



*A helping hand when you need it most*

## 2023 Report



Whether you believe in climate change or choose to deny it, the fact remains that storm systems have been more frequent and severe than in decades past. When it came to catastrophic weather events in 2023, thankfully Mother Nature left Germania alone for the most part. Without a doubt, weather will always play a pivotal role in our annual claims activity.



As a Mutual insurer, we definitely believe that an ounce of prevention is worth a pound of cure. We would like to remind our policyholders of our sump-pump replacement program and our fire extinguisher purchase discounts (including free refills for policyholders). We also encourage our policyholders to enquire as to how they can have one of our Loss Control Officers visit their property. This free service can assist in assessing potential risks and can offer mitigation strategies to prevent losses.

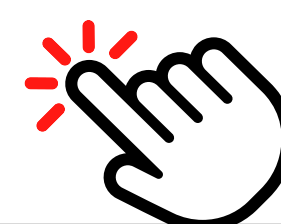


### Inside this issue:

- Germania in the Community
- CEO & Board Chair Message
- Brokers and Agents
- 5 Year Performance Financials

### Annual General Meeting

The meeting will be held  
in-person on March 27th,  
2024 at 2:00 pm



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ITS INVOLVEMENT AND  
SUPPORT OF MANY  
WORTHWHILE CAUSES IN OUR  
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September 21, 2023





## GERMANIA MUTUAL INSURANCE LEADERSHIP

### MESSAGE FROM THE CHAIR

Gary Becker

It is my pleasure to report to our policyholders on behalf of your Board of Directors and my second term as Board Chair.

At our AGM in March of 2023, we celebrated Germania's 145th anniversary having been first incorporated in February of 1878. As mentioned last year this milestone puts Germania in very elite company as one of the oldest, continuously operated companies in Grey & Bruce counties.



In June of 2023 the Germania Board and Management Team met to discuss and develop our Biennial Strategic Plan, which included our strategic goals and suggested measurements to ensure these goals were being met. In concert with this the Management Team developed internal priorities to support these goals and presented the 2023 – 2025 Strategic Plan to the Board for final approval at our regular August board meeting.

In November of 2023, Germania Mutual successfully completed the policy conversion portion of our integration onto the EY Nexus Guidewire technology platform. This was a substantive undertaking for both our management team and our employees. In November of 2023 we also began issuing 2024 renewals on the EY Nexus system which was the start of phase three, and the final stage of this lengthy but necessary system conversion process.

The Board also initiated a Board Peer Review Process with the assistance of an independent third-party consultant. This process allowed your directors the opportunity to individually evaluate each other. This is a very mature process but one deemed necessary for the Board to reach its maximum potential going forward. In conjunction with this Peer Review your Board of Directors completed its annual Board evaluation and skills matrix. This exercise helped us to recognize overall Board strengths and weaknesses, assess training opportunities and highlight possible skillsets required in future director recruitment initiatives.

The Nomination Committee was active this fall in the recruitment of new directors, with two openings that needed to be filled for 2024. The committee interviewed several candidates and recommended to the Board that two candidates, one to fill a mid year opening with the second to be included in a slate of candidates to be presented at our annual meeting in March of 2024.

In closing I would be remiss if I did not recognize both Roger Smith and Bev Schenk for their commitment to Germania Mutual and I truly thank them for their service on the company's Board of Directors. I would also like to thank our policyholders for their commitment to Germania Mutual over the past 146 years.

Yours truly,

Gary Becker  
Board Chair

## GERMANIA MUTUAL INSURANCE LEADERSHIP

### MESSAGE FROM THE CEO

#### Dan Hill

I would like to start my report by thanking my management team, employees, Board of Directors and our corporate business partners for assisting Germania during 2023.

Germania has now successfully moved to a hybrid work environment, allowing for work-life balance while ensuring that business continues at or above pre-COVID outputs, while most of the business world continues to struggle to find their best workplace model.



Training, education and overall employee development are at the forefront of every business decision at Germania recognizing that our strength is our people.

In 2023 Germania's underwriting performance was again positive. We witnessed growth of 9.5% which was ahead of budget and driven by inflationary increase in personal lines property, auto and farm business, while continuing to see positive policy growth in the recreational trailer along with the commercial line of business. New claims activity was higher than 2022 but at budgeted expectations. The severity of claims was up from recent experience but frequency was lower than our five-year average. The lower frequency was due at least in part to avoiding the major CAT activity which has occurred across Canada these past few years.

Given Catastrophe activity remains high across the country and the severity of these CAT losses increases substantially it seems on an annual basis, Germania's reinsurance premiums for their CAT reinsurance program have doubled over the past couple of years. This level of increase is unprecedented but should be expected given the frequency and severity of these CAT events across Canada. As a Mutual insurer we continue to look for ways to soften or absorb premium increases but with the majority of our expenses seeing double digit increases it will be difficult to maintain current premium rates.

