product. It will get back into the full swing in January 2021.

December production showed positive momentum into 2021. For the first time in 2020, we have showed a growth trend two months in a row. Our overall growth YTD has increased to 8.34%, and 9.6% for the month of December respectively. Cancellations, while still on the high side is lower than our New Business, which resulted in a +15 PIF for the month. All lines of business showed slower growth in December with the exception of Farm. Year-end, we ended off 2020 at 8.34% growth, which is very positive considering the Covid pandemic in 2020, and our 11.36% growth in 2019.

Current / Emerging Issues

With Covid continuing to be front and centre for the year-end and into 2021, we all need to keep an eye on many litigation lawsuits in regards to Business Interruption insurance and the effects on businesses during a shutdown/lockdown. The common (and correct) theme is that insurers are not offering coverage for Covid-related losses. All it takes is one of these lawsuits to go against the insurance companies and the floodgates will open. Farm Mutual Re and its reinsurance markets have taken a stance to reiterate that no coverage is being offered with new exclusions in their reinsurance treaty and we at HTM have done so as well. We need to continue to keep our ears to the ground regarding this topic, as this can potentially be backbreaking for the insurance industry.

<https://www.canadianunderwriter.ca/claims/hotels-sue-aviva-canada-for-150-million-in-proposed-bi-class-action-1004194920/>

Other

Happy New Year to you and yours and hope that your 2021 will be filled with sanity, joy and good health!

Respectfully submitted,



Key Factors

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YTD Premium % Growth		
January	20.9%	↑
February	12.9%	↓
March	10.0%	↓
April	8.9%	↓
May	12.3%	↑
June	2.5%	↓
July	2.1%	↓
August	8.3%	↑
September	7.9%	↓
October	5.1%	↓
November	7.0%	↑
December	9.6%	↑
Total	8.34%	↑