

VP Underwriting Report

For the Board Meeting of: 3/11/2021

Executive Summary

February 2021 was a quiet month overall both on the production side and on the department side. Q1 is generally the time in which we have time to catch up on all the outstanding work in which have been put off. More and more team members are slowing incorporating back into the office, which is nice to see. The team is healthy and all looks to be normal. Our new team members are slowing getting their feet planted so overall, we are in a great position for 2021. In the gloom of winter, Christine and I decided to surprise the company with a "Family Day Movie Night" in which we gave each team member an online gift certificate to order a new blockbuster on Cineplex and a bag of snacks to go with it. Overall, I think the response was positive as nobody expected it! Much of February for me as been trying to "play" with the Zoom technology to see how we can maximize its usage in our 1st Virtual Annual Meeting in March. My biggest short-term goal is to make sure that everything works, votes are counted accurately and that our meeting runs smoothly from start to finish.

My involvement with the Auto Rate File Committee at OMIA has kept me busy. The group has met on a more frequent basis to approve of the delayed rate filing changes from the pandemic and for the changes currently being proposed to the member companies to move forward with a more robust and viable model on how we can manage this \$200+ million book of business for the mutual community.

Action Plan Item(s)

Action Plan items for March are:

- Start of "Model Office" testing on Cognition+ for Farm
- Start of "Alpha" testing on Cognition+ for Commercial
- Continued training of Lindsay and Jade for their new roles
- Continued preparation of our first virtual Annual Meeting

Department Update

Q1 is generally the slowest quarter in terms of production and the numbers continually reflect that. We were flat in January and February showed a small rebound with 2.2% growth. I project that these results will continue to increase as we enter into Q2. The slower months have allowed the team to catch up on all their outstanding work and currently, are all up-to-date.

Key Factors

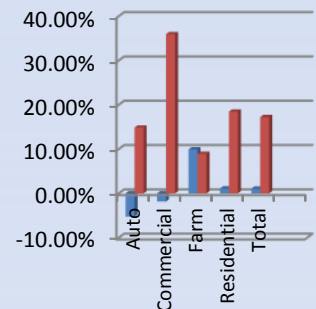
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February Policy Activity

	New	Canc.
Auto	33	44
Commercial	12	12
Farm	17	6
Residential	57	64
Total	119	126

Premiums Growth YTD

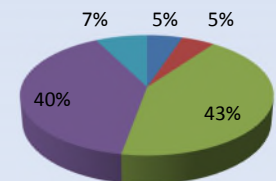
Blue (left bar) = 2021
Red (right bar) = 2020



Transactions for January

2,458

Cancelled New Business
Endorsements Manual Renew
Automatic Renew



In terms of PIF growth, we were -7 PIF for the month of February. This continues to the trend over the pandemic period of higher cancellations and lower new business growth. I do project our PIF growth to increase as we finish Q1 and enter into Q2. I have added a new chart to show PIF growth in my monthly report.

A broker memo was sent out to our broker/agents to talk about our rating revamp of our Water Protection product and will come into effect on June 1st. This update should help with profitability for this line of business, which is our #2 cause of claims. I have also announced a "Covid" discount for retail commercial businesses insured with HTM that was hit hard by the pandemic lockdown.

Training on Cognition+ for the Farm product has continued forward with the team giving great feedback to the Cognition+ team prior to "model office" testing. We will be entering into "model office" testing mid-March. Cognition+ Commercial "Alpha" training will be following closely behind starting in late March. Training of Jade and Lindsay to their new roles has been going well and will continue in March.

Current / Emerging Issues

With many of the stock companies announcing the financial results in the coming days and weeks, it will be interesting to see the stance they will be taking in terms of this hardening (or already hard) market. The largest stock insurers are already positioning themselves with more stringent underwriting and announcing rating increases in the coming months. I have seen a higher frequency of "unique" risks coming through our doors as a result. We will continue to keep a watchful eye on this!

Other

Looking forward to a smooth and successful Virtual Annual Meeting!

Respectfully submitted,



Key Factors

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YTD Premium % Growth		
January	0.16%	↓
February	2.20%	↑
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
Total	1.06%	↑

YTD PIF % Growth		
January	+2	↑
February	-7	↓
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
Total	-5	↓