



5/3/2022

Board Meeting

Minutes of April 21, 2022

ATTENDING DIRECTORS:

Dave Rutherford, Chair
Nancy Brown, Vice-Chair
Richard Barrett, 2nd Vice-Chair
Allan Sheppard, Past Chair
Trish Baird, Director
Van Darling, Director
Bill Dorland, Director
John Kernaghan, Director
Susan Treverton, Director

ATTENDING STAFF:

Alec Harmer, President
Warren Ting
Donna White
Steve O'Connell
Bryce Clarke
Barb Dinnage

REGRETS:

Christine Howe

Barbara Dinnage
RECORDING SECRETARY

MISSION

“To protect your future as if it’s our own”

VISION

“Our family striving to provide you with peace of mind by protecting your tomorrows today”

Opening of the Meeting

Dave Rutherford, Chair, called the meeting to order at 9:30. He welcomed everyone. A moment of silence was taken to remember Joanne Winter. Dave mentioned that the refund cheques have been sent out. Dave read a message of thanks from Bob Burley of his appreciation to attend the OMIA convention.

There were no conflicts of interest declared.

MOTION: *“to approve agenda as distributed.”*

Mover: Allan Sheppard

Secunder: Richard Barrett

Carried.

Consent Agenda

MOTION: *“to accept the consent agenda items as distributed.”*

Mover: Trish Baird

Secunder: Nancy Brown

Carried.

Directors’ Activities

Van & Allan mentioned participating at the Lindsay Farm Show in the HTM booth. Van & John attended the Spotlight on Agriculture event. Everyone attended the OMIA convention in March. Some attended virtually and some in person. It was mentioned the virtual feed went well. Dave & Nancy are taking a four-part course from Governance Solutions on “The Art of Being a Chair”. They indicated that if the Governance Committee was looking for further board education to consider this company.

Management Reports

Barb reported on looking back over the last quarter. Underwriting staff are aware and are following the “take all comers rule” that FSRA has focused on. The pandemic continues and we have lifted a few measures, but several are still in place. ERM has been worked on with the Governance Committee. We returned to an in person AGM. The compliance calendar is being followed and all items are either

complete or started. Warren has created underwriting authority levels for all of his staff. We have made a new hire to fill a vacancy in the Underwriting Admin position. The “internal” manual for underwriting staff has been developed and staff are now using it. Warren and Tiffany Gibbs have participated in the fleet rating program training from Farm Re. Warren was made Chair of OMAP at the OMIA convention in March. Warren reviewed policy counts, GWP, and loss ratios by line. In the June meeting, there will be a more detailed report on inspections reviewed. Steve looked back on the first quarter results, the training for Cognition + in claims and the product review project that he and Warren are doing to review wordings. Property wordings are complete and they are starting farm wordings. Steve highlighted claims count, gross incurred claims, claims by kind of loss, and gross claims by policy class. Claims are up significantly over the stellar results of 2021. Alec presented Christine’s report. The agreement with Pearson Insurance has now been signed. Amanda Hartin has been hired by HTM as an agent. A new logo has been developed for the agents branding. Our contract with Roughley Insurance was reviewed and we have decided to end our relationship with them. New policy counts by top and bottom performing brokers were highlighted. Our business retention was reviewed. This still remains strong. Loss ratios by brokers and agents were reviewed. Bryce looked back on the first quarter. Once again, inspections have restarted after a shut down. They have been prioritizing high value inspections. Bryce reviewed a unique heat system and a generator that is environmentally friendly. Donna reported on the addition of Allison as Business Analyst and how positive this has been for her department. Donna, Ryan and Allison have been working with the Claims department on their implementation to Cognition +. Donna continues to prepare for IFRS 17. In the administration department, cross training of staff has taken place during the first quarter. Donna reviewed the financial statements and showed the board a comparison of how the statements currently look and what they will look like under IFRS-17. Our Surplus is at \$40,180,365. Currently, there is an underwriting loss of \$233,592. Donna reviewed the balance sheet and income statement in detail.

MOTION: *“to accept the Financial Report to March 31, 2022.”*

Mover: Richard Barrett

Secunder: John Kernaghan

Carried.

Action Items for 2022

Bryce reported that his department is dealing with the backlog of inspections and are preparing for the new inspection system. Farm Re has been working with a new technology vendor and will be rolling out a new system to the mutuals. HTM has agreed to be an “early adopter” of the system. We are looking at implementing the system in June of 2022. At this time, the ESG project has not been started. Alec reported on Christine’s behalf that she will be working on the agents amalgamating into one team. The agents will be able to access Cognition+ to provide excellent service to the portfolio of all agent business. Christine has signed a contract to appoint a new brokerage, HRC Insurance. She will be working with them and providing training sessions for their staff. Christine will be continuing work on the consumer portal project, which is expected to move forward in the next quarter. There is a target of June 2022 for the sales website to be running. Steve is looking ahead to developing claim handling guidelines for his department. This will help in developing training within the claims department staff. Steve and Warren are continuing on the products and services development and review project. Implementation for claims on Cognition+ is scheduled for April 25th.Carolynn will be working on a project for Clear Pay. Warren reported, that he is working on a guideline for criteria to order inspections. Document tagging in underwriting is being done.

