

President's Report

For the Board Meeting of: 4/8/2021

Executive Summary

March was a record breaker for us. Actual claims for the month were just \$349,000. Considering all activity in March, improved that figure to \$90,000 with positive development on prior period claims. Net claims for the first quarter is \$1.3 million. This means an underwriting profit close to \$3 million. There may be a drag from investment income on these figures, but it is unlikely we will know what that number is until the board meeting next week. Growth remains weak at 2.8% but it is still on the positive side and the trend is improving since January lows.

The virtual annual meeting was as successful as I think it could have been under the circumstances. We all hope for in-person meetings going forward.

Several transitions took place in March. Dave was made chair of HTM as Allan stepped down and will fill his role as Past-Chair. Thank you to Allan for his leadership and support during one of the most challenging years in the last decade (or more). Bob stepped down from the OMIA board as Dave stepped on. We look forward to participating in Dave's new experience on OMIA. Of course, a thank-you to Bob for representing the best of HTM to all of the mutuals through your service on the OMIA board.

Action Items

I have been active working on the following action items; Cognition+ Farm policies, participating in meetings with the group, Cognition+ Consumer portal, participating in meetings and some testing, HR, gap analysis and priority setting for 2021.

These will be explained in more detail in management reports.

My performance development report is included in the board meeting materials.

Not included as a formal action item is a revamp of the management reports to the board. This includes:

1. Soliciting input from directors
2. Reviewing available data and potential reports with managers
3. Creating a central file to import raw data and export report information for:
 - a. Managers written monthly reports
 - b. Board presentation material
4. One person would be charged with populating the data after month end is closed, creating greater efficiency than all managers exporting their own with a number of overlapping reports
5. Creating new, more detailed reports for management use

Here's an example of a new report, which I believe will be incorporated in the manager's written material:

Premiums Written to February

Policy Class	Current	Prior	Budget	Change #	Off Budget #	Change %	Off Budget %
Auto	1,076,054	1,136,183	1,222,641	(60,129)	(146,587)	(5.3%)	(12.0%)
Commercial	602,383	613,548	581,734	(11,165)	20,649	(1.8%)	3.5%
Farm	1,109,575	1,009,364	1,057,047	100,211	52,528	9.9%	5.0%
Residential	1,476,359	1,460,366	1,505,777	15,993	(29,418)	1.1%	(2.0%)
Total	4,264,371	4,219,461	4,367,199	44,910	(102,828)	1.1%	(2.4%)

In general terms, more detail will be provided through managements reports using tables as shown above, ahead of time. Some commentary on the chart would accompany it. The amount of information presented on the powerpoint will be reduced and we will use the visual graphs (bar and line charts) since these are put in front of the board for only seconds.

The new reports and process is targeted for May's meeting.

Department Update

I have met with all of my managers one-on-one. My goal is to ensure these conversations target at least some of the goal areas in my performance development plan. Management meetings, leadership meeting and staff meetings are all set up following the annual meeting. My managers are in good spirits and actively engaged with their departments. All of the managers are continuing to take advantage of virtual training sessions and we participate in the weekly mutual meetings put on by OMIA.

Current / Emerging Issues

Company 789 decision has been postponed to a later date as they revamp their plan. It appear that the new plan is focus on creating a dedicated department under OMIA or FM Re. The current committee members would still be involved providing grass roots input and expertise to a small group of staff.

FSRA brought a group of consumers together to discuss the financial services industry. One of the categories for improvement was a transparent rating method. This is in opposition to the GLM rating model that the industry uses and the mutual have moved to in the last year. If FSRA does demand an easier, more transparent approach, we may have to reverse some of what we have done to date to develop a more granular and specific rating methodology.

There was also a suggestion that FSRA is not set up to do any solvency monitoring and this could create a risk that we could be moved to OSFI, the regulator at the Federal level. This is just speculative and we hope the current self-monitoring process continues.

Other

Group E CEOs have decided to set up monthly virtual meetings during 2021 to discuss our challenges and opportunities.

Respectively Submitted

A handwritten signature in black ink, appearing to be a stylized name followed by a long horizontal flourish.

“We treat our customers like family.”

We look out for the best interests of our customers in the same way we do with our families. We want only the best for them. When you are with us, you're with family.