



GERMANIA

MUTUAL INSURANCE

SINCE 1878 

A helping hand when you need it most

2021 Report



We didn't know it when the year started but 2021 would become a full year of dealing and living with COVID-19 and its many variants!



In late 2020, the Provincial Government requested businesses to permit employees to work from home when possible. Germania responded initially with a part-time work-from-home environment in 2020 but by early 2021 we were able to transition to a full work-from-home environment.



By March, Germania Mutual announced a permanent move to a hybrid office environment. This innovation allowed employees the opportunity to work from home two days per week while being in the office three days. This change has greatly assisted Germania Mutual in giving their employees a true work-life balance while continuing to meet or exceed our productivity and service level expectations.

With the prospect of COVID not disappearing any time soon, and our move to new technology, we expect 2022 to be no less taxing but we know our people are ready for the challenges that lay ahead.

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Annual General Meeting

The meeting will be held virtually on
March 16th, 2022 at 2:00 pm



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GERMANIA PRIDES ITSELF ON ITS INVOLVEMENT AND SUPPORT OF MANY WORTHWHILE CAUSES IN OUR COMMUNITY



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GERMANIA MUTUAL INSURANCE LEADERSHIP

MESSAGE FROM THE CHAIR

Brian Milne



As I write these few words, war looms large over Eastern Europe. Russia has invaded the recognized nation of Ukraine in an aggressive show of force, defying global calls for restraint. As a peace-loving nation, we show support to those being oppressed and as Canadians, we ask our fellow citizens to savour the freedoms we enjoy in this country.

Closer to home, your Germania Board of Directors has taken steps over the past year to further clarify the role of governance at our board table. A formal Governance committee has been established to oversee how the board conducts its affairs and to ensure we are meeting all legislative requirements. I want to thank director Steve Smith for his efforts to lead this initiative. A few adjustments to the bylaws have been proposed and will be considered at this year's annual meeting.

The proposed changes will bolster the Equity, Diversity, and Inclusiveness of our board. The look, thoughts, and actions of any board should reflect those of the people it serves. I believe these changes are a further step in that direction. The reading of a First Nations Land Acknowledgement, at appropriate occasions, is something I have asked the board to consider adding to our meeting preludes. The lands that Germania operates on is, and was, home to Indigenous Peoples for thousands of years prior to colonial settlement, and acknowledging this is an important step towards reconciliation with our Indigenous population.

For the most part, our new board room has sat unused due to the ongoing pandemic. Recent improvements in infection indicators hopefully will see the board back meeting in person soon and this will be the final year that we need to host the AGM virtually.

Thank you to all our Germania staff who are singularly dedicated to serving our policyholders to the best of their ability. Thank you also to President Dan Hill for his leadership and unerring advice to the board. In celebrating his 20 years with Germania he has seen many changes in the insurance business. His wealth of knowledge continues to benefit not only our company but the Mutual Insurance industry at large.

This is my final year as board chair, and it has been my honour and pleasure to lead the board deliberations over the past two years.

As always, stay well and be kind.

Sincerely,
Brian Milne, Board Chair.

GERMANIA MUTUAL INSURANCE LEADERSHIP

MESSAGE FROM THE CEO

Dan Hill

Germania Mutual Insurance year in review for 2021 can be easily summarized by stating we had two bad quarters and two good quarters.

Our first-quarter results were affected by three total loss home fires, while the good spring weather gave us more positive results in the second quarter. Close to \$9 million in losses in a 30-day span during the third quarter including a CAT claim and two barn fires had us on our heels heading to the fourth quarter. We closed the year with solid underwriting results giving us a net combined ratio of 103% with an annualized underwriting loss of \$665,000 and an after-tax bottom-line profit of \$582,000. We would have liked to have put forward a better bottom line in 2021 but we were pleased to be able to assist and protect so many of our policyholders during the year which is as important as our bottom line.



In August of 2021, the Germania Board of Directors approved partnering with Ernst & Young and the purchase of their I-Nexus software solution which is based on the Guidewire Suite of Insurance Products. This is a major undertaking for the company and is expected to be a two-year process, start to finish, including installation and conversion. Although there will inevitably be short-term pains with this project the long-term gains will greatly benefit our Broker-Agent partners and their ability to provide the best service possible for our policyholders. It is estimated that 85% of the Insurance Industry in Canada is using a Guidewire Insurance Solution. Germania, however, through the E & Y solution will be one of only a few insurers in Canada to have a fully integrated Underwriting, Claims, and Accounting system.

