

For the Board Meeting of: 3/17/2022

Executive Summary

January and February 2022 has unfortunately started the year off on a different foot than the last two years. We have a modest increase in gross premiums written year to date compared to last year of just over 3% and net income of almost 3% over last year. There are two areas with a significant change from last year, claims incurred and investment market values. Net claims incurred at the end of February is \$3 million compared to last years \$1.2 million. Investments have decreased in market value since year-end with a year to date loss of \$1.8 million. We have seen large swings in the market values of investments in the past and they typically recover over the next few months. The overall result is an underwriting loss of \$221,288, investment loss of \$2 million and after the estimated tax provision; our net loss is \$1.5 million.

Update on my Department

The first two months of the year has been extremely busy even though the busyness feels very different with staff working from home part time. The auditors were here in January to finish our audit, and I am happy to have the annual P & C1 completed. Ashley and Ryan have continued to work in the office full time; Ashley to ensure the mail continues to flow and Ryan to ensure he is nearby if anyone has a system or hardware issue. Andrea, April, Jenn, Allison and I have been working part-time at home since the lockdown just before Christmas. Ashley and Allison are both taking insurance courses this winter and Jen is currently taking an accounting course.

Allison has only been in the department for just over a month, however, as expected, she was able to jump into the role and provide assistance. Allison's focus is on the insurance related software and Ryan's focus is on supporting all other software and hardware, as well as security. Their complementary skills provides synergy, and they can assist each other. This will enhance their knowledge in their own roles as well as in each other's area of expertise.

April will be celebrating her 15-year work anniversary in March and she is counting down the days until her retirement from insurance. She will be spending more time in the office over the next couple of months to train Andrea and Jenn on some of her duties, to ensure there is a backup for all of her critical accounting functions. We will be starting the search for April's replacement this month.

Update on Major Goal(s)

We are involved in several projects, with the largest current time commitment being the claims on Cognition project. As claims information is critical to all departments, the

integration with underwriting and accounting is also a priority. This requires ensuring the applicable claims information will still be available through testing, running stats, posting to the general ledger, and reporting. Allison, Ryan and I have all been involved in the weekly meetings and testing. This testing will continue until the projected conversion in April.

Now that year-end is complete, the IFRS 17 accounting project will be ramping back up. The next step involves balancing our system data to the P&C1 for the last 10 years.

Emerging or Future Issues

With the province removing many of the Covid precautions soon, I am cautiously optimistic that we will be able to start working in the office more and have more in person meetings and training. The winter feels especially long this year and some social interaction will be good for our mental health. Of course, this does not mean there are no risks, and we will need to continue with social distancing for a while to protect each other.

Replacing April will not be an easy task as she has many years of experience in her role. We are fortunate to have Andrea and Jenn that are working successfully in their roles and willing to learn some of April's job duties. Learning new job duties enhances their knowledge and abilities and enables them to back up each other. My hope is to be able to hire an accountant that will also assist and back up my replacement once I retire.

Financial Results

Year to date our premiums are up 3% over last year and our net claims incurred are up almost 150%. The result is an underwriting loss year to date of \$221,000 and after our investment market value and tax adjustments, our net loss is \$1.5 million.

It is very early in the year and our underwriting results can turn around in a month or two. The current conflict in Europe will cause fluctuations in the investment markets. Market value losses have traditionally rebounded, and fortunately, we have diversity in our portfolio that can lessen the risk of the lows.

Respectfully Submitted,

Donna White

*Striving to provide you with peace of mind by protecting your
tomorrows today.*