



GERMANIA

MUTUAL INSURANCE

SINCE 1878 

A helping hand when you need it most

2020 Report



2020 was a year that was unlike any other. COVID-19 provided us with the opportunity to test our resiliency and commitment to our community and policy holders. Supporting our community is important and that is why we made special donations.

Germania was able to give back and make donations to local foodbanks, hospitals and mental health associations throughout 2020, recognizing these areas needed our help.

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Annual General Meeting

The meeting will be held virtually on
March 17th, 2021 at 2:00 pm



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

2020 has been a challenging year like no other for all of us. The big news of course was, and is, the COVID 19 pandemic.

All that we thought was normal and taken for granted was turned upside down. In many respects, a crisis. Author James Lane Allen wrote that "adversity does not build character, it reveals it". This was very evident at Germania as we successfully worked our way through local and provincial health directives and lockdowns.



Like most business, Germania struggled early on how to execute our continuity plan. Our main goal was to ensure our policyholders and business partners received the service they have come to expect from Germania, while at the same time keeping our people safe. I believe we have been successful in doing just that and I want to thank our Management and Staff for making this happen. Thank you also to our policyholders for their patience while we sorted things out.

Through 2019 and early 2020 our staff has been working through the midst of a construction site while two pieces were added to our building here in Ayton. A southern addition now houses our claims, loss control and underwriting departments. An eastern addition allows for more training and meeting rooms while also expanding the kitchen. These two additions basically double the original footprint of the office building and was completed in June 2020 on time and on budget. Thank you to local contractor Domm Construction for the beautiful new workspace. It is truly "Domm well built"!

As board chair I want to thank the board directors for their forbearance during 2020. None of us had heard of Zoom except in car commercials. Transition to virtual meetings was met with good humor and not a small measure of patience. "You are muted" has become an oft repeated observation when we meet. Thank you to the IT department for making it all work.

Financially, 2020 was not for the faint of heart. Investment markets went wobbly after the pandemic became real in March however as the year progressed the markets rebounded and Germania ended the year in a very positive financial position. Good people doing great work will always produce exceptional results and as always the character of our people at Germania was revealed to make all the difference.

Lastly, but certainly not least, I want to thank President Dan Hill for his always on point advice and guidance to myself and the board. Although our AGM will be held in a virtual format this year, we look forward to seeing everyone in person again when it is safe. Until then, be kind and be well.

Sincerely,
Brian Milne, Board Chair.

GERMANIA MUTUAL INSURANCE LEADERSHIP

MESSAGE FROM THE CEO

Dan Hill



Germania entered the year 2020 expecting it to be challenging but truthfully we had no idea what lay ahead. Brian mentioned investments volatility and I'm am pleased to advise that by the end of the year we witnessed positive returns, which were only slightly lower than we had witnessed in 2019.

The insurance industry as a whole is still in the midst of what is referred to as a hard market especially on the Commercial side of the business. Although there is competition for certain commercial risks, other areas have non-competition leaving many businesses unable to find insurance or adequate coverage in many cases. Germania has been attempting to assist where we can but in many cases the coverage or limits required go beyond the scope of our reinsurance treaties which keeps us from being able to participate on those policies.

Overall Germania witnessed favourable underwriting results in all major lines of business in 2020. Moderate weather activity in our service region meant no CAT activity which assisted all property lines. We also witnessed our lowest large loss fire activity in the past five years with only two losses accessing our Excess of Loss reinsurance treaty. Weather events are often seen as property loss concern but a calm winter can play a major role in our Automobile loss results. With no major storm activity since January of 2020 our company definitely benefited. More policyholders working from home may have also contributed positively to our Automobile results.

We feel Germania is an integral part of the local community and because of that we will continue to be good corporate citizens for the betterment of that community. Management recognized by midyear that several expense items such as staff/board travel were substantially lower than budgeted do to Covid related restrictions. With this in mind the Board of Directors approved a substantive increase in local donation funding. The benefactors of these additional donations were hospitals, mental health organizations and food banks to name a few.

