



HTM INSURANCE COMPANY

BOARD MEETING – JANUARY 2022

WELCOME & OPENING REMARKS



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”

DECLARATION

Conflict of Interest

AGENDA

- Welcome and Call to Order, Mission, Vision, Conflict
- Consent agenda
- Directors' Activities
- Management reports Q4
- Audit / Year end
- Company By-laws
- Document Review - GEM
- Other Business
 - TDB



MOTION

“That the Agenda be adopted as distributed.”

Moved by

Seconded by

CONSENT AGENDA DOCUMENTS

- VP Claims Report
- VP Loss Prevention Report
- VP Underwriting Report
- VP Finance Report
- Compliance Report
- Distribution Manager Report
- President's Report
- Service Standards
- OMAP Correspondence
- OMIA Staff/Board changes
- OMIA Pension Fund Report
- OMIA Report
- FMGF Report
- Board Meeting Minutes
- Governance Committee Minutes



MOTION

“To accept the Consent Agenda items as distributed.”

Moved by

Seconded by

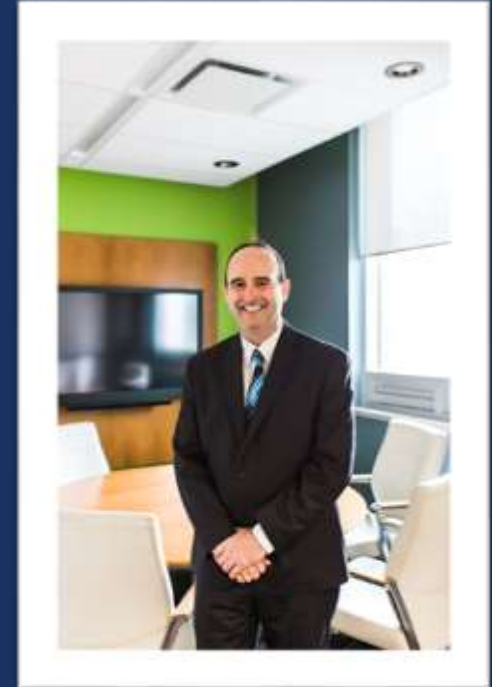


THE MANAGEMENT TEAM

UPDATE TO DECEMBER 31



- Breach
- Yearend reviews
- Qlicksense Inspection data



Looking
back

Images of Qlicksense

Current Status of Inspections by month (Policy Effective Date)

Inspection Status <input type="text"/>	Policy Effective ... <input type="text"/>								
	Totals	2021-Dec	2021-Nov	2021-Oct	2021-Sep	2021-Aug	2021-Jul	2021-Jun	2021-May
Totals	1264	71	90	95	96	116	125	132	126
****	7	-	-	-	-	1	-	-	-
Cancelled	32	1	1	4	1	4	-	5	2
Completed To Satisfaction	319	6	18	10	14	23	21	22	34
In Progress	856	60	69	79	79	83	99	96	86
Not Started	50	4	2	2	2	5	5	9	4

Policy Counts by reason code by month (Accounting Date of reason code transaction)

Policy Reason C... <input type="text"/>	Transaction Year... <input type="text"/>					
	Totals	2022-Jan	2021-Dec	2021-Nov	2021-Oct	2021-Sep
Totals	40	4	2	7	15	2
Inspection Affected Underwriting Decision	2	1	-	-	-	-
Inspection Provided New Or Updated Data	29	4	1	5	11	1
Inspection Resulted In Coverage Change	4	1	-	1	1	-
Inspection Resulted In Limit Change	10	1	1	1	3	1

Images of Qlicksense

Outstanding Inspections by Policy Class(as of today)

Policy Class <input type="text" value="Q"/>	Under 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121+ days
Commercial Policy	2	2	7	4	59
Farm Policy	6	10	25	17	175
Personal Residential Policy	17	79	54	81	375
Totals	25	91	86	102	609

Completed Inspections by Policy Class by month

Policy Class <input type="text" value="Q"/>	Completed Date <input type="text" value="Q"/>																
	Totals	-	Jan-2022	Dec-2021	Nov-2021	Oct-2021	Sep-2021	Aug-2021	Jul-2021	Jun-2021	May-2021	Apr-2021	Mar-2021	Feb-2021	Jan-2021	May-2018	Feb-2018
Totals	351	64	16	14	23	29	16	25	41	16	12	28	20	7	5	1	2
Commercial Policy	10	8	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Farm Policy	61	17	1	2	2	2	5	-	1	1	-	-	1	1	-	1	1
Personal Residential Policy	280	39	14	11	21	27	11	25	40	15	12	28	19	6	5	-	1

- Cyber Incident
- Covid-19
- ERM sessions
- Compliance Calendar



Looking
back

Board Actions / Watch list	Action taken	Status
Audit	Auditor met with Audit Committee Dec 6 th	Complete
Conduct Review	Forms sent to board & CRC meeting Jan 17 th	Complete
Board governance policy review – GEM Policy	Prepared for review at Jan 20 th Board Meeting	Complete
Annual Meeting Process	First notice appeared in ads Jan 13 th	Complete
Consider By Law changes	Board Agenda item for Jan 20 th review	In Progress
Letter of intent received for directors up for election	3 existing directors have returned letters	Complete
Board Response – Fraud & Error	Board Agenda item for Jan 20 th review	In Progress
Update Pandemic Procedure	Policy review	Not started

Management	Action taken	Status
Canadian Revenue Agency (CRA), Harmonized Sales Tax (HST), Payroll Taxes	Pending Jan 31 st due date (HST) Automated payment by Ceridian	In progress
Ministry of Finance (ONT) - Retail Sales Tax (RST)	Pending Jan 23 rd due date	In Progress
FSRA - Suppression of Terrorism Monthly Report (15 th)	Due Jan 17 th completed Jan 15 th	Complete
FSRA - OMIA Stats	Submitted Jan 3 rd	Complete
MTO – MVR logs	Downloaded	Complete
Service Standards Q4	Department Managers included in Board documents	Complete
Send questionnaires for CRC and Leadership Covenant	Sent to Board Members/Managers for signing	Still waiting on a few back
Managers Attend Board Meeting		Complete
Audit for year end, FM Re year end report, Actuary		In Progress

