

For the Board Meeting of: 9/16/2021

Executive Summary

August was a month in which many of the team members used their vacation time to rest and spend time with family. As most of us are fully vaccinated, a minor sense of normalcy has returned for a short while with the assumption that this Covid is probably something we're going to be living with for the next few years at least. This is the calm before the storm as September ramps with school going back in session. With many of my team members (including myself) with young children, the Covid balancing act will begin once again. The saving grace is that my team is preparing with all team members cross-training with each other so that all bases are covered in a worst-case scenario situation. Service levels are in great shape and our work is up-to-date, pending any disruptions that the fall season may bring. Nevertheless, it's never a dull moment for me managing my team, looking into the future and dealing with current company initiatives. August brought upon our Strategic Meeting, both with the staff and with the Board. Charity golf tournaments have started but with less frequency as I attended the TMHF Golf Classic with a couple Board members and our Scotia Investors. We also did something fun for the staff with the weekly duck races. OMAP VP interviews were in full swing and final interviews have been set up for September with the goal of having someone by mid-October.

Update on my Department

The underwriting team will continue to follow a schedule of coming into the office. This schedule is not meant to be mandatory that they have to be in the office as it is to make sure that we have enough spacing in the department that everyone can feel safe and to control our numbers so that we don't have 14 people showing up on the same day.

Covid - In-Office Schedule

For the Month of: September
 Department Name: Underwriting

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Kay	Tiffany G.	Tiffany G.	Tiffany G.	Kay
Katherine	Kelley	Allison	Kelley	Nick
Tara	Jade	Kelley	Jade	Tara
Bobbi	Katherine	Jade	Nick	Bobbi
Tiffany C.	Nick	Katherine	Tara	Rosie
Lori	Sandra	Tiffany C.	Bobbi	Allison
Rosie		Lori	Sandra	
Allison		Kay		

Service levels are maintained at a high level with no one team member with over 10 outstanding tasks (at the time of writing this report). We've assigned our newer team

members (Katherine & Nick) to do some simple endorsements to take the weight of these endorsements from the underwriters so that they can spend more time analyzing risk and less time processing. Jade will be our main person doing cancellations for all lines to ensure that these are done consistently and efficiently. Doing simple endorsements is also a way for Katherine & Nick to learn the "business" from a grassroots level which will help them in their growth into the underwriting realm. Kay has been fitting into the underwriting role very well and I see much more responsibilities to be passed on to her in the near future. Allison and Tiffany Gibbs have taken a leadership role in training/mentoring in the team which bodes well for the team in terms of succession planning at all levels in the department.

Update on Major Goal(s)

Training Videos for Staff

This has been much slower process than usual for me as I've had different things in the office pop up which has taken my time away from doing these training videos. I do have some ideas of videos to do but it will take some time to prepare, present and record the videos.

Wordings/Manual Updates

This is an on-going process as well with collecting data both internally and externally in order to update our wordings/manuals. I'm working closely with both Steve on the wordings part and Barb in the manual portion. We are also in contact with Applied Compuquote to fix our water rating engine as broker quotes coming into HTM are incorrectly calculating premiums, surcharges and discounts.

Emerging or Future Issues

2nd interviews for the OMAP VP position are now completed as I travelled to Cambridge to complete them. Two final candidates have been chosen to come back for a 3rd interview. These candidates will be doing a presentation to the entire AFRC committee with the hopes of hiring one of these two by mid-October. The plan is to have the VP be presented at the P&M's in late October.

Underwriting Results

Our underwriting results for the month of August showed that even our brokers/agents are on vacation mode. Growth for August was stagnant at 1%. It's important to note that 3 of the 4 lines we write are in positive territory with the only line showing a decrease being automobile which decreased by 4.7%). I did a more in-depth analysis to see if this decrease in the automobile line was just a HTM occurrence and the answer is no. The mutual community as a whole is seeing a 2.4% decrease YTD in the automobile line and

average premium per policy is also decreasing by a 3.46% margin. With the lower growth numbers in August, our YTD growth decreased to 3.92% from 4.4% July YTD.

Premiums Written - (for the Month)

By Policy Class with Budget Comparison

Policy Class	Current	Prior	Change #	Change %	Budget	Off Budget \$	Off Budget %
Auto	609,510	639,668	(30,158)	(4.7%)	719,766	(110,256)	(15.3%)
Commercial	364,072	363,520	552	0.2%	407,718	(43,646)	(10.7%)
Farm	783,494	760,886	22,608	3.0%	785,181	(1,687)	(0.2%)
Residential	1,372,884	1,336,125	36,759	2.8%	1,454,736	(81,852)	(5.6%)
Total	3,129,960	3,100,199	29,761	1.0%	3,367,401	(237,441)	(7.1%)

As a result of lesser premium, our new policy count has also decreased for August to 158 from 176 in July. For comparison, August 2020 showed that we wrote 180 new policies with a majority of them coming from the Auto line which for this year, is the consistently declining line for us. Again, the mutual community is suffering a policy count decrease YTD of 2.2%.

New Policy Count - (for the Month)

By Policy Class

Policy Class	Current	Prior	Change #	Change %
Auto	25	42	(17)	(40.5%)
Commercial	17	15	2	13.3%
Farm	19	14	5	35.7%
Residential	97	109	(12)	(11.0%)
Total	158	180	(22)	(12.2%)

The lower new policy count also correlates to lower new policy premiums. We wrote 3.3% less in new policy premium this year compared to last year while new policy count reduced by 12.2%. While these numbers could definitely show more positivity, August is usually the slowest month over the summer. One positive trend to these numbers is the fact that our average premium per policy has increased from last year which means that

even though we're writing less policies, we are getting more premium for each policy written which means more premium for less risk taken.

New Policy Premiums - (for the Month)

By Policy Class

Policy Class	Current	Prior	Change \$	Change %
Auto	41,058	68,334	(27,276)	(39.9%)
Commercial	41,976	31,797	10,179	32.0%
Farm	50,732	34,131	16,601	48.6%
Residential	128,659	137,010	(8,351)	(6.1%)
Total	262,425	271,272	(8,847)	(3.3%)

Respectfully Submitted,



“We act with heart.”

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