

For the Board Meeting of: 8/19/2021

Executive Summary

During the month of July, I got to get away for a little bit of vacation time. The Agents new business is continuing to be slower throughout the summer months, and we have seen more quotes being completed, however the closing ratio is low due to uncompetitive rating. The Consumer Portal is close to launch, with many new features and corrections being made. I have been meeting with brokers, who have had very positive things to say about HTM. In regards to growth, they have a concern with our auto rates being too high to compete. The commercial line of business has seen cancellations due to businesses closing, and less new businesses beginning while still in this environment.

Update on my Department

The agents have been taking advantage of the summer weather and taking some vacation time. Throughout July, five new policies were written, which includes two written by Cameron under Pearson Insurance. Eight additional policies were quoted, however did not get bound due to the clients getting less expensive quotes elsewhere.

Update on Major Goal(s)

Consumer Portal Project – We have received an update that fixed some previous errors that were preventing us from launching the Portal. We will be completing two more weeks of testing, following by a gradual rollout to our staff and directors.

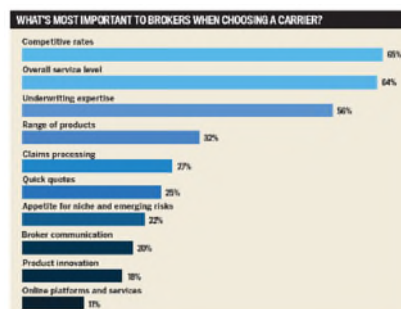
Agents Website – OMIA has provided me with a few potential marketing firms to work with, who I will be reaching out to soon. I have spoken with Ryan on the potential of creating and managing the website in-house.

Pearson Insurance – We are in negotiations with Tim at this time.

Emerging or Future Issues

The Insurance Business Magazine conducts a survey each year to brokers on what the most important attributes are to a carrier. The top two results were competitive rates and overall service level which does not come as a big surprise. The interesting part was that online platforms and services came in last place of importance for brokers. I feel like companies are striving to become the most technology driven company, when the brokers are still most focused on the prices and service being provided.

The results are as follows:



The full report can be found here: <https://www.insurancebusinessmag.com/ca/special-reports/5star-carriers-2021-291975.aspx>

Broker / Agent Results

Written premiums to the end of July 2021 have reached \$20,408,011, with 8.0 or \$1,626,888 of this amount being agent business, down from 8.1% in June. Premium growth for the brokers is 4.5%, up from 4% in June. Premium growth for the agents was at 3.2%, down from 3.9% in June. We continue to see negative growth in the Auto line, with -2.1% for the brokers and -3.1% for the agents. Growth in commercial written premiums have slowed down slightly since June, with Farm and Property increasing slightly.

Broker vs. Non-Broker Business (Year-to-Date)

Premiums Written by Class of Business

Policy Class	Written Broker	Written Non-Broker	% Non-Broker	Growth Broker	Growth Non-Broker
Auto	4,374,931	616,842	12.4%	(2.1%)	(3.1%)
Commercial	2,514,928	100,265	3.8%	2.7%	19.7%
Farm	4,516,726	629,236	12.2%	9.2%	2.7%
Residential	7,374,538	280,545	3.7%	6.6%	12.5%
Total	18,781,123	1,626,888	8.0%	4.5%	3.2%

This chart shows the policy counts for the broker portfolio compared to the agent portfolio. The policies in force count grew by 0.7% in our broker business for a total of 19,041, up 6 net policies from June and 1.8% in our agent business for a total of 1516, down 2 net policies from June.

Broker vs. Non-Broker Business (Year-to-Date)

Policy Counts by Class of Business

Policy Class	Written Broker	Written Non-Broker	% Non-Broker	Growth Broker	Growth Non-Broker
Auto	4,981	659	11.7%	(0.2%)	1.2%
Commercial	1,761	86	4.7%	(1.9%)	6.2%
Farm	2,543	287	10.1%	2.7%	(1.0%)
Residential	9,756	484	4.7%	1.1%	3.6%
Total	19,041	1,516	7.4%	0.7%	1.8%

2021 Gross Claims to date are illustrated in the following table. Brokers incurred claims year to date total \$3,454,555, an increase of \$308,431 from last month, with a loss ratio of 18.9%. Non-broker total claims until the end of July are still in a negative position of (\$97,482), with a (5.8%) loss ratio.

Broker vs. Non-Broker Business (Year-to-Date)

Gross Claims Incurred by Class of Business

Policy Class	Incurred Broker	Incurred Non-Broker	% Non-Broker	Loss Ratio Broker	Loss Ratio Non-Broker
Auto	769,918	(153,618)	(24.9%)	18.1%	-26.4%
Commercial	461,673	0	0.0%	19.2%	0.0%
Farm	420,769	16,125	3.7%	9.8%	2.4%
Residential	1,802,195	40,011	2.2%	24.7%	13.2%
Total	3,454,555	(97,482)	(2.9%)	18.9%	-5.8%

*Note: Non-Broker includes Karen Sero, Scott Hutchings, Cameron Atkinson and Pearson Insurance

Respectfully Submitted,

Christine Howe

“We strive to be remarkable.”

By continuously working to be our best, we provide great service to our clients. We focus on constant improvements and finding ways to be better.