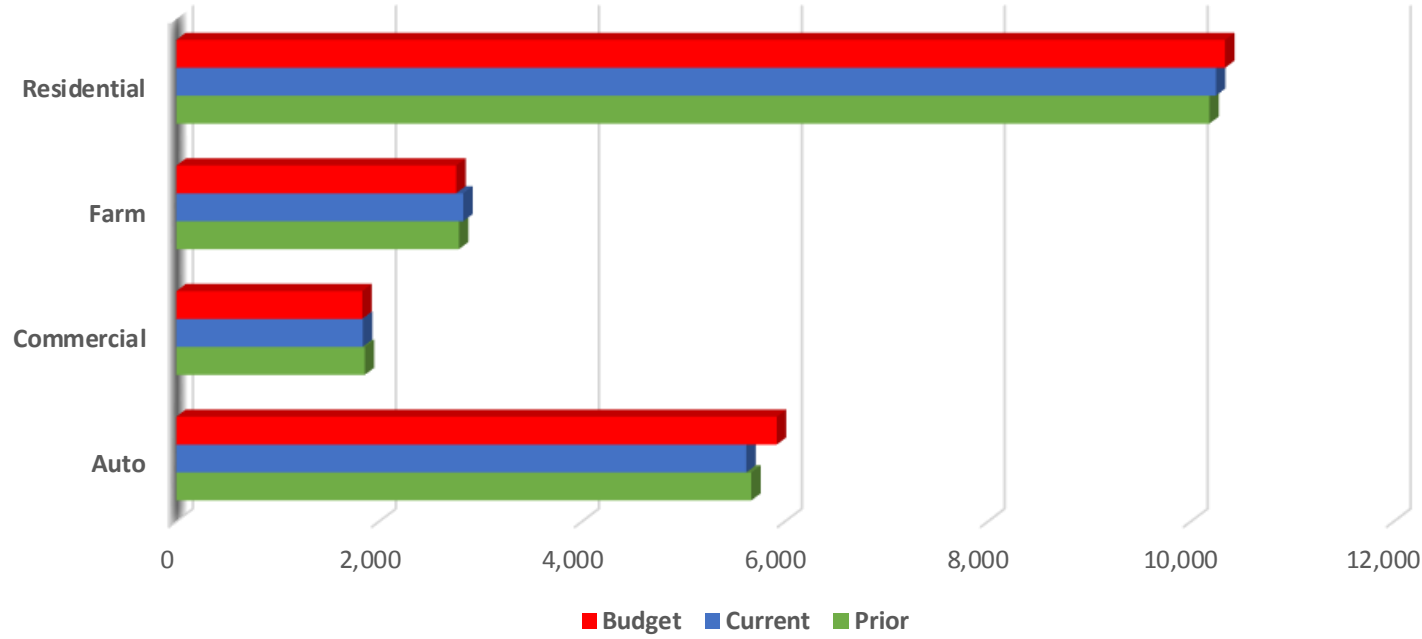
- Underwriting Manual Update
- OMAP – VP Hiring / Vice Chair
- K&E – HTM External File Audit
- Training Videos
- HTM Parade Float
- Annual Reviews / Remuneration
- Reinsurance Webinar Training



