



2022 ANNUAL REPORT



Usborne & Hibbert
Mutual Fire Insurance Company

***YOU'RE
INVITED***

***TO THE ANNUAL
GENERAL MEETING***

Notice of Annual Meeting

The 147th Annual and a Special General Meeting of the Usborne & Hibbert Mutual Fire Insurance Company will be held at the **Mitchell Golf Club at 7 p.m. on Monday, March 20, 2023** for the presentation of the Annual Report, to elect Directors, to appoint auditors, to transact any business that may rightly come before the meeting and to consider and if thought fit, to adopt, with such amendments as may be made at the meeting, amendments to the General By-laws of the Corporation that were passed by the Board of Directors at their meeting on September 20, 2022, as summarized herein. A full copy of the General By-laws as amended is available for review by all members at the Company office during regular business hours, or will be provided upon request.

Nominations will be received for the election of two Directors for a three year term. The Directors whose three year term of office expires are Michael O'Shea and Tom Feeney. Tom Feeney has indicated his intention to stand for re-election. Michael O'Shea is retiring from the Board after serving for 30 years as a Director.

Pursuant to the General By-laws of the Corporation anyone wishing to seek election must file notice of their intention in writing with the Secretary of the Corporation at least 30 days before the annual meeting.

The 2022 Financial Statements for Usborne & Hibbert Mutual will be posted to the company's website. Copies will be available at the company office, 507 Main Street South, Exeter, Ontario, or may be obtained by sending a written notice to the company office at least 14 days before the meeting.

By Order of the
Board of Directors

Shelagh Cleary
Corporate Secretary

Summary of By-law Amendments (numeric references are to the section numbers of the By-law):

- 22(b) Requirement that a person be a member for 3 years to be eligible to be a director deleted.
- 22(c) Nomination Committee may interview candidates seeking election as directors
- 22(e) Persons who have attained age 75 or served 5 terms as a director are no longer eligible to be elected as a director unless then a member of the OMIA, CAMIC or Farm Mutual Re Board.
- 22(f) Term limits in section 22(e) don't apply to current board members.
- 56 Provisions relating to refunds clarified.

MESSAGE
FROM THE CHAIR



On behalf of the board of directors and staff at Usborne & Hibbert Mutual thank you for continuing to support our local company. In 2022, we saw a return to more normal business while the pandemic continues to impact many of our lives and businesses.

Items that challenged U&H in 2022 are the same items that are challenging you, our communities and other local businesses. Rising costs, supply chain issues and labour shortages have added challenges and delays for anyone unfortunate enough to be having a claim requiring repairs. No industry has been spared.

For the world of insurance: local, national and international events have stressed the industry making it more important than ever to look closely at your policy. At U&H, the board and staff are working towards adopting better use of technology to improve our service to you. The adoption of increased technology and digital communication supports improved accuracy, efficiency and keeps our company focused on serving your needs. Please review your policy with your agent or broker to make sure everything is in order.

After analyzing the 2022 year, your board is pleased to announce that a refund from surplus will again be offered. The financial stability of our company has allowed a refund from surplus to be given for 36 of the past 40 years. During those 36 years of refund, a total of \$20,232,315.00 has been returned to our loyal policyholders.

Thank you for your trust in us and continuing to support Usborne and Hibbert Fire Mutual Insurance Company.

Working together we provide peace of mind for our policyholders

A handwritten signature in black ink, appearing to read 'Jennifer Schroter'. The signature is stylized with a large, flowing 'J' and a cursive 'S'.

Jennifer Schroter,
Chair of the Board

MESSAGE

FROM THE PRESIDENT & CEO



Last year at this time, we were venturing out of the pandemic and not sure, what we would encounter as the year developed. Now it seems that we are truly moving ahead and that very challenging period is recent history. However, we continue to experience fall-out from the last couple of years. On the claims side there remains supply chain issues and labour shortages that make adjusting claims more challenging than

ever before. On the company side, the landscape of recruiting and retaining employees has shifted. Many employees want to work from home and Usborne & Hibbert Mutual now offers a hybrid environment.

The company was very fortunate to not experience the two large storms that resulted in catastrophic losses for many other insurance companies in 2022. We were able to grow the premium base to \$13.3M and ended the year with an underwriting profit of \$2.4M. Unfortunately, it was not a good year for investments. Both the economy and the markets struggled through much of 2022, resulting in an unprecedented investment loss for the company of \$1.3M. The Board of Directors has consistently approved a refund from surplus for many years and despite the poor investment results, the directors approved a 5% refund because of the extremely good underwriting results. The overall net income for the year was \$522,929 generating a surplus of just over \$37M.

It continues to be our goal at Usborne & Hibbert Mutual to build relationships with our policyholders as we have done for over 146 years. We believe these strong relationships are key to providing you with personal service dedicated to your specific needs. This is evident with our team of dedicated employees, agents, brokers and the Board of Directors.

The company remains financially strong, forward focused and well positioned to meet the various challenges and opportunities. As we look forward to many successful years ahead, all of us at Usborne & Hibbert Mutual wish to express our sincere appreciation for your continued trust and loyalty.

Sincerely,

A handwritten signature in black ink that reads "S. Cleary". The signature is fluid and cursive, with a large, stylized "S" and "C".

Shelagh Cleary, B.A. FCIP
President & CEO

OUR VISION

A Better Future for Our Community Today

OUR MISSION

*To provide competitive insurance solutions
that protects our policyholders and gives
them peace of mind.*

OUR VALUES

COMMUNICATION – *Is the heart and soul of
our community focused business.*

COOPERATION – *Working together to provide
quality service.*

FAIRNESS – *Is our commitment to you.*

HONESTY AND TRUST – *The foundation of our
relationships.*

INTEGRITY – *We focus on doing the right thing.
Always.*

RESPECT – *Is earned by trustworthy actions.*

BOARD OF DIRECTORS

Jennifer Schroter, Chair

Tom Feeney, Vice Chair

Alex Gibson

Michael O'Shea

Calvin Stratthdee

Krista De Groot

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Shelagh Cleary, BA, FCIP *President & CEO*



The following agents and brokers proudly represent Usborne & Hibbert Mutual In Your Home Community

Broker Partners

Grace E Brown Insurance Broker Ltd.	Grand Valley
Brown Insurance Group	Arthur
JP Uniac Insurance Brokers	Mitchell
Moore Hemsworth Insurance Group Inc.	Dublin & Listowel
DG Dunbar Insurance Brokers Ltd.	London
The Merit Group Insurance Brokers	London

Sales Agents

Dave Boersma	Exeter
Becky Case	Hensall
Andrew Carruthers	Granton
Skyler Fischer	Mildmay
Julia Simpson	Sebringville

Famme & Co.

Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

FRANKLIN H. FAMME, BBA, CMgr, CPA, CA
 BRADLEY J. W. McNEIL, BA, MAcc, CPA, CA
 STEPHEN VAN DEN HINGEL, BAacc, CPA, CA
 PETER D. BRICKMAN, BA, CPA, CA
 STEPHEN J. WARD