

For the Board Meeting of: 9/15/2022

Executive Summary

Our direct premiums written year to date did increase from last year by 5.3% and we are still at 1.4% below budget. After reinsurance, our net earned premiums are 0.6% over last year. In August, the same two areas continue to significantly impact our financial results; claims incurred and investment market values. Net claims incurred at the end of August is up just over \$3.7 million from June to \$15.6 million, compared to last year's \$5.2 million year to date.

Investments did recover \$1.5 million in market value in July, but slid downwards \$1 million in August, for an overall increase in our market value of just over \$400 thousand since June. In total our investment losses year to date are \$4.4 million down from \$5 million at the end of June, so a very small recovery.

The overall results year to date is an underwriting loss of \$3.6 million, investment loss of \$4.4 million and after the estimated tax provision; our net loss is \$6 million.

Update on my Department

The summer has flown by and our department is undergoing a major face lift. Ashley's last day was August 31st and she has returned to university in North Bay for her teachers' degree. I am happy to announce that we have hired a new receptionist Michele Cotter. Michele is an experienced receptionist who worked in a busy Port Hope dental office for several years.

Greg has a lot of great skills, such as superior spreadsheet and reconciling skills, and I am delegating several month end duties to him. He is anxious to learn and has signed up for his first Insurance Institute course that starts in September.

This summer did present a challenge for staffing and meeting of service standards with summer holidays, April's retirement and Greg being new to HTM and insurance. I would definitely recommend hiring a summer student next year to back up reception, and the critical day to day accounting duties. Last summer we had Jake, and this summer Jake did back up for Ashley's vacation, however, we had enough work for a full-time student. This is something that the new VP should consider next summer.

Update on Major Goal(s)

IFRS 17

I am still working on the preparation of data for this project. The current "to do" is the allocation of 2021 general expenses for IFRS 17. This entails reviewing all expenses and

allocating them to either policy acquisition, fulfillment of the insurance contract and general expenses. In October, we are having an in-person meeting to review IFRS 17 with an opportunity to ask questions. I am looking forward to an in person meeting with the other accountants.

Emerging or Future Issues

Hiring a VP of Finance! The position is posted and candidates have started applying. We have to bring someone in asap, as the weeks and months go by so quickly and we may have a challenge finding someone with insurance accounting and management experience.

Financial Results

Year to date our premiums are up 5.5 % over last year and our net claims incurred are up 200%. The result is an underwriting loss year to date of \$3,680,719 an increase of \$808,287 over last month and after our investment market value and tax adjustments, our net loss is \$6 million.

Respectfully Submitted,

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