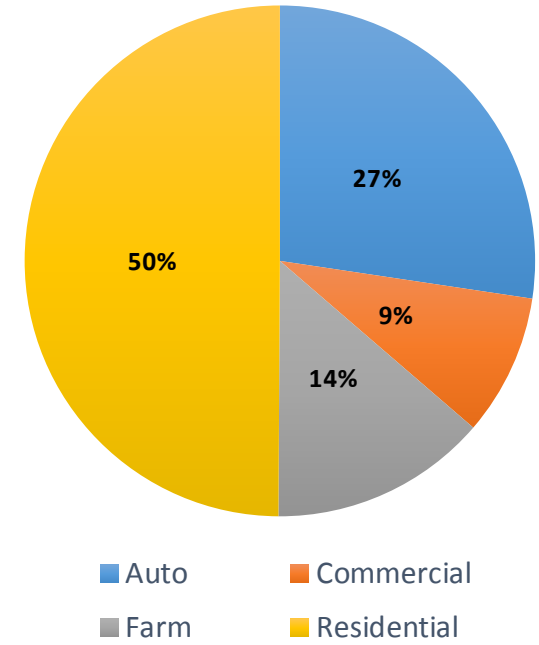
Looking
back

To December 31, 2021

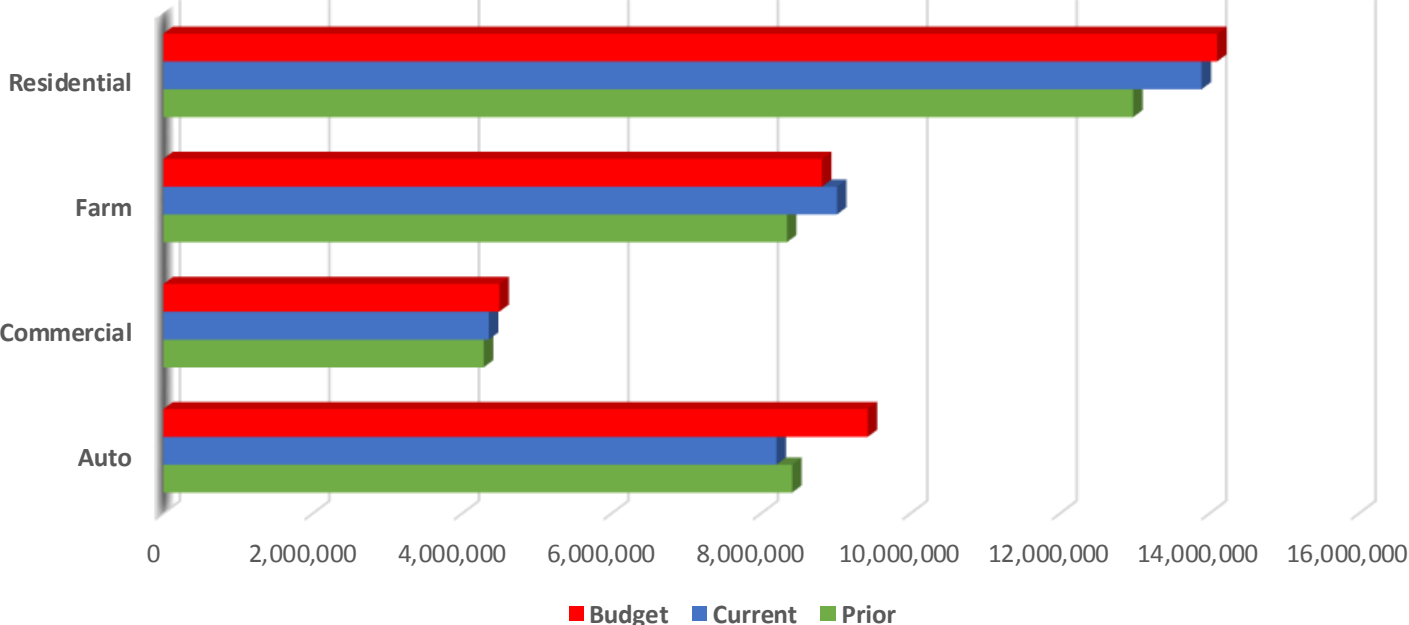
Policy Count - Year to Date



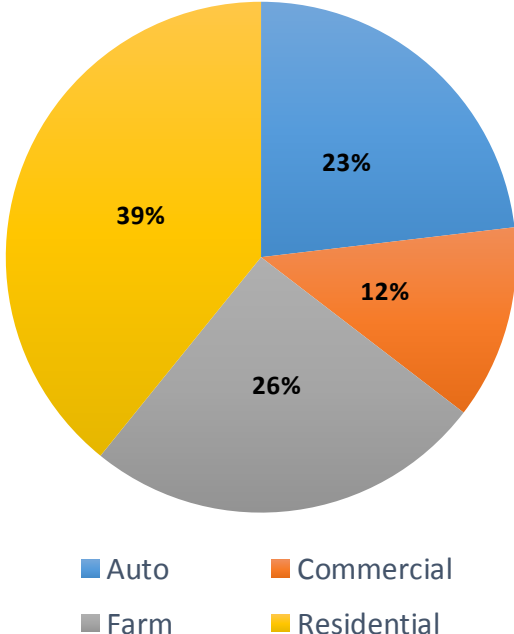
% by Count



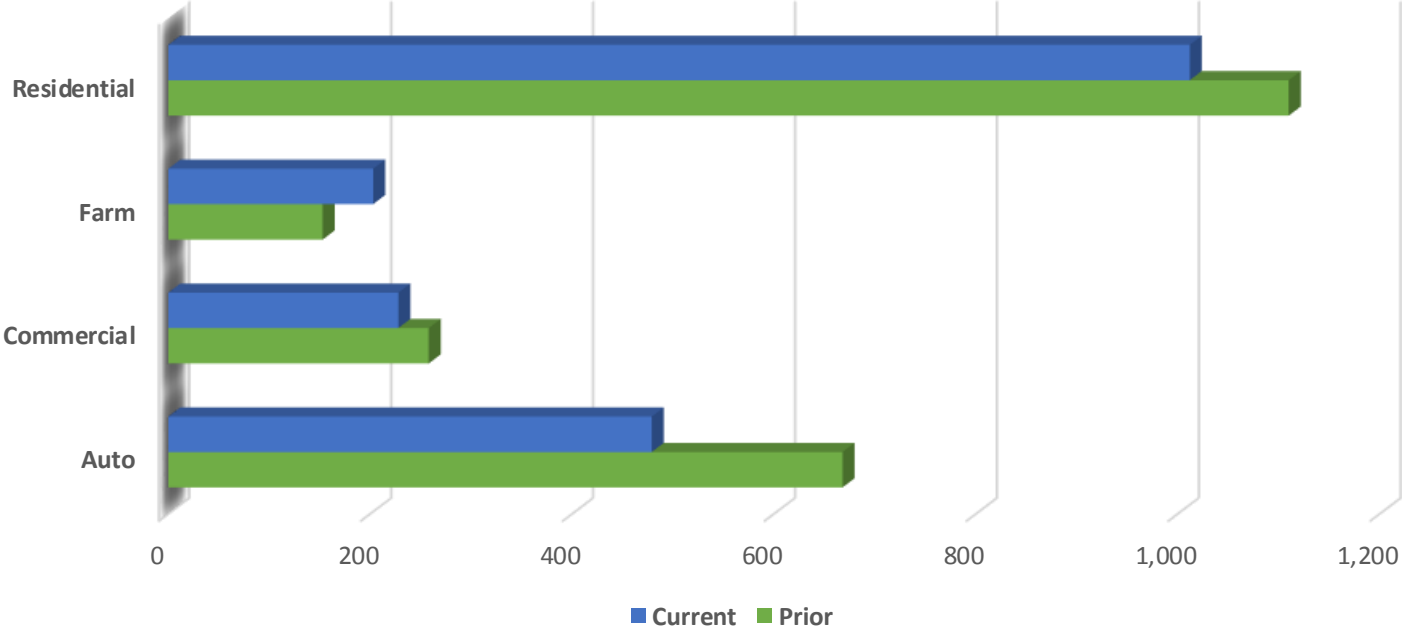
Premiums Written - Year to Date



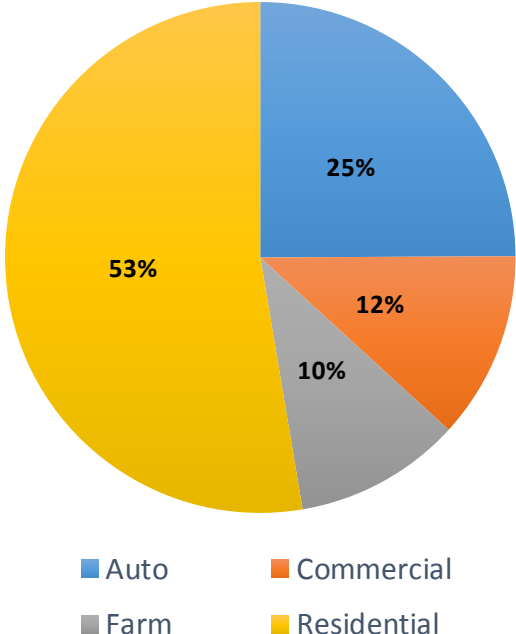
% by Premium



New Policy Count - Year to Date

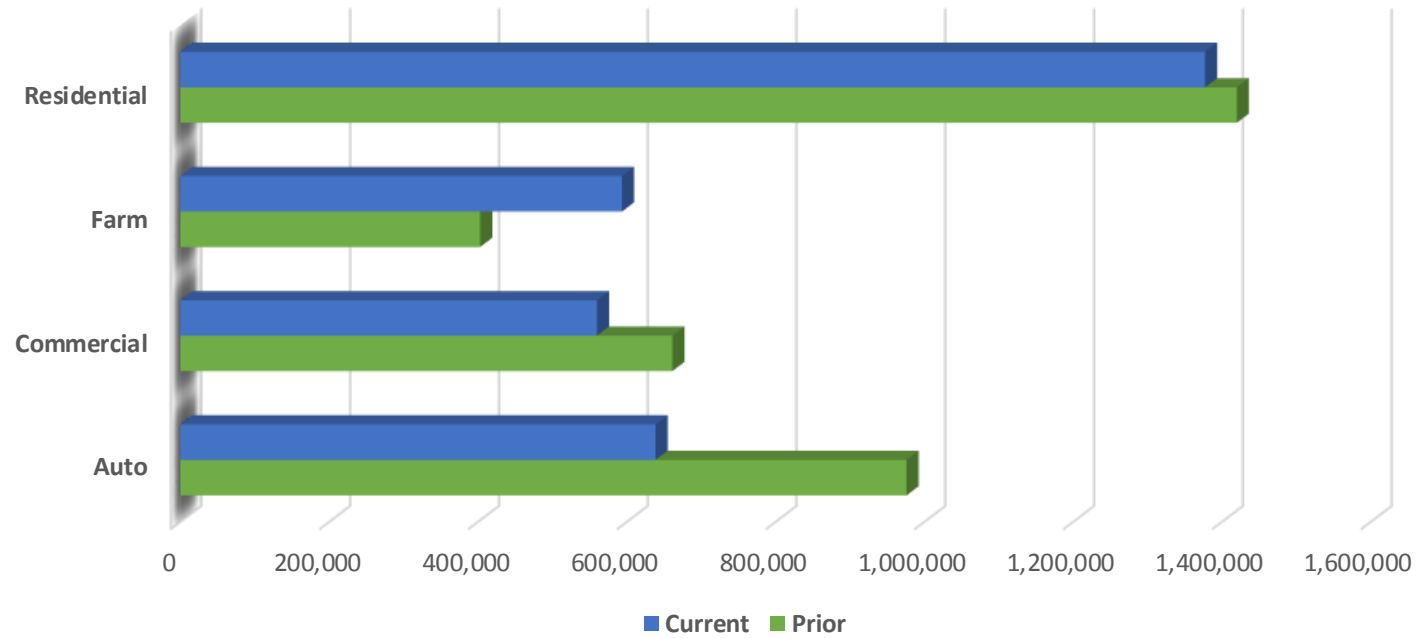


% by Count

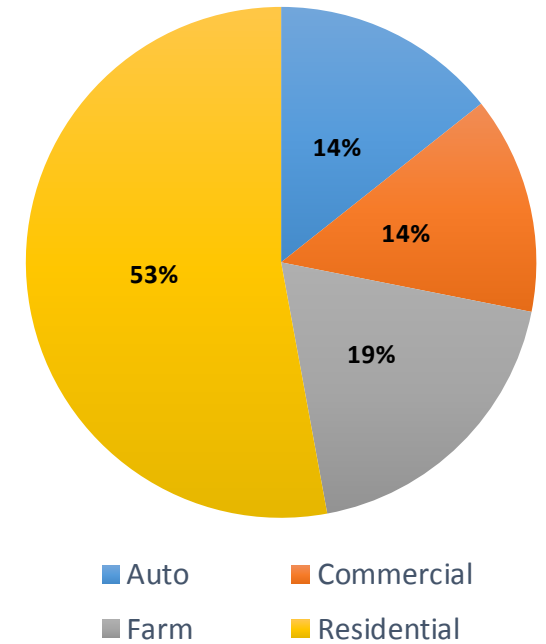


To December 31, 2021

New Premiums Written - Year to Date



% by Premium



Gross Loss Ratio (Year-to-Date)

By Policy Class compared to 3 Year Average

Policy Class	Current	Prior	3 Year AVG	Budget	Off Budget #	Off Budget %
Auto	23.5%	43.1%	45.0%	53.4%	(29.9%)	(56.0%)
Commercial	20.6%	22.7%	16.2%	34.5%	(13.9%)	(40.3%)
Farm	26.8%	40.8%	42.8%	67.8%	(41.0%)	(60.5%)
Residential	33.3%	78.4%	63.9%	46.7%	(13.4%)	(28.8%)
Total	27.7%	53.4%	48.1%	55.0%	(27.3%)	(49.6%)