This is a large project as this process was just added to Cognition+. We have been using the system for the past 2 years without being able to tag. This has created a large number of files that we need to be properly filed in an electronic format. We will have a summer student work along with our staff on this project. Warren continues to work on OMAP initiatives. Warren also reported he has applied to be on the FSRA Technical Advisory Committee as well. Warren continues to monitor growth. He is working with one of our underwriters to develop the fleet and garage auto programs. This will take place in third quarter of 2022. Warren will also be working on broker upload with Cognition + this year. Barb reported on the Work Life Balance policy that the Ontario government is implementing in June. We will be putting together a policy for HTM for this. The market conduct survey is being prepared to be submitted for May 1. The Document Management Policy is a large project that will be worked on during all of 2022. This is developing methods of purging documents, tagging electronic documents, redacting documents etc. Looking ahead, a donation policy will be worked on. The ongoing process of reviewing our governance policies will continue this year and a few will be brought to the board at each meeting. Donna reported that she is currently starting the process of finding a replacement for April as a Financial Analyst. Donna is hoping to have a new employee for the end of May. Looking ahead, Cognition+ work on the accounting system has yet to begin but is expected in 2022. The work continues on preparation of the implementation of IFRS-17. Ryan is working on a project for e-signatures for documents. Donna will be working on training and getting five additional employees set up on Qlik Sense. Finally, a project will take place on the merits of moving to a cloud based service provider vs maintaining servers.

Governance Committee

Bill is the Chair of the Governance Committee. Bill gave a summary of the last two meetings that had taken place of this committee. The group has been working on the ERM process and reviewing the plan in place. Discussion took place on the quarterly board survey. The importance of having all board members complete the survey. The survey will be adjusted to one question for each manager and a comments section. The survey helps Alec to provide feedback and streamline the meeting as well. The survey will be sent out the morning of the board meeting so that it can be completed at the end of the board meeting. In regards to the consent agenda, discussion took place that any questions that arise from the report should be sent to Alec in advance of the board meeting. He will answer and send the reply to all directors. This will help to improve the flow of the meeting. Bill did some research with Robert's Rules of Order and indicated if a topic on the consent agenda raises a need to be discussed, the process according to the rules is that it should be added as its own agenda item so that proper attention can be given. This can be looked into further for education with Robert's Rules of Order.

MOTION: *"to accept the Governance report and minutes as presented."*

Mover: John Kernaghan

Seconder: Richard Barrett

Carried.

Document Review

The documents under review were the Health & Safety in a Pandemic and Work From Home Policy. Barb presented these two policies. Discussion took place on the development of Health and Safety in a Pandemic. This began as a vaccination policy and as the current health situation in Ontario evolved, it was amended to this version and renaming of the policy took place. The Work from Home policy was developed to be a guideline to follow moving into the future. HTM expects that we will remain in a hybrid model of in office and work from home permanently. This policy was put together to address that. The policy was written with input from each department manager and the CEO. It is designed to provide the ability to adapt based on an individual employee and their position.

MOTION: *“to accept the documents as presented.”*

Mover: Susan Treverton

Seconder: Richard Barrett

Carried.

Other Business

The convention groups for the directors are as follows.

Group	P&M – Late October	NAMIC – Mid September	CAMIC – Early October
Trish, Van, Allan	2022	2024	2023
Dave, John, Bill	2023	2022	2024
Nancy, Richard, Susan	2024	2023	2022

In the event a director cannot attend one of these events, they can approach another director to see if they can trade their spot. If you are unable to find someone to trade, they will attend the P & M convention instead.

Executive Committee

Dave reviewed the minutes of the Executive committee meeting. Further discussion on these topics will take place in camera. Dave referred to the CEO performance item from the minutes. Alec is to schedule meetings with the executive in advance for the year to ensure the review is done on a consistent basis. The topic of board meetings was also discussed with further discussion to come in-camera. There was conversation regarding the amount of discussion on operational issues that occurs in board meetings. A conversation on monthly board meetings and whether they can be reduced took place. Consideration of skipping the August meeting and possibly not having a January meeting was put forward. In regards to per-diem, this may be a time to consider changing to a salary method of payment for board members. The last item discussed was the HTM Broker Forum. It was suggested that we amend attendance of this function to the Chairman. This will help reduce the numbers at this event. This will be discussed in camera as well.

Adjournment

Allan motioned to adjourn the meeting at 2:40 p.m.

An in-camera session followed.

In Camera

Three motions were made during the in camera session. These were provided by the Chair. Recorded votes were taken on each motion.

MOTION: *“to forego the August Board meeting.”*

Mover: Richard Barrett

Secunder: Trish Baird

For:

Nancy Brown
John Kernaghan
Allan Sheppard
Trish Baird
Susan Treverton
Richard Barrett
Dave Rutherford
Carried

Against:

Van Darling
Bill Dorland

MOTION: *“to receive our regular per diem for the month of August.”*

Mover: Allan Sheppard

Secunder: Bill Dorland

For:

John Kernaghan
Allan Sheppard

Against:

Van Darling
Bill Dorland
Nancy Brown
Trish Baird
Susan Treverton
Richard Barrett
Dave Rutherford

Defeated

MOTION: "that Alec create a company summary for July results, to be distributed to board members in August."

Mover: Richard Barrett

Second: Susan Treverton

For:

Nancy Brown
John Kernaghan
Bill Dorland
Allan Sheppard
Trish Baird
Susan Treverton
Richard Barrett
Dave Rutherford

Against:

Van Darling

Carried

Date

Dave Rutherford, Chair

Barb Dinnage, Secretary