



2022 President's Report

Good afternoon and welcome to the 113th Annual General Meeting of the Antigonish Farmers' Mutual Insurance Company. Policyholders, special guests, staff, Board members, ladies and gentlemen, it is indeed a pleasure to see you.

I would like to begin by introducing to you my fellow Board members; Greg MacPherson, Vice President of the Board; Gerry Grant, the third member of the Executive Committee; Sid Taylor, Bruce Sinclair, Steven Eadie, Sean Cameron, Denise Bekkers, and myself, President, Joanne Van der Linden.

Our auditors from Grant Thornton and our claims Manager Stephen MacDonald will be presenting their reports later in the meeting. I will not go into a great deal of detail regarding the 2022 claims and financial results other than to say that neither report is very positive. We had a very poor year from a claims perspective which resulted in a large underwriting loss. While we were likely to have had a small underwriting loss, due to a couple of sizable house fires, Hurricane Fiona made it much worse.

In addition to the poor year in claims, it was also a poor year for our investment portfolio. Like many of you, our investment portfolio was down at year end. The largest contributor to this was the bond portion of our portfolio which accounts for 75% of our investments. Bond performance as a whole was the worst in recent

memory. In order to safeguard the investments of you, our policyholders, and reduce risk the regulators decree that 75% of our investments must be in bonds and the remaining 25% can be in equities. Therefore, in a year when bonds perform poorly, as they did in 2022, we cannot anticipate a great return on our investments.

In March 2022 we were pleased to be able to hold our AGM in person. After two Zoom AGM's during COVID-19 it was great to be able to get back together and meet in our normal manner. By last spring life in the office was almost back to normal and it was business as usual.

In 2022 the Board welcomed a new member, Denise Bekkers. At the same time, we also sadly said goodbye to long serving Board member Duncan MacInnis. The Nominating Committee has been working at trying to find potential new Board members as we anticipate quite a turnover in the next few years. As we have come to learn this is not an easy task.

Last spring your Board was finally able to meet for a Strategic Planning session. This process had been delayed for a couple of years due to COVID-19. We felt very strongly that this meeting needed to be held in person rather than virtually. With the help of facilitators from Farm Mutual Re., our reinsurance company, we developed a long term strategy to grow profitability, improve marketing and communications, further cultivate our employees skills, and continue to leverage technology. One of the outcomes has been our presence on Facebook.

As always there are a number of committees on which Board and some staff members serve. These include Executive, Audit, Conduct Review, Nomination, Human Resources, Underwriting and Rates, and the Scholarship Committee. All Board members serve on at least one of these committees and most Board members serve on a number of committees. Some of the committees are required by the regulators and others have been established by the Board in order to achieve certain objectives. A new committee was put in place this year, the MAMIC Convention Committee. For the first time in a number of years your

company will be hosting the MAMIC (Maritime Association of Mutual Insurance Companies) annual convention from the 9th to the 11th of June.

This is the third time that I am presenting this report at our AGM. It seems that each year there are a number of 'buzz' words that are present in my report. In my first two reports Cognition+ (our new computer program) and COVID-19 were very impactful on our company. For the first eight months of 2022 these two words were still part of our everyday vocabulary but we had a good handle on both. But then in September this disaster called Fiona hit. It was a hurricane like none of us had ever experienced in our lifetimes. It proved to be a disaster for many people and it was extremely impactful for all insurance companies. It was the 7th largest catastrophic event in Canada in terms of insured losses. I am very proud of how our staff stepped up to deal with this disaster. The storm hit on a Friday night and continued into Saturday. As soon as it was safe for our staff to travel to the office they were there. Some of our staff had to remove trees from their own driveways in order to get out. By Sunday the phones were being answered at the office. During the long days and weeks post-Fiona many staff members pivoted from their normal jobs to help with claims and responded to our policyholders. It was overwhelming to say the least! Today there are still Fiona claims trickling in. Stephen will give you more details in his report but at this time I would like to extend to our very hard working and dedicated staff a huge thank you. I know that many of you put in very long hours, seven days a week, for a number of weeks post-Fiona.

In closing, on the behalf of the Board, I would like to thank all of our staff for your contributions. I personally would like to thank our dedicated Board members. It is a pleasure to work with you. And finally, we would like to thank you, our policyholders, for your continued support.