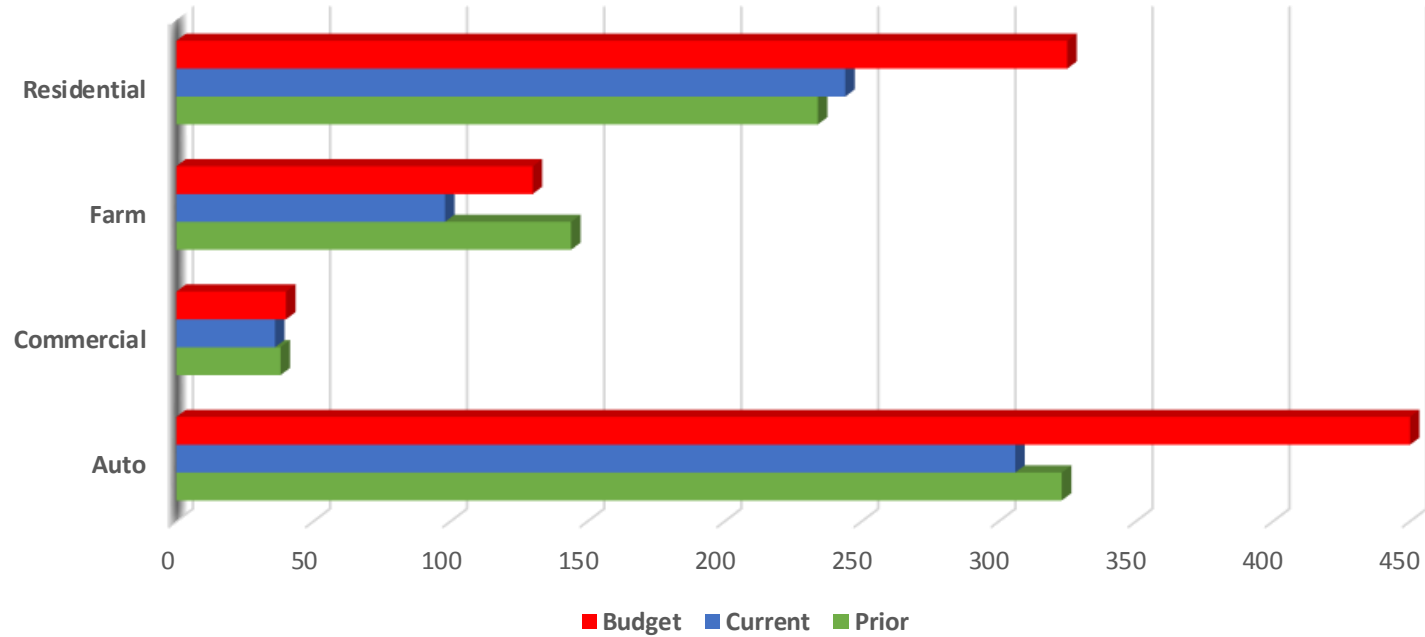
- Low Frequency, Low Severity, Savings & Recoveries
- HR Project Highs
- Fortuitous Finds
- Lost Sons
- Pandemic Blues



