

HTM Insurance Strategic Planning Day

August 25/26, 2021

Write a story of what you want the future of HTM to be using just six words.

HTM is your established, reliable, approachable, cooperative partner.

HTM is committed to listening with accountability, integrity in a caring professional manner.

HTM – your happily ever after

What are the Pain Points that HTM needs to address through the strategic planning process?

Concentration of our External Brokers (although we can't control this)

Product pricing and sustainability

Lack of sales growth of our business

Employee acquisition and retention

Distribution – more on-line presence

Keep up with change (technology, cyber threats)

How to model the future work environment

Pandemic – it's been a long haul and appears it will continue for the foreseeable future

Accountability: Environmental, social and governance

Remaining relevant in the eyes of our customers

Strategic Themes

Theme 1: GROWTH

HTM requires a reasonable amount of growth in its income to offset inflationary pressures on our cost, both claims and administrative. When you grow, it also shows there is an increasing demand for your service and products, which in turn supports a long-term vision for the future.

PRIORITIES TO FOCUS ON:

1. Premium growth range of 4% to 8% which equates to \$43.5 million to \$52.9 million
2. Premium growth range for Agents of 10% to 15%

Surplus Priorities

1. Surplus exceeds premium volume
2. Combined ratio of 95% or less
3. Minimum Capital Test (MCT) exceeds 350%

Measurement/Success Factors:

Ontario mutuals' average growth + 1%

Initiative

Action

Build Agent Success

Advertise to create attractive business

Effective social media messaging

Insurance Limits

Advise on values – ACV focus on high value

Provide Farms with timely advice – changing livestock/machinery

Theme 2: PRODUCTS AND SERVICES

We sell mainstream home insurance, tenants, condo packages. In addition, we specialize in farm insurance and small commercial businesses, both package and custom. We round out these products with automobile insurance. In addition, we provide specialty coverages through our reinsurance arrangements, such as cyber & D&O.

PRIORITIES TO FOCUS ON:

HTM will create new products to add to our portfolio.

We will have in place a structured review process for reviewing current products to make sure they remain up-to-date.

To serve our customers needs through all stages of life

Measurement/Success Factors:

By the end of 2026, HTM will have created “X” new products to add to our portfolio.

Initiatives

Tailored tenant package

Home owners policy that offers more flexible coverage and price

**Tiny homes
Multi family dwellings
Cyber security coverage**

Action

Draft policy options for review and rating

Confirm perceptions of need and opportunities for new or changing products

Services

**Customer relations
Loss prevention**

**Leverage
Leverage**

Theme 3: CHANNELS

We will continue to support and grow our broker channel and at the same time look for ways to develop an agent, or agent type channel. On-line sales is beyond our company's reach as single entity but we will work with other mutuals to determine the viability of this sales channel.

PRIORITIES TO FOCUS ON:

We will make new broker partnerships

We will watch for opportunities to purchase portfolios

We will have in place (or a plan in place) for new agents or sales representatives with due consideration to the risks involved

We will monitor closely the on-line offerings that are created by disrupters and work with other mutuals to determine any opportunities that this may present

Measurement/Success Factors:

We will have made new broker partnerships with at least 3 net new brokers

Initiatives	Action	Timeline
We will make new Broker Partnerships	Appoint 3 Brokers	3-5 years
We will have an In-house Agent		2-3 years
Broker Acquisition	Approach to show Interest	1-3 years
Amalgamation (smaller Mutuals in our geographical area)		Ongoing discussions to show interest - Long term plan
On-line quoting linking to Agents		1-3 years

Theme 4: TECHNOLOGY

We will continue to increase our technological capabilities within the mutual framework. This includes the digital interaction between our agent/brokers and our policyholders. Our ability to achieve success in this area relies heavily on other parties, such as Cognition+.

PRIORITIES TO FOCUS ON:

Our system will be on a modern platform providing efficient use in all aspects of our business on any device (PC, tablet, smart phone) a user chooses.

We will have broker interface including broker upload of new business and policy change.

We will have a consumer portal providing basic access to their information (Dec page, payments, claim status).

Our system will be automated and there will be integration with third party databases to enable sophisticated rating and underwriting capabilities.

Measurement/Success Factors:

Can measure new sign ups of policy holders. Broker upload to policy print with no human contact. Ease of managing data.

Initiatives

Focus on interactions and communications with stakeholders,

Improve on-line capability

-Portal

-Understand unique needs

-improve customer experience/connectivity

Distribution – ability to go paperless

Improve quoting tool

Optimize and integrate our data analytics management

Purging old data – security issues

Theme 5: PEOPLE/OPERATIONS

This area covers acquisition and retention, education, training, advancement as well as succession for both staff and directors. It includes all aspects of operational efficiency and productivity.

PRIORITIES/INITIATIVES TO FOCUS ON:

Support the health and welfare of our staff

Hiring and retention of good, qualified people that fit our culture

Training and education of staff – cross training

Develop strong succession planning

Support diversity, inclusion and equity

Measurement/Success Factors:

Less shut door conversations around pay

Score on the employee satisfaction survey

Retention rate of staff

Number of positions/employees cross trained

Initiatives

Create a health and welfare policy (e.g. vaccinations)

Review pay scales, wage market, living wage approach, pay equity

Assess and create responsibility 'levels' within each job role

Managers identify high potentials for succession planning

Hiring practices support diversity, inclusion and equity

Theme 6: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

.Environmental, Social (what we do for our community) and Governance.

PRIORITIES/INITIATIVES TO FOCUS ON:

Environmental

Reduce our environmental impact and carbon footprint

Review our investment portfolio to target more environmentally friendly investments

Promote activities that reduce environmental impact

Create a culture of environmental responsibility within the organization

Social

Supporting our community – financial and sweat equity

Promoting HTM better – social marketing – generate greater awareness

Governance

Measure our ESG process – scorecard

Improve our ERM process

Initiatives

Volunteer day – paid

Should we have volunteer hour requirements?

Community functions (bbq fundraiser, etc)

Educate our team on ESG

Take on initiative to offset our carbon footprint?

Form an environmental committee

