

**For the Board Meeting of: 6/10/2021**

## **Executive Summary**

Underwriting profits continued for May with \$580,000 in underwriting profit down from April's \$1.2 million underwriting profit, bringing our year to date underwriting profit to \$4.8 million. Market value on investments continued its roller coaster ride and declined almost \$70,000 and we also took a \$60K capital loss. On a positive note our investment interest and dividends realized this month was \$366,000 resulting in over \$235K in investment income. After an accrual of just over \$1.3 million in income taxes our year to date net profit is just over \$4 million.

## **Update on my Department**

May was another month in lockdown and we are all hopeful that with vaccines and the numbers going down we will be able to start getting together in person soon.

I would like to recognize and congratulate Jennifer Coghill on her 5 year work anniversary on June 6<sup>th</sup>. She has worked hard since coming to accounting, striving for excellence in her accounting courses and learning a variety of new accounting functions. Congratulations Jenn!

This month went by extremely fast as I have been working on the farm and commercial Cognition project along with the central repository project. I am extremely fortunate to have the team working well together and supporting each other and myself keeping the day to day accounting up to date.

In addition, they are all becoming more comfortable working with Cognition now that there are three lines of business on the new system. Even though the majority of their work is still on IBS they do need to be able to complete billing type changes and become familiar with reading the screens.

## **Update on Major Goal(s)**

This month Ryan and I presented the central repository framework to the management team. The central repository consists of new folders on our server to store resource documents for each department. This is a familiar storage format that staff will find easy to use. For the second area, Ryan has set up an internal website with searchable data bases for broker information and area for training procedures and videos and links to websites that are used by staff. Going forward we suggested a review of Microsoft Office 365 to allow easy sharing of documents between staff members which would enable us to be more efficient for staff when more than one person accesses the same document.

The next step for the central repository is an introduction of the repository to each of the departments and for each department to add their resource documents.

## **Emerging or Future Issues**

On Monday, April and I attended OMIA's accounting user group meeting online. The main focus of the meeting was on IFRS 17 and the recent financial review committee meeting with FSRA.

The accounting advisory committee is continuing their work with Ernst & Young and BDO on the position papers for IFRS 17 reporting on insurance and reinsurance contracts and the financial statement impact. These position papers have been a work in progress for a few years now however, it won't be long before the implementation date will be here. IFRS 17 effective date is January 1, 2023 and we are required to present comparison information for the prior year so the transition date is January 1, 2022.

This transition will be discussed again in the fall in preparation for these changes. I was happy to hear that they feel that there will be no changes to the day to day processing at this time. In addition, Christine Van Daele from Westminster Mutual has started working with Cognition to prepare the reporting requirements to transfer our trial balance to the IFRS 17 format when preparing our financial statements.

The other item of interest from the meeting was the recent financial review committee meeting with FSRA. In their meeting, FSRA requested very specific information on the Mutual's financial results that they have not been asked in the past. As a result, Catherine Maclellan has requested that all companies provide a more detailed analysis of results in our quarterly management report.

## 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.*