I would be remiss if I did not acknowledge the retirement and long-time service of three of Germania's agents. Darryl Culbert and Eric Thacker officially retired at year-end 2021 while Steve Gear has become an Insurance Broker and will continue to service his Germania clients in that role. Thank you, gentlemen, for your service and commitment to both Germania Mutual and the clients of your individual agencies.

On January 1st of 2001 my first year as President/CEO, Germania Mutual wrote just over \$3 million in gross written premiums. At the end of 2021, which was my 20th year at Germania, we write just under \$30 million while at the same time increasing our surplus position to a stable \$27 million. I could not be prouder of what the Board, Management and Employees of Germania have accomplished together and I looking forward to serving you the policyholders for years to come.

Sincerely,

Dan Hill
President/CEO

BROKERS AND AGENTS REPRESENTING GERMANIA MUTUAL



AGENCIES

Culbert Insurance

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INDEPENDENT BROKERS

Absolute Insurance
Brown Insurance
Chatsworth Insurance
Coburn Insurance
Craig, McDonald, Reddon Insurance
Davis & McLay Insurance
Doner-Horsley Insurance
Grace E. Brown Insurance Broker
Hanbidge & Bowman Insurance
Hills Insurance
J.P. Uniac Insurance
J.S. Davidson Insurance
Jack Lambertus Insurance
BrokerLink (Formerly John F. Smith)
Josslin Insurance
Keil-Dadson Insurance
McDonagh Insurance Brokers
McGoey Brothers Insurance
Miller Insurance
NFP
Padfield-Nelson Insurance
Paul Brown General Insurance
Rice Inc. Insurance
R. K. Mooney Insurance Brokers Ltd.
Will Marshall Insurance Brokers
Wylie Insurance Brokers

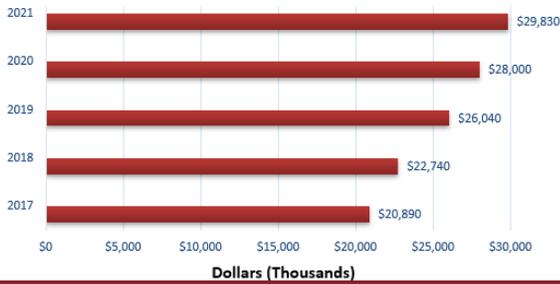


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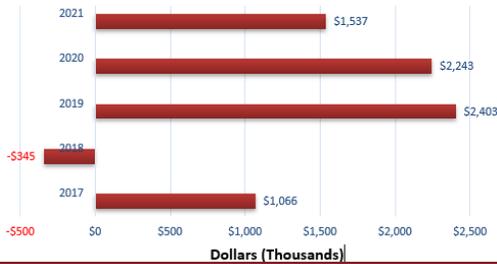
5 Year Performance Financials

Premium Written



Premium received by Germania from which all claims and operating expenses are paid.

Investment Income



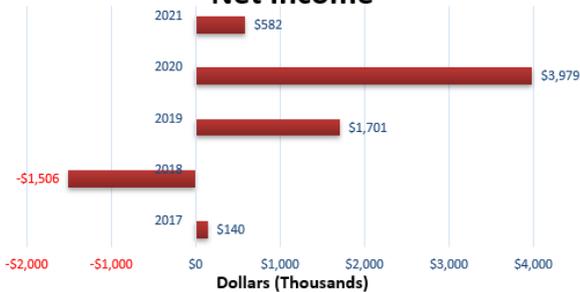
Income generated by Germania investments. In the short term, these funds can help stabilize underwriting performance. In the long term, they help build Members' Surplus to keep the Company strong and facilitate future growth.

Underwriting Loss



These figures show whether or not premiums received were sufficient to cover Germania claims and operating expenses in that year. A negative figure indicates that investment income was required to make up the shortfall.

Net Income



The amount added to or subtracted from Members' Surplus after all claims and expenses are paid and all investment income is included.

Net Loss Ratio



Percentage of premiums earned in an individual year that were allocated to paying claims.

Members Surplus



The financial strength of the company.



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