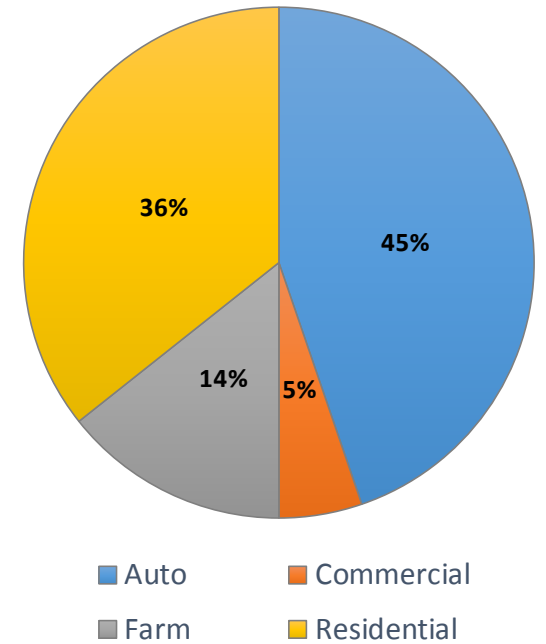
Looking
back

To December 31, 2021

Claim Count - Year to Date

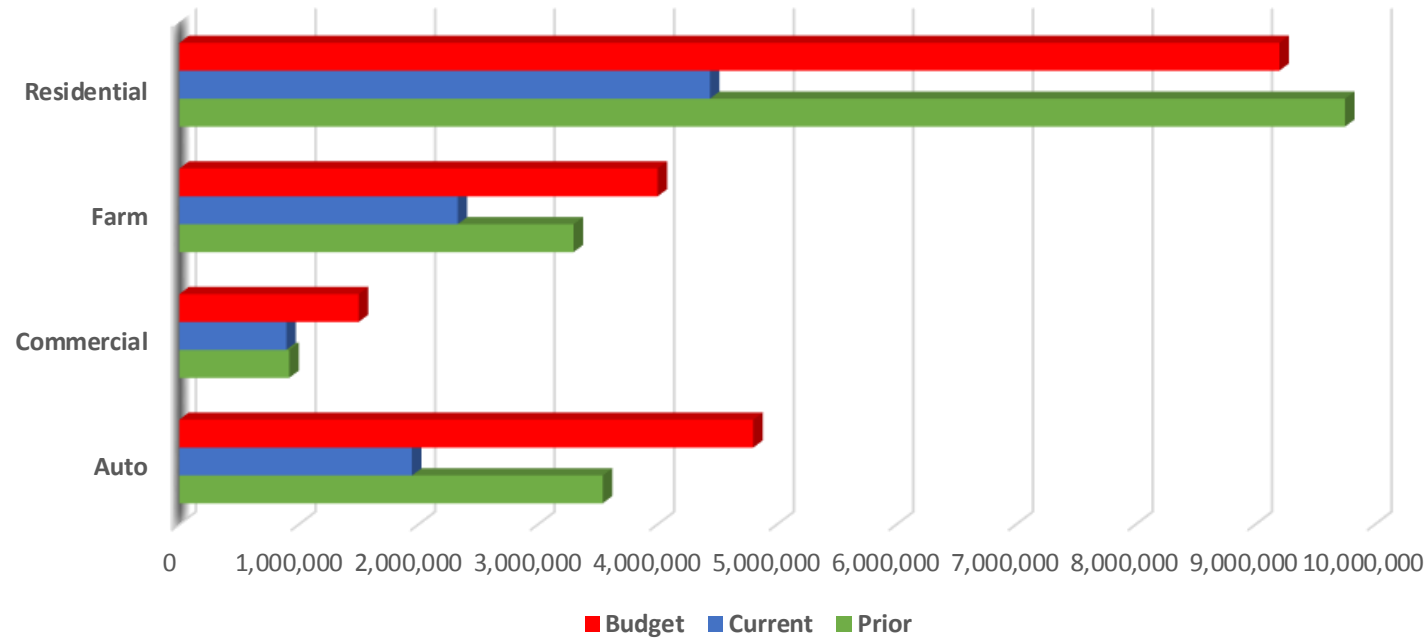


% by Count

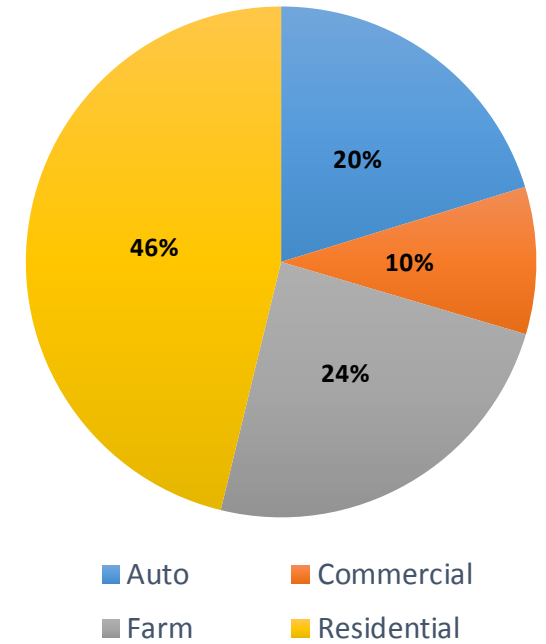


To December 31, 2021

Gross Claims Incurred - Year to Date



% by Incurred

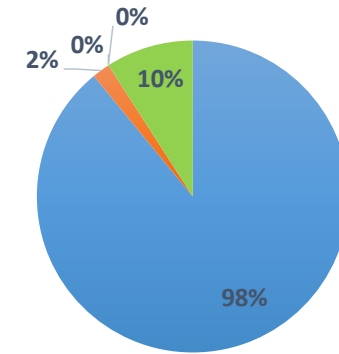


Gross Property Claims Incurred (Year-to-Date)

by Kind of Loss

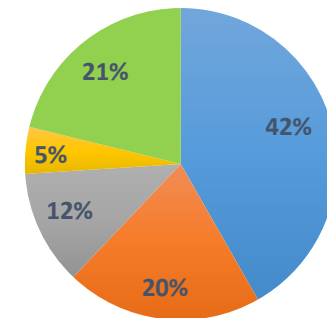
Kind of Loss	Current	Prior	Change \$	Change %
Fire	3,260,282	7,654,477	(4,394,195)	-57.4%
Water	1,940,672	1,483,875	456,798	30.8%
Wind / Lightning	1,270,339	3,238,654	(1,968,314)	-60.8%
Machinery	42,905	87,373	(44,468)	-50.9%
Livestock	31,725	15,964	15,761	98.7%
Pollution	(529,071)	(10,858)	(518,213)	4772.6%
Impact / Collapse	296,518	305,442	(8,923)	-2.9%
Crime	71,753	216,847	(145,094)	-66.9%
All Other	212,615	261,079	(48,464)	-18.6%
Total	6,597,738	13,252,851	(6,655,113)	-50.2%

Fire Broken Down



■ Electrical ■ Smoke ■ Cooking
 ■ Wood ■ Other

Water Broken Down



■ Rupture ■ Sump ■ Ground
 ■ Sewer ■ Other

Gross Liability Claims Incurred (Year-to-Date)

by Kind of Loss

Kind of Loss	Current	Prior	Change \$	Change %
Bodily Injury	193,670	297,884	(104,214)	(35.0%)
Property Damage	722,239	317,294	404,945	127.6%
Products	101,313	182,727	(81,414)	(44.6%)
Professional	(32,775)	0	(32,775)	0.0%
Pollution	76,179	(55,000)	131,179	(238.5%)
Total	1,060,625	742,905	317,720	42.8%

Gross Automobile Claims Incurred (Year-to-Date)

by Kind of Loss

Kind of Loss	Current	Prior	Change \$	Change %
Liability	(43,275)	2,322,773	(2,366,048)	(101.9%)
Accident Benefits	897,623	160,111	737,511	460.6%
Physical Damage	1,004,301	1,055,005	(50,703)	(4.8%)
Uninsured Auto	86,846	3,377	83,469	2471.6%
Total	1,945,494	3,541,265	(1,595,771)	(45.1%)

To December 31, 2021

Policy Class	Current Claim Activity - Gross	Prior Claim Activity - Gross	IBNR Claim Activity - Gross	Total
A - Automobile Policy	\$2,820,470	(\$920,750)	\$45,774	\$1,945,494
C - Commercial Policy	\$885,831	(\$424,037)	\$433,284	\$895,077
F - Farm Policy	\$3,192,999	(\$894,611)	\$29,463	\$2,327,851
P - Personal Residential Policy	\$5,419,542	(\$1,489,505)	\$507,444	\$4,437,481
Total	\$12,318,843	(\$3,728,904)	\$1,015,965	\$9,605,904



- Agent Cross-training
- Agent Yearend Reviews
- Broker Marketing Funds
- Broker Christmas Gifts
- Meeting with Collectifvide
- Clothing Order



Looking
back

New Policy Counts - Top 5 - YTD

Best performing brokers or agents

Brokers	YTD	Average
Newman Insurance Group	420	35.0
G&B Allen Insurance	419	34.9
Vasey Insurance Brokers	139	11.6
Darling Insurance Group	122	10.2
Elliott Insurance Services	111	9.3

New Policy Counts - Bottom 5 - YTD

Least performing brokers or agents

Brokers	YTD	Average
Bradley Brothers Insurance	23	1.9
Hub International	17	1.4
Hamilton Township	15	1.3
W.W.D Mcglennon Insurance	12	1.0
Roughley Group	11	0.9

Retention (Year-to-Date)

By Policy Class

Policy Class	ALL	AGENTS	Difference
Auto	91.7%	92.3%	(0.6%)
Commercial	88.9%	91.7%	(2.8%)
Farm	94.9%	93.8%	1.1%
Residential	91.8%	92.0%	(0.2%)
Overall	91.8%	92.5%	(0.6%)

Distribution Loss Ratios (Year-to-Date)