Yes 2020 was a challenging year and in spite of that we have put together a positive financial statement. 2021 looks like it will continue to challenge us and we intend to meet those challenges head on understanding that we must continue to meet the needs of policyholders and business partners and provide stability during a very unstable time.

In 2021 I will personally celebrate 20 years of service as the President/CEO of Germania Mutual and I look forward to serving our policyholders for years to come.

Sincerely,
Dan Hill

BROKERS AND AGENTS REPRESENTING GERMANIA MUTUAL



AGENCIES

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Gear Insurance

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Jack Lambertus Insurance
BrokerLink (Formerly John F. Smith)
Josslin Insurance
Keil-Dadson Insurance
Mass Insurance Brokers Limited
McCuaig Insurance
McGoey Brothers Insurance
Miller Insurance
NFP
Padfield-Nelson Insurance
Paul Brown General Insurance
Rice Inc. Insurance
R. K. Mooney Insurance Brokers Ltd.
Ron Noble Insurance
Will Marshall Insurance Brokers
Wylie Insurance Brokers

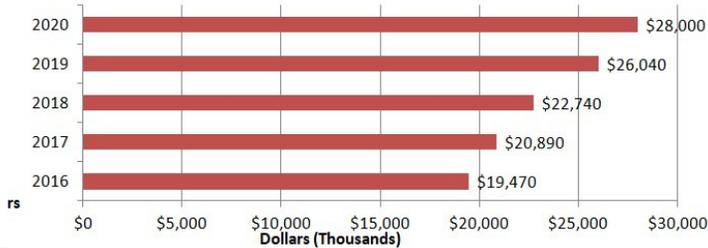


A helping hand when you need it most

403 Mary Street 519 665 7715 ph
Ayton, Ontario, 519 665 7758 fax
N0G 1C0 1 888 418 7770 Toll free

5 Year Performance Financials

Premium Written



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

Investment Income



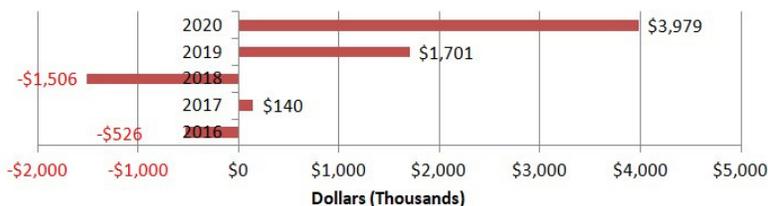
Income generated by Germania investments. In the short term, these funds can help stabilize underwriting performance. In the long term, they help build Members' Surplus to keep the Company strong and facilitate future growth.

Underwriting Gain



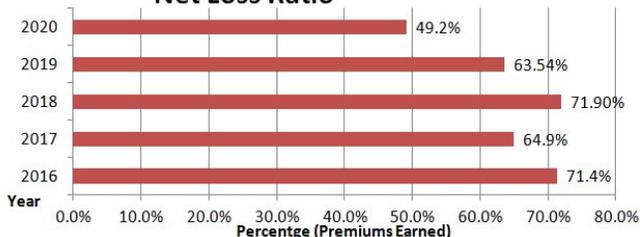
These figures show whether or not premiums received were sufficient to cover Germania claims and operating expenses in that year. A negative figure indicates that investment income was required to make up the shortfall.

Net Income



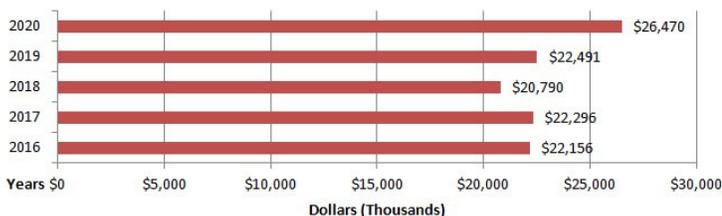
The amount added to or subtracted from Members' Surplus after all claims and expenses are paid and all investment income is included.

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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