

**For the Board Meeting of: 8/19/2021**

## Executive Summary

If this is what a broken record sounds like, I hope I sound like it for the rest of the year. July saw two very positive events; another month of very positive underwriting results and a continuation of June's growth rate. Overall July was up over 6%, similar to June, bringing our year-to-date growth back into our strategic plan growth target, where we stand at 4.3%. A mere 53 claims with a total of \$610,000 gross incurred provided for another profitable month. Other prior period claims activity pushed our gross claims incurred down further, but more important, reduced gross claims reserves by \$514,000. Reinsurance activity in FM Re's favour of \$25,000. This pushed underwriting profit up another \$1.3 million for the month bring our YTD total to \$7.2 million.

I was away for two weeks since the last board meeting. During the time I was in I had several management meetings, a PGC meeting, an FM Re presentation which was to set us up for rate increases and a staff planning session where we focused on a SWOT analysis for the planning document, prepared for the board meeting and the MD&A report for the quarterly P&C1.

I was very appreciative of the support shown to me by the board, management and staff. All of it, true to our values of family and caring. I also had overwhelming support from the mutual community extended to Lori and I. People who are currently in the system, some knowing my mom and some knowing only me. And people that have been out of the system for years, reaching out. It was a testament to my mother's impact in the mutual industry.

## Update on Major Goal(s)

There is not a lot going on with our goals, at least to report on. The consumer portal is still being developed to go live with a select group shortly. A compensation review is underway to update our pay bands and align us with pay equity legislation. At the same time, we have provide staff and director remuneration and benefit data to OMIA for the 2021 survey. This will be available in September.

## Emerging or Future Issues

I am having a special meeting with Cognition+ to review a plan to provide the members with a very cost effective upload system for use with our brokers. This was part of our 2018-2022 plan, which I did not believe we could complete. If all goes well, we could have the auto line of business available for our brokers by the end of this year; personal policies in early 2022 and potentially farm by the end of 2022. This is particularly exciting as we are already incurring a number of costs, simply for our enquiry system. These costs

will also cover policy upload. I have to give Trillium Mutual and their CEO, Tracy MacDonald a big thank you for allowing the company that created their portal, "license" to use that as a starting point for us. This is a significant win for HTM and it's an example of why it's important for us to support other mutual initiatives even if it doesn't appear to be beneficial to us at the time.

## **Management Team**

I did not meet with the managers individually in the last month. We have met a number of times through management meetings and as part of working on goal items. Our next one on ones will occur in September.

## **Other**

Nothing to report.

## **Stats**

A few highlights from the chart on the next page.

Premium growth improved from 4% to 4.4% in July. Auto's growth was stable at just under negative 2%. Commercial dropped again in July. Farm nudged up another 0.3% while residential saw a 0.8% improvement over June YTD. Total premium still falls short of the budget by over \$500k.

Claims Incurred is up by just \$300,000 with the amount spread over all lines. As you can see from the chart, "expected claims incurred" versus actual results are drastically different.

This is the best case scenario for loss ratios we could ask for. Every line of business is contributing to this year's success (same line as last month's report but it's worthy of repeating).

## HTM Overall Performance (Year-to-Date)

By Class of Business compared to budgeted amounts

	Auto	Commercial	Farm	Residential	Total
Policy Count	5,640	1,847	2,830	10,240	20,557
<b>Budget</b>	<b>5,779</b>	<b>1,803</b>	<b>2,751</b>	<b>10,132</b>	<b>20,465</b>
Policy Count Growth	0.0%	(1.5%)	2.3%	1.2%	0.7%
<b>Budget</b>	<b>4.5%</b>	<b>3.5%</b>	<b>1.0%</b>	<b>4.0%</b>	<b>3.7%</b>
Premium Written	4,972,858	2,634,957	5,162,726	7,690,033	20,460,574
<b>Budget</b>	<b>5,567,101</b>	<b>2,701,070</b>	<b>5,075,831</b>	<b>7,741,735</b>	<b>21,085,737</b>
Premium Written Growth	(2.2%)	3.4%	8.3%	6.8%	4.4%
<b>Budget</b>	<b>10.0%</b>	<b>7.0%</b>	<b>6.0%</b>	<b>8.0%</b>	<b>7.9%</b>
Claims Incurred	616,300	461,673	436,894	1,842,206	3,357,073
<b>Budget</b>	<b>2,702,695</b>	<b>941,924</b>	<b>1,783,146</b>	<b>5,614,662</b>	<b>11,042,427</b>
Loss Ratio	12.7%	18.3%	8.8%	24.2%	16.9%
<b>Budget</b>	<b>53.4%</b>	<b>34.5%</b>	<b>67.8%</b>	<b>46.7%</b>	<b>55.0%</b>

Respectfully Submitted,



Our Mission

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