By Broker and Agent

Agents / Brokers - Top 10 Performers	Gross L/R	Net L/R
W.B. White Group	(32.7%)	(32.7%)
Hub International	(31.2%)	(31.2%)
Pearson Insurance	(9.5%)	6.1%
Elliott Insurance Services	(6.7%)	(7.0%)
Your Community Brokers	(0.4%)	(0.4%)
Petley Group	4.2%	4.2%
Bulger & Gray Insurance	13.1%	13.1%
Darling Insurance Group	21.1%	29.3%
HTM Agents	21.8%	21.8%
W.W.D Mcglennon Insurance	26.7%	26.7%

Distribution Loss Ratios (Year-to-Date)

By Broker and Agent

Agents / Brokers	Gross L/R	Net L/R
G&B Allen Insurance	29.0%	30.2%
Newman Insurance Group	32.1%	30.0%
Ontario Insurance Network Group	33.2%	32.8%
Gordon Insurance Brokers	34.4%	34.0%
Brown & Brethour Insurance	35.0%	35.0%
Vasey Insurance Brokers	40.5%	40.3%
Hamilton Township	41.2%	40.7%
DG Smith Insurance	45.8%	45.8%
Canada Brokerlink Group	80.8%	49.1%
Bradley Brothers Insurance	85.3%	85.3%
Roughley Group	144.2%	144.2%

HTM Agents Performance (Year-to-Date)

By Class of Business

Year	Policy Count	Growth	Premium Written	Growth	Loss Ratio
Auto	309	0.7%	414,099	-1.0%	24.3%
Commercial	31	6.9%	75,873	19.6%	67.9%
Farm	106	0.0%	324,991	12.7%	10.6%
Residential	234	5.9%	267,156	17.7%	17.8%
Total	680	2.6%	1,082,119	8.5%	21.8%

- Almost a whole quarter of inspections
- Covid returns with a vengeance end of 4th quarter
- Result inspectors pulled off the road yet again



Looking
back

-
- 4th Quarter saw 231 inspections completed
 - 45 of the those had recommendations or 20%
 - Our back-log currently sits at 1482

Section Name	October 2021	November 2021	December 2021	Totals
Building Information	21	4	1	26
Electrical	6	1	1	8
Heating	2			2
Liability	2			2
Life Safety	14	1	2	17
Oil Tank	1	4	2	7
Outbuilding				
Plumbing	1	1	1	3
Thermal				
Woodstove	1	3	2	6
Totals	48	14	9	71

	Description	Residential	Farm	Commercial
Overall Information	Number of Inspections	4	4	4
	Average number of days from assignment to inspection	210	248	89
	Communication is documented	100%	100%	100%
	Site drawing with measurements between buildings, if required	100%	100%	100%
	Recommendations recognized, clear verbiage as to any concern	100%	100%	100%
	Recommendation photos clear and precise to show concern	100%	95%	100%
	Recommendations escalated appropriately, if required	95%	100%	100%
	Notes to underwriter providing risk details	100%	100%	100%

	Description	Residential	Farm	Commercial
Dwellings	All building information details recorded elect, heat, plumbing etc.	100%	100%	100%
	Photos inside including main floor areas, basement areas, heating electrical, sump, auxiliary heat	90%	100%	100%
	Photos outside, shows all sides (including roof)	100%	100%	100%
	Drawing complete of the dwelling structure	100%	100%	100%
	Evaluator complete and accurate to the risk	90%	100%	100%
Detached Private Structures	All building information details recorded elect, heat, plumbing, etc.	90%	100%	100%
	Photos outside, shows all sides (including roof)	100%	100%	100%
	Photos inside if applicable	85%	100%	100%

	Description	Residential	Farm	Commercial
Other Buildings	All building information details recorded elect, heat, plumbing etc.	85%	100%	100%
	Photos inside including electrical and heat	90%	100%	100%
	Photos outside, shows all sides (including roof) of all buildings	100%	100%	100%
	Drawing complete	100%	100%	100%
	Evaluator complete and accurate to the risk	95%	100%	95%
Liability Exposures	Identified potential business activities	100%	100%	100%
	Identified xternal hazards identified (pool, manure pit, fencing, etc.)	100%	100%	100%
	Identified exposure to neighbouring premises (ie. restaurant attached)	100%	100%	100%

- Phone System
- Claims on Cognition
- Year end preparation
- IFRS 17 data



Looking
back



ACTION ITEMS FOR 2022

AND LOOKING FORWARD OVER THE NEXT FEW MONTHS



- Pearson Insurance
- Inspection data - Qlick



Looking
forward

- Inspection system
- Developing cross training sessions



Looking
forward

TECHNOLOGY – INSPECTION SYSTEM

Project Manager: Bryce Clarke

Team Members: TBD

Purpose of the project: To implement the new inspection system with Farm Mutual Re and Cognition+.

Status: Initial review.

Target Date: Q2 2022

E.S.G. - ENVIRONMENT

Project Manager: Bryce Clarke

Team Members: TBD

Purpose of the project: Create a committee to investigate various idea for environmental improvements we can make as an organization to create a roadmap for us to follow and build a culture of environmental responsibility for the organization. To measure our impact to the environment as base line for future improvements.

Status: Not started.

Target Date: 2022

- Marketing Kickoff Meeting
- Pearson Insurance
- Yearend Meetings
- Broker Training
- Consumer Portal
- Agent Access to Cognition +



Looking
forward

CONSUMER PORTAL

Project Manager: Christine Howe

Team Members: Scott H., Ryan, April, Allison, Alec

Purpose of the project: To assist Cognition+ in the design and implementation of a consumer portal through user testing and feedback with the ultimate goal of providing a digital experience for our policyholders, Agents and Brokers and providing the same opportunity for our fellow mutuals.

Status: Waiting on Security upgrade

Target Date: Going live in 2021 (Delayed to Q1 2022)

SALES WEBSITE

Project Manager: Christine Howe

Team Members: Ryan, TBD

Purpose of the project: To implement a “sales website” to assist our agents with attracting new policyholders and serving the current ones.

Status: Signed a contract with Marketing firm

Target Date: June 2022

AGENT PROCESSES

Project Manager: Christine Howe

Team Members: Ryan, Allison, TBD

Purpose of the project: To provide agents with access to Cognition+ and either through our portal (with Hubio) or direct in Cognition+, create the ability to add new business and record documents and note taking (paperless environment for agents).

