

For the Board Meeting of: 11/18/2021

Executive Summary

October was back to normal after our “cyber incident” which is a relief to my team. Looking back, it was a month filled with training sessions and is the start of some hard work in revising our underwriting manuals and wordings. This is the first month in which I started attending events outside of our office environment. I travelled to the OMIA office twice and attended the P&M Meeting up at Deerhurst Resort. The P&M was a different experience with a limited group in attendance and with all the social distancing measures. Let's hope that the future meetings will become more intimate as the Covid numbers go down. My two meetings at OMIA was for the welcome and orientation of our OMAP VP (Tyler Kroetsch) and for an OMAP/AFRC monthly meeting. In the monthly OMAP/AFRC meeting, the committee nominated and voted me to be the next Chair of the OMAP/AFRC Committee as the current Chair, Henry Miller from Maple Mutual steps down in March 2022. During this transition, I've been appointed as Vice-Chair until March 2022. It's definitely big shoes to fill and I don't think I'm ready for something like this but it seems like the committee has confidence in me. I hope that I won't let them down. It is an exciting time for that committee for sure with the new direction we're taking with OMAP. The VP of OMAP essentially reports to the Chair and Committee of OMAP as we act as a pseudo Board of Directors.

Update on my Department

My Underwriting team is now back to the Covid in-office scheduling which makes sure that we have a maximum of 50% of the team in the office on any given day. My team has made many inquiries in regards to a Vaccine policy and I'm afraid that if we delay this, it will affect the overall morale of not only my team, but for the company as a whole. I believe this should be one of first priorities that needs to be completed in the coming days. We have a duty to make sure we keep the majority of our staff safe in our office environment. HTM has been pro-active but we need to complete the circle by implementing a Vaccine and Hybrid work policy. Having the most staff members of any department, I do have a higher urgency for these policies to be implemented. In terms of servicing, we have maintained and exceeded our high level of service as we put the Cyber incident behind us. I have involved my Underwriters in helping me update our manual and wordings as this is a great opportunity for them to have a “say” in how we will conduct our business moving forward. The underwriters have started to involve themselves in “virtual broker training” sessions in the hopes that they will pick up the mantle and take the lead in building broker/agent relationships with presenting training sessions in the future. The department is poised and ready for growth into 2022 with the right people in the right positions. The team members are “gelling” well together as my position strategy for the growth of the department is now full steam ahead. Many of my

team members are taking their CIP/CRM courses and focused on their career growth. All the one-on-one performance appraisals with my staff have been scheduled for late November and some more great news about our team will come in my November report! I now need to complete the employee assessments for all 14 team members which is A LOT of work! Stay tuned!

Update on Major Goal(s)

Training Videos for Staff

I currently have 5 training videos created with a few more to come in the coming weeks. The 5 videos covered subjects such as:

- Facultative Submission Training for Farm Re
- Introduction to HTM
- Water Underwriting Training
- What is Co-Insurance
- What is a Certificate of Insurance

My 10 video target goal for the end of the year is in reach.

Wordings/Manual Updates

Steve and I have met a couple times in order to get our Premium Home wording in order. Steve is in the midst of absorbing the market data that I have provided and we will put together our thoughts shortly to formulate a new revised wording for 2022.

In terms of the Underwriting Manual updates, my underwriting team, Barb and I have made approximately 75 changes (mostly minor with a few major changes) which should help improve efficiency by making the manual clearer and easier to understand for both Underwriters and Brokers/Agents. We will be putting our finishing touches in the next couple weeks and a broker memo will be sent out with some of the major updates prior to launch.

Emerging or Future Issues

This might not be an issue but is definitely something that we need to keep an eye on as I have informed Christine about it. Our largest broker, Newman, Oliver & McCarten has signed a new broker contract with another mutual (Nova Mutual) that is outside of this territory. I found this out by mistake as I was chatting with a contact at Nova. Apparently, the Business Development Manager at Nova has a long-time relationship Calvin Newman and therefore signed on with them. The Underwriting Manager at Nova assured me that they will not be competing for our business (which I have no idea how this can happen as business to Nova will mean it won't be with us!) I will keep an eye out to make sure

they're not leveraging them against us, which Newman is known to do with their current markets already. Overall, this might not be a bad thing as our portfolio is top heavy with them being our largest broker.

Underwriting Results

Underwriting growth continues to increase in the month of October at 5.9% which is an increase from 4.9% in September. Continued premium growth in Farm is resulting in this increase with Residential Property showing its highest level of growth at 12.2%. The Auto continues to decrease at a rate of 4.5%. The Commercial line showed a slight decrease of 0.7% this month. With the growth numbers in October, the YTD growth has now increased to 4.2%

Premiums Written - (for the Month)

By Policy Class with Budget Comparison

Policy Class	Current	Prior	Change #	Change %	Budget	Off Budget \$	Off Budget %
Auto	678,070	710,292	(32,222)	(4.5%)	856,586	(178,516)	(20.8%)
Commercial	432,394	435,279	(2,885)	(0.7%)	408,266	24,128	5.9%
Farm	792,561	721,455	71,106	9.9%	801,476	(8,915)	(1.1%)
Residential	1,318,606	1,175,031	143,575	12.2%	1,324,525	(5,919)	(0.4%)
Total	3,221,631	3,042,057	179,574	5.9%	3,390,853	(169,222)	(5.0%)

Our new policy count has increased for October to 150 from 127 in September. For comparison, September 2020 showed that we wrote 158 new policies so we are writing almost the same amount this year as previous year. I predict that this number will continue to grow slowly in the coming months and into 2022 if Covid cases continue to trend downwards.

New Policy Count - (for the Month)

By Policy Class

Policy Class	Current	Prior	Change #	Change %
Auto	31	51	(20)	(39.2%)
Commercial	24	18	6	33.3%
Farm	15	7	8	114.3%
Residential	80	82	(2)	(2.4%)
Total	150	158	(8)	(5.1%)

This month showed an anomaly in terms of new business premium written. All four lines are showing a decrease in new business premiums written. The normal trend in 2021 has been the Auto and Commercial line seeing decreases, whereas for the month of October, we're seeing decreases in every line of business. Farm did show a decrease but was just nominal.

New Policy Premiums - (for the Month)

By Policy Class

Policy Class	Current	Prior	Change \$	Change %
Auto	51,409	95,962	(44,553)	(46.4%)
Commercial	35,267	61,720	(26,453)	(42.9%)
Farm	25,391	27,118	(1,727)	(6.4%)
Residential	96,964	127,257	(30,293)	(23.8%)
Total	209,031	312,057	(103,026)	(33.0%)

Respectfully Submitted,



“We act with heart.”

We care about what you care about. We are thoughtful and considerate of your needs and well-being.