

**For the Board Meeting of: 6/16/2022**

## Executive Summary

Since the last board meeting, we have had some very exciting events. First, was the largest storm in history. At the time of writing this report, it's estimated at 276 claims and \$8.1 million dollars. As a reminder, 100% of the claims expenses in a catastrophic event are recovered from Farm Mutual Re when the amount exceeds \$1.8 million. Then we had two broker purchase announcements, Brown and Brethour and Newman insurance. One of our largest and one of our smallest brokers. And finally, a senior (rank and not age) staff member gave us notice of retirement. 2022 is shaping up to be a very interesting and challenging time.

Other than the stress of the cat loss and the claim's volume, staff seem pretty happy. We are removing the mask mandate in the office to be in-line with the outside world, but some people will still wear them in certain situations. We have implemented our work from home policy allowing people to work, up to two days per week, from home, subject to their position and their productivity being suitable.

## Emerging or Future Issues

Moderna has announced it has a new vaccine that includes more protection for the Omicron variations. It should be released this fall. It will be interesting if the results show very positive if this will start a whole new vaccine requirement/debate.

With the PC win in Ontario, turning auto insurance into a government program will be off the table. Auto reform is still being considered in the ongoing attempt to reduce costs and modify benefits to allow for premium reductions.

## Management Team

The management team met to review the current pandemic environment and made adjustments to HTM's working environment. We also made the decision to implement the work from home policy at that time. I gave the news of the purchase of Newman insurance to them as well. Christine and I will be meeting with Loris, President of Whittley Insurance (Navacord), to discuss the future relationship.

Christine is doing a great job managing the Pearson transition and with the new website/marketing project.

Broker upload is starting with Warren at the lead and we are involving some staff from his department in the project.

## Other

I participated in the CAAA executive panel, albeit virtually due to my COVID situation. It was OK, but would have been much better in person. Hopefully they will invite me back for some future session.

The group E meeting went well. By accident we were able to sneak in a sixth director. One change we will make at HTM because of the conversation is to have Barb report on complaints each quarter. Saying that, the vast majority will be "no complaints". The complaints will not be detailed but similar to what we provide FSRA ... type of policy, area of complaint (claim or underwriting, etc.), how it was resolved (company ombudsman or did it go to FSRA). The L&A office is very unique.

The company appreciation barbecue went well and we raised \$2,500 for Ed's house.

## Stats

The rate of growth on all lines of business, except auto, are right in our target area. Inflation factors on dwellings and buildings have helped move the needle on these lines. It's good to see some growth on commercial lines as that was stalled for a number of months. Auto is going to require more work on rates or a shift in the rating of our competitors.

You can see the impact from the windstorm we had through the loss ratios. It has impacted all lines of business and while farm has hung in there @ 69%, several million in storm costs have gone into June and will push these ratios still higher.

Brokerages are all in the RED now with high loss ratios except our agents (still at 14.5%) and smaller brokerages outside of the area, south of Hwy 7 or further North (Haliburton). The little pocket of farm we have in the Niagara region is faring well @ 16.8% loss ratio. I think we can reduce our CPC estimate for 2022 at this point.

This is what we are in the business for and this is why we purchase catastrophe insurance protection.

## HTM Overall Performance (Year-to-Date)

By Class of Business compared to budgeted amounts

	Auto	Commercial	Farm	Residential	Total
Policy Count	5,596	1,814	2,818	10,227	20,455
<b>Budget</b>	<b>5,698</b>	<b>1,850</b>	<b>2,813</b>	<b>10,292</b>	<b>20,653</b>
Policy Count Growth	(0.3%)	(0.2%)	0.6%	1.2%	0.6%
<b>Budget</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.6%</b>
Premium Written	3,493,483	2,075,091	3,550,512	4,962,568	14,081,654
<b>Budget</b>	<b>3,592,218</b>	<b>2,020,213</b>	<b>3,522,255</b>	<b>5,025,674</b>	<b>14,160,360</b>
Premium Written Growth	(1.0%)	8.0%	6.7%	7.5%	5.1%
<b>Budget</b>	<b>3.0%</b>	<b>7.0%</b>	<b>9.0%</b>	<b>7.0%</b>	<b>6.9%</b>
Claims Incurred	2,387,393	3,104,278	2,603,296	6,997,344	15,092,311
<b>Budget</b>	<b>1,091,183</b>	<b>465,577</b>	<b>1,032,016</b>	<b>3,569,145</b>	<b>6,157,921</b>
Loss Ratio	70.6%	168.6%	69.3%	120.5%	102.1%
<b>Budget</b>	<b>53.4%</b>	<b>34.5%</b>	<b>67.8%</b>	<b>46.7%</b>	<b>55.0%</b>

Respectfully Submitted,



Our Mission

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