

For the Board Meeting of: 11/18/2021

Executive Summary

October was a month full of seminars and conferences. I was able to attend the P&M Meetings virtually, the Insurance Brokers Conference as well as the Group E Meeting. OMI held three half day sales sessions that Karen and I attended as well. The sessions were very informative on how to attract customers and close sales. We held a training session with some new staff at Petley Hare on our personal lines products. I am looking forward to being able to complete this training in person in the near future. I am also in the process of ordering some Christmas Gifts for our brokers and will be requesting staff help in delivering them to the offices. New Business was slow for the month of October for the agents.

The past week has been very difficult in the office as we grieve the loss of Brandon. He was one of a kind and our office will not be the same without him.

Update on my Department

Plans are underway to provide the agents with some cross training of other departments in the HTM Office over the next two months. Cognition + has revealed the new Agent Access capability in our system which will be a huge benefit to our agents. They will be able to quote new business using the same tool that the underwriters use, which will reduce quoting errors to our policyholders. They will also be able to look up their own policies to check on the status of a file. The underwritings are able to bind the agents risk right in our system, eliminating the need to double data entry and document saving. We are excited for this launch and will be spending some significant time on training.

The agents wrote 3 new business this month.

Update on Major Goal(s)

Consumer Portal Project – On hold waiting for the recent update that is coming in December.

Agents Website – Meeting held in October to meet the Marketing Firm and discuss what our deliverables are. I have received a quote back from them which we will be reviewing and deciding whether to move forward or not.

Pearson Insurance – Final negotiations taking place

Broker / Agent Results

Written premiums have reached \$27,353,386 to the end of October 2021, with 7.8% or \$2,303,761 of this amount being agent business. Premium growth for the brokers is sitting at 4.2%, on par with in September. Premium growth for the agents was at 4.6%, which is up from 4% in September. We continue to see negative growth in the Auto line. Growth in written premium for commercial and farms has increased slightly, with a slight decrease in Property.

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 | 6,131,133 | 851,373 | 12.2% | (2.7%) | (2.9%) |
| Commercial | 3,596,790 | 150,341 | 4.0% | 3.7% | 16.5% |
| Farm | 6,497,850 | 887,633 | 12.0% | 7.4% | 6.2% |
| Residential | 11,127,613 | 414,414 | 3.6% | 6.6% | 12.5% |
| Total | 27,353,386 | 2,303,761 | 7.8% | 4.2% | 4.6% |

The chart below shows the policy counts for the broker portfolio compared to the agent portfolio. The policies in force count grew by 0.3% in our broker business for a total of 19,008, down 13 policies from September and 1.4% in our agent business for a total of 1,507, down 4 from last month.

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 | 4,966 | 654 | 11.6% | (0.9%) | 1.1% |
| Commercial | 1,755 | 86 | 4.7% | (1.2%) | 4.9% |
| Farm | 2,537 | 286 | 10.1% | 2.8% | (1.0%) |
| Residential | 9,750 | 481 | 4.7% | 0.6% | 2.8% |
| Total | 19,008 | 1,507 | 7.3% | 0.3% | 1.4% |

2021 Gross Claims to date are illustrated in the following table. Brokers incurred claims year to date total \$7,620,532 an increase of \$586,009 from last month, with a loss ratio of 28.9%. Non-broker total claims are in a negative position at (\$92,642) until the end of October resulting in a (3.8%) 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 | 1,825,901 | (320,830) | (21.3%) | 30.0% | -38.3% |
| Commercial | 682,947 | 0 | 0.0% | 19.8% | 0.0% |
| Farm | 1,916,891 | 189,992 | 9.0% | 30.8% | 20.0% |
| Residential | 3,194,793 | 38,196 | 1.2% | 30.2% | 8.6% |
| Total | 7,620,532 | (92,642) | (1.2%) | 28.9% | -3.8% |

*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.