As mentioned Germania had positive insurance results again in 2023. Though different from 2022, we realized more positive returns in our investment portfolio in 2023. Coming in at or above budget on both our fixed income and equity portfolios! And witnessed a substantive rebound in unrealized gains triggered by a more stable interest rate environment than we endured in 2022.

Our Chair mentioned in his report our Strategic Planning process and the development of our strategic plan. As part of this plan Germania will renew focus on providing service to our physical community and our community of business partners. We truly feel that Germania is an integral part of both of these and will endeavor to be "In our Community, for our Community".

We now look forward to serving you the policyholders for years to come.

Sincerely,

Dan Hill  
President/CEO



# BROKERS AND AGENTS REPRESENTING GERMANIA MUTUAL

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Doner-Horsley Insurance

Grace E. Brown Insurance Brokers

Hanbidge & Bowman Insurance

Hills Insurance

J.P. Uniac Insurance

J.S. Davidson Insurance

Jack Lambertus Insurance

Josslin Insurance

McDonagh Insurance Brokers

McGoey Brothers Insurance

Miller Insurance

NFP

R.K. Mooney Insurance Brokers Ltd.

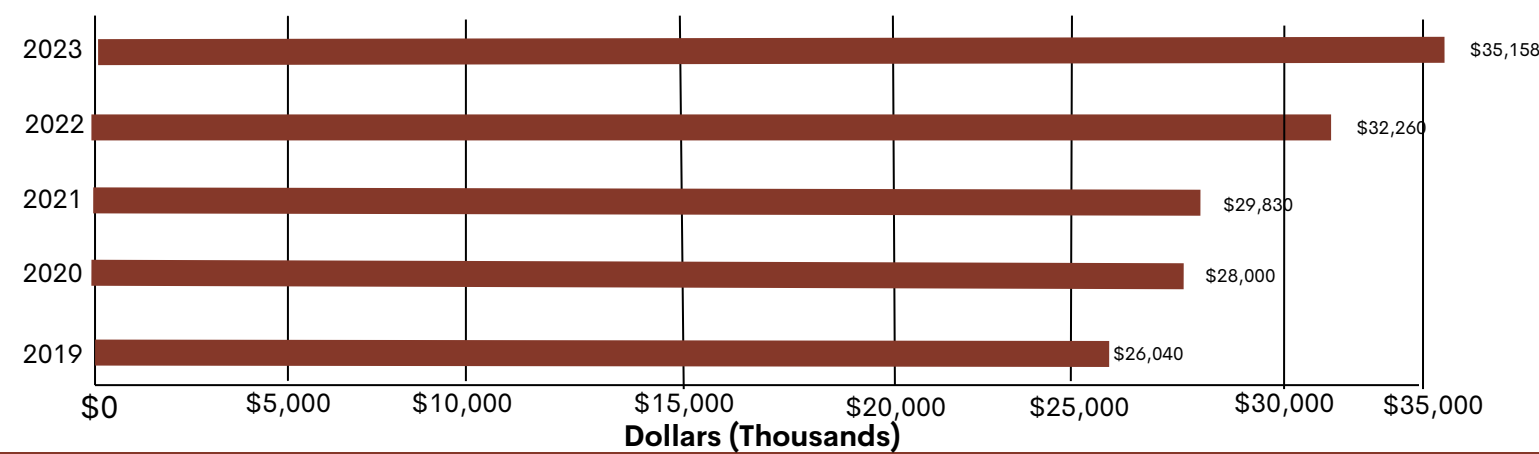
Will Marshall Insurance Brokers

Wylie Insurance Brokers

403 Mary Street 519 665 7715 ph  
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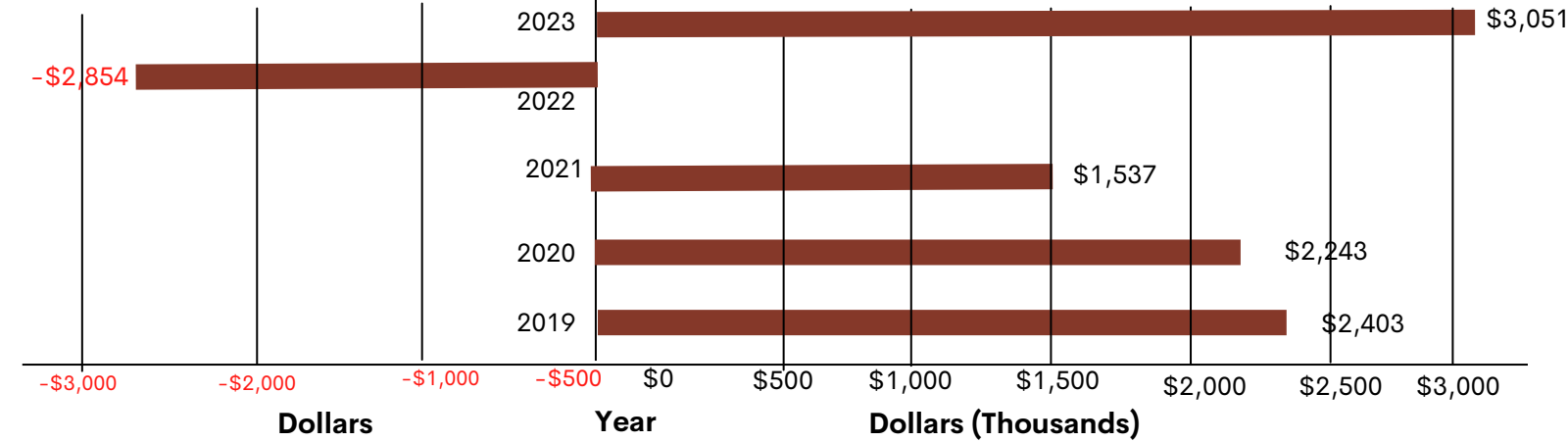
# 5 Year Performance Financials

## Premium Written



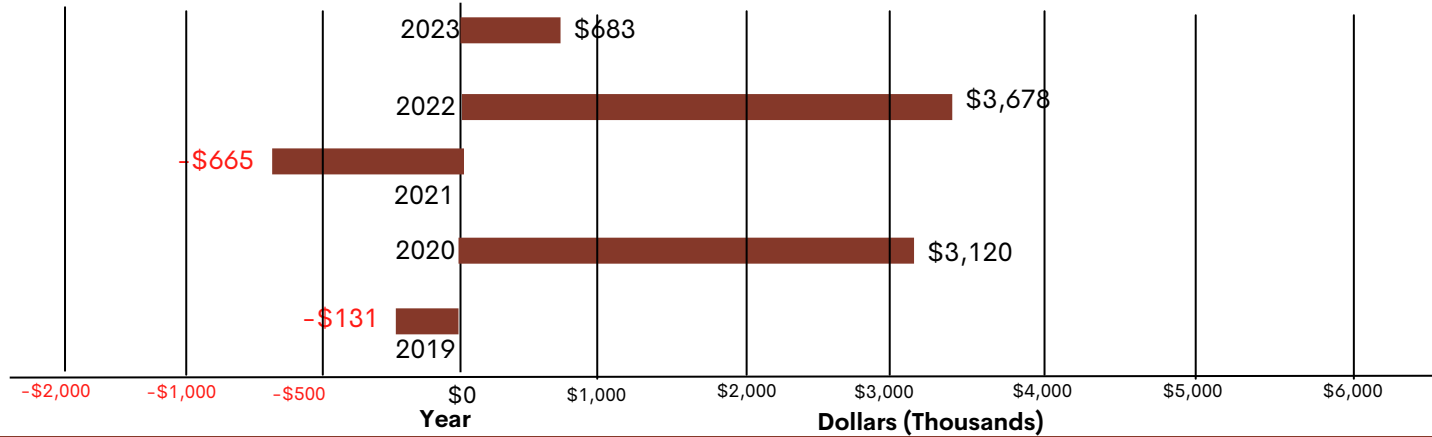
Premium received by Germania from which all claims and operating expenses are paid.