Status: Not started

Target Date: June 2022

- Cognition +
- HR Plan Wrap-Up
- Complete Product Review
- Claim Handling Guidelines
- Training and Education



Looking
forward

TECHNOLOGY – CLAIMS SYSTEM

Project Manager: Carolynn

Team Members: Shawna, Ryan, Allison, Donna & Alec

Purpose of the project: To implement the new Cognition+ platform for claims.

Status: Admin side has been set up. Test system environment converted, Up-coming user side training, validation of the conversion.

Target Date: Live April 1, 2022

SERVICES – CLEAR PAY

Project Manager:Carolynn

Team Members: Shawna, Ryan, Allison, Donna

Purpose of the project: To implement the ability to pay small claim amounts using text/email transfers through a software called Clear Pay.

Status: Not started.

Target Date: Live April 1, 2022

- OMAP – Chair
- Underwriting Authority Levels
- Underwriting “Shuffle”
- “Internal” Underwriting Manual
- Virtual Annual Meeting



Looking
forward

PRODUCTS AND SERVICES - DEVELOPMENT

Project Manager: Warren

Team Members: Steve

Purpose of the project: To establish a more formal and effective approach to new product development.

Status: Not started.

Target Date: 2022

GROWTH – NEW LINES

Project Manager: Warren

Team Members: TBD

Purpose of the project: To promote fleet insurance and develop garage auto as a new product.

Status: Not started

Target Date: 2022

TECHNOLOGY - UPLOAD

Project Manager: Warren

Team Members: Christine, Allison, Ryan, Donna

Purpose of the project: To work with Cognition+ and Hubio to create a portal for policy inquiry and upload of new auto business, followed by residential.

Status: Not started

Target Date: 2022

- Virtual Annual Meeting
- Policy Review & Development
- Document Management
- Work Life Balance



Looking
forward

Board Actions / Watch list	Action taken	Status
FSRA – Conduct Review letter from chair of CRC committee		Not started
Conduct Review Committee meeting		Scheduled
Financial statements approved by Board/audit committee	Meeting scheduled	Not started
Audit committee meeting Feb 4 th if not ready Feb Board Meeting date		Scheduled
Notice of Annual Meeting – posted twice for virtual Feb 11 th & 18 th	To be placed once agenda for AGM is confirmed	Started
Send Current Board Committees to incoming Chairman for update		Not started
30 days prior to Annual meeting for director nominations	Notice placed in newspapers	Started

Management	Action taken	Status
FSRA - P&CI & Related documents filed		
Ministry of Finance (ONT) - Retail Sales Tax (RST)		
FSRA - Suppression of Terrorism Monthly Report (15 th)		
FSRA - OMIA Stats		
MTO – MVR logs		
Canadian Revenue Agency (CRA), Harmonized Sales Tax (HST), Payroll Taxes	Pending Jan 31st due date (HST) Automated payment by Ceridian	
Ministry of Finance (ONT) - Retail Sales Tax (RST)	Pending Jan 23rd due date	

DOCUMENT HANDLING POLICY

Project Manager: Barb

Team Members: TBD

Purpose of the project: To create a storage policies and procedures document to ensure files stored on our system are maintained appropriately to meet regulatory, security and privacy concerns.

Status: Not started

Target Date: 2022

DONATION POLICY

Project Manager: Barb

Team Members: TBD

Purpose of the project: Create a donation policy that promotes the values of our organization and provides a guide for the management and board to follow.

Status: Not started

Target Date: 2022

GOVERNANCE - POLICIES

Project Manager: Barb

Team Members: TBD

Purpose of the project: Review current policies and identify missing or incomplete policies. Build or target dates for any of those policies. Re-do current board policies in a standard format and ensure they are up-to-date and available for directors.

Status: GEM policy reformatted

Target Date: 2022

- New Business Analyst
- Year End Audit
- Continuing education
- Claims testing



Looking
forward

SUCCESSION

Project Manager: Donna

Team Members: Alec

Purpose of the project: To hire a Business Analyst. An individual that understands technology from a user perspective. Helps direct IT to create business process efficiencies and improve customer services through technology.

Status: Allison Noronha, current employee of HTM, has been hired.

Target Date: Q1

TECHNOLOGY

Project Manager: Donna

Team Members: Ryan

Purpose of the project: To implement a new phone system.

Status: Complete.

Target Date: 2021

Complete

TECHNOLOGY – ACCOUNTING SYSTEM

Project Manager: Donna

Team Members: TBD

Purpose of the project: To implement the new Cognition+ platform for accounting.

Status: Not started.

Target Date: 2022

GOVERNANCE – IFRS IMPLEMENTATION

Project Manager: Donna

Team Members: Alec

Purpose of the project: To modify our systems, accounts and practices during 2022 so we are prepared for IFRS reporting in 2023.

Status: Reinsurance and Claims reporting for actuary, QlickSense.

Target Date: 2022

TECHNOLOGY – ELECTRONIC SIGNATURE

Project Manager: Ryan

Team Members: Allison, Christine

Purpose of the project: To implement a software solution that allows for signing documents digitally for the organization for internal use and external customers.

Status: Just started.

Target Date: 2022

PEOPLE - EDUCATION

Project Manager: Donna

Team Members: Ryan, TBD

Purpose of the project: To Provide access and training to data analytics tools to enhance understanding of business outcomes (5 additional employees).

Status: Not Started.

Target Date: 2022

TECHNOLOGY - CLOUD

Project Manager: Donna

Team Members: Ryan

Purpose of the project: To determine the merits of moving to a cloud based service provider versus maintaining services on site.

Status: Not Started.

Target Date: 2022



AUDIT / YEAREND

APPROVAL AND FRAUD DOCUMENT





MOTION

“That the audit committee be given the authority to approve the year end financial report on behalf of the board.”

Moved by

Seconded by



MOTION

**“ That the fraud protocol for the auditors
be approved.”**

Moved by

Seconded by



COMPANY BY-LAWS

REFUND FROM SURPLUS





MOTION

“It is moved that section 6I of By-law 4 be deleted and replaced with the following:

The Directors may, subject to the applicable legislation, declare a refund at the end of a fiscal year upon such terms and subject to such conditions as the Directors may determine.”

Moved by

Seconded by



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