

For the Board Meeting of: 7/15/2021

Executive Summary

New Business was a little slow for the agents throughout the month of June, with claims continuing to be in a negative position. HTM Connect Consumer Portal is at a standstill until we receive an update to move forward with testing. This should be occurring within the next week so we can continue with planning a launch strategy. The social committee has been planning some upcoming events to engage our staff members while donating to local charities. The Wellness Committee has also been brainstorming some ideas to provide make some Wellness Education available. I got to receive my 2nd dose this past month as well!

Update on my Department

The month of June included some holidays for the agents, and a slowdown of New Business policies to four for the month with five cancellations. Karen, Scott and Cameron continue to take online education through OMIA to get more line specific knowledge. Some exciting news to share, Scott Hutchings got engaged!

Update on Major Goal(s)

Consumer Portal Project – We are still waiting for the deployment of a patch for the Consumer Portal before we can continue with testing and determine how to roll out the product to our insureds.

Agents Website – I had an initial meeting with THEY, a marketing firm in Belleville that worked on our rebranding 10 years ago. Unfortunately, because they work for one of our large brokers, they are unable to assist us with this project. I will be researching other marketing firms that would be interested in helping us with the Agent Marketing and Website.

Pearson Insurance – Alec and I met with Stephen Grant and Brian Kehoe to discuss the purchasing agreement for Pearson Insurance. It was a great meeting and gave some clarity to the purchase and what additional information we require before proceeding.

Emerging or Future Issues

I have been reading some interesting articles on studies that have found 42% of Canadians are considering changing their job or entire careers within the next year. Experts believe that the pandemic has caused a shift in life priorities, including more focus on mental health and personal lives. I found this extremely interesting, and presents a potential threat for HTM as more and more companies begin operating remotely, allowing for more employment opportunities while living in rural communities. The one takeaway was that the top reason employees were considering a change, was that they felt their employers cared solely about revenue and profits. I feel HTM has done a great job at showing our staff over the duration of the pandemic through flexibility and commitment that we care about them. If

you are interested in reading the entire article, it can be found here:
<https://financialpost.com/legal-post/posthaste-a-quarter-of-canadian-workers-consider-quitting-their-jobs-as-stress-levels-shoot-up>

Broker / Agent Results

Written premiums for the first six months of 2021 have reached \$16,939,720, with 8.1 or \$1,376,316 of this amount being agent business, down from 8.3% in May. Premium growth for the brokers is 4%, up from 3.3% in May. Premium growth for the agents was at 3.9%, up from 3.3% in May. The Auto line has a negative growth for both the agents and brokers, and positive growth in Commercial, Farm and Residential.

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	3,794,231	525,793	12.2%	(2.5%)	(1.4%)
Commercial	2,221,764	89,681	3.9%	3.5%	23.1%
Farm	3,606,124	539,334	13.0%	8.9%	2.5%
Residential	5,941,285	221,508	3.6%	5.7%	11.7%
Total	15,563,404	1,376,316	8.1%	4.0%	3.9%

This chart shows the policy counts for the broker portfolio compared to the agent portfolio. The policies in force count grew by 0.9% in our broker business for a total of 19,035, down 7 net policies from May and 1.9% in our agent business for a total of 1518, up 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	4,984	663	11.7%	(0.1%)	2.2%
Commercial	1,771	86	4.6%	(1.2%)	3.6%
Farm	2,532	291	10.3%	2.1%	0.3%
Residential	9,748	478	4.7%	1.6%	2.1%
Total	19,035	1,518	7.4%	0.9%	1.9%

2021 Gross Claims to date are illustrated in the following table. Brokers incurred claims year to date total \$3,146,124, with a loss ratio of 20.2%. Non-broker total claims until the end of June are still in a negative position of (\$79,093), with a (5.6%) 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	874,714	(83,472)	(10.5%)	24.1%	-16.8%
Commercial	387,673	0	0.0%	18.9%	0.0%
Farm	446,011	(35,650)	(8.7%)	12.2%	-6.3%
Residential	1,437,725	40,029	2.7%	23.2%	15.5%
Total	3,146,124	(79,093)	(2.6%)	20.2%	-5.6%

*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.