## Investment Income



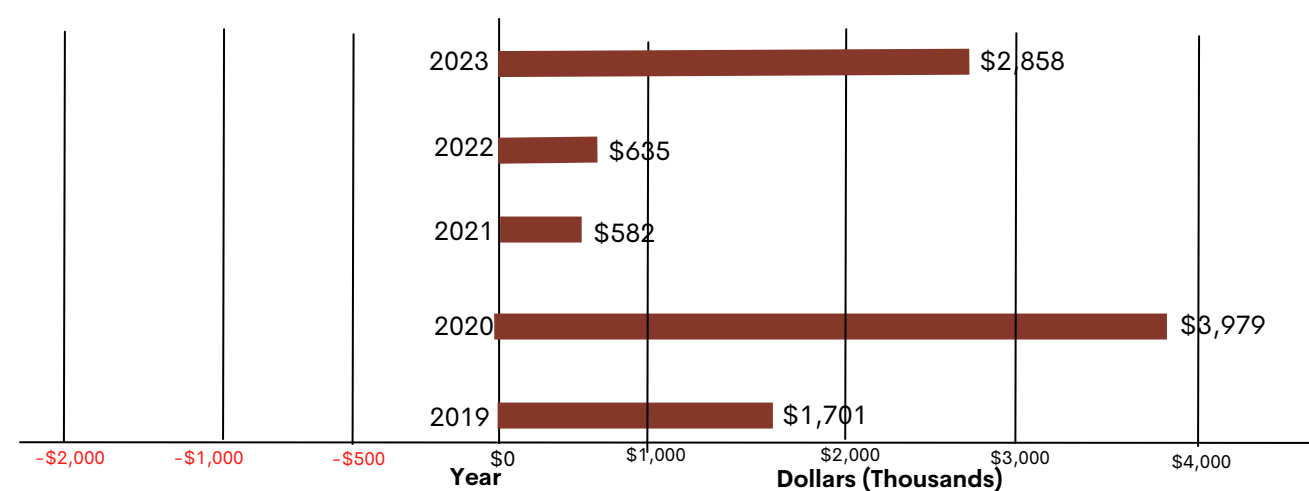
Income generated by Germania investments. In the short term, these funds can help stabilize underwriting performance. In the long term, they help build Members' Surplus to keep the Company strong and facilitate future growth.

## Net Income Less Investment & Other Income



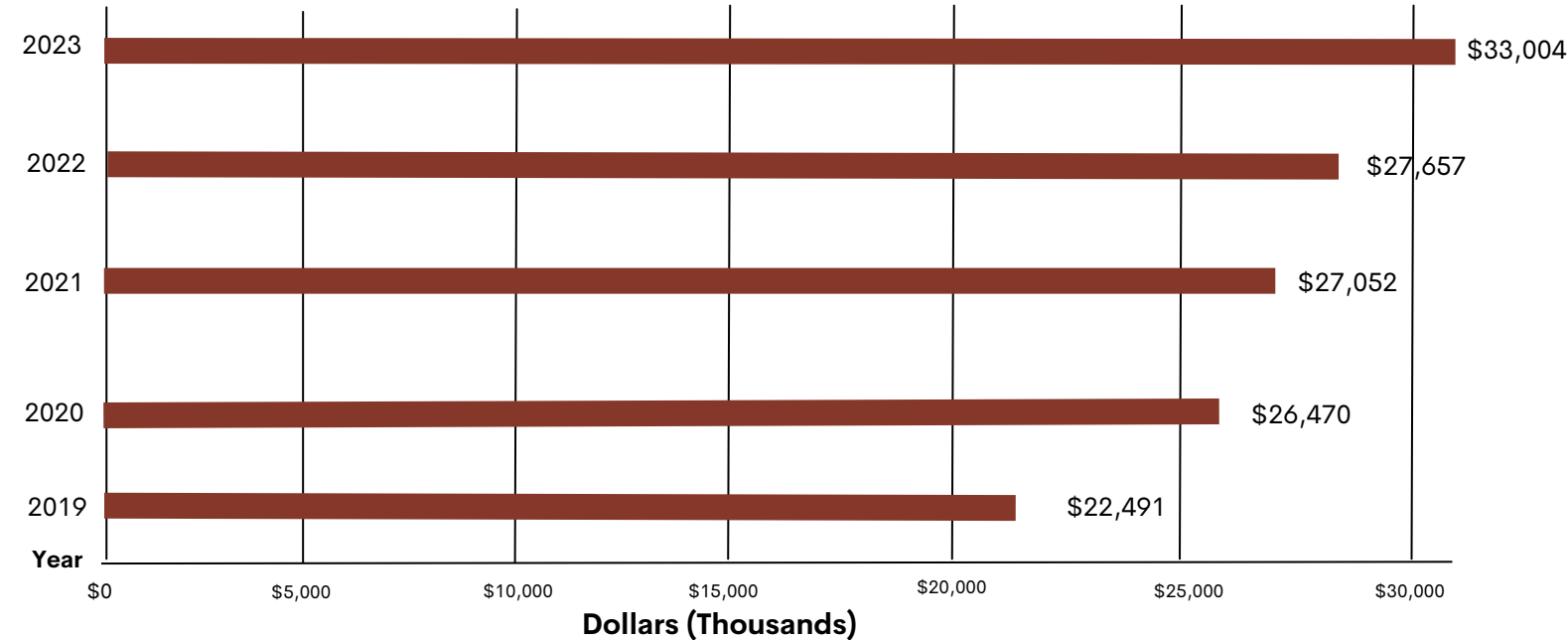
These figures show whether or not premiums received were sufficient to cover Germania claims and operating expenses in that year. A negative figure indicates that investment income was required to make up the shortfall.

## Net Income



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

## Members' Surplus



The financial strength of the company.



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