

For the Board Meeting of: 7/15/2021

Executive Summary

June saw two very positive events; another month of very positive underwriting results and a return to some growth. Overall June was up over 6% bringing our year-to-date growth back into our strategic plan minimum growth target of 4%. A mere 40 claims with a total of \$650,000 gross incurred provided for a profitable month. Other prior claims activity pushed our gross claims incurred down further, but more important, reduced gross claims reserves by \$1.9 million and reinsurance claims reserves by \$1.3 million. The smaller our reserves are, the less future volatility we have and an improved MCT will occur.

Overall, things are working well in the organization. A number of staff have come back into the office and we have had to create a schedule to keep numbers of people in check. The management team discussed a summer student and felt that it was okay this year to do so. We will advertise this to staff and directors first to see if we have any candidates for this opportunity "in-house".

Holiday season has started and it's good to see people booking some time off.

Update on Major Goal(s)

We have gone live on Cognition+ for the commercial line of business. The consumer portal is still in the development stages. Much of phase one has been completed with the exception of access/security by the policyholder. The preferred approach to access is two-factor authentication requiring the use of a smart phone. Any policy "attached" to the Insured's phone number can be shown and accessed in the portal. This will mean only policyholders, where we have a phone number, can use the portal. We met with a consultant who will assist us in creating/updating payroll bands as part of our pay equity process and overall HR improvement plan.

Emerging or Future Issues

This board meeting will be in-person at the office. We will arrange to do a barbecue and have some good interaction in a safe environment. Directors will be asked to do the questionnaire, check the temperatures and do the Rapid COVID Test on the morning of the board meeting. This is in-line with what we ask employees working in the building to do.

We are investigating the opportunity to use the Best Western to facilitate the planning session in August. The board and six management will meet with Gary Gzik, our facilitator. Prior to the meeting the staff will have a virtual planning session which will provide some valuable insight. In addition, we are going to make use of our virtual expertise we have

gained over the year, as I have lined up OMIA, FM Re & Cognition+ to make short presentations to start our planning off. The insight of these three organizations' leaders will provide us with some valuable external information to assist us with our own planning process.

Management Team

I did not meet with the managers individually in the last month. We have met a number of times through management meetings and as part of working on goal items.

Other

The management analysis file was updated a couple times over the month. It was used to develop the Powerpoint presentation and manager's reports.

Van was selected to be on OMIA's nominating committee. He will work with other committee members in the selection of the next director. Congratulations Van.

Stats

This is available in the directors excel file. The chart on the next page shows a summary of the main details to June comparing them to the budget.

Some highlights are:

Premium growth improved from 3.3% to 4% in just one month. Residential and auto saw the largest growth improvements with commercial YTD slipping slightly. Premiums lag our budget by \$330,000 with auto being the main cause.

Claims Incurred is up by just over \$500,000 lead by auto and residential. Both farm and commercial were unchanged from the prior month. As you can see from the chart, "expected claims incurred" versus actual results are drastically different.

This is the best case scenario for loss ratios we could ask for. Every line of business is contributing to this year's success.

HTM Overall Performance (Year-to-Date)

By Class of Business compared to budgeted amounts

	Auto	Commercial	Farm	Residential	Total
Policy Count	5,647	1,857	2,823	10,226	20,553
Budget	5,760	1,794	2,749	10,073	20,376
Policy Count Growth	0.2%	(1.0%)	1.9%	1.6%	1.0%
Budget	4.5%	3.5%	1.0%	4.0%	3.7%
Premium Written	4,312,757	2,332,135	4,159,144	6,188,718	16,992,754
Budget	4,810,418	2,355,128	4,048,916	6,213,339	17,427,801
Premium Written Growth	(2.4%)	4.3%	8.0%	6.0%	4.0%
Budget	10.0%	7.0%	6.0%	8.0%	7.9%
Claims Incurred	791,241	387,673	410,362	1,477,754	3,067,030
Budget	2,317,772	840,721	1,561,318	4,696,278	9,416,089
Loss Ratio	19.2%	18.0%	9.7%	22.9%	18.1%
Budget	53.4%	34.5%	67.8%	46.7%	55.0%

Respectfully Submitted,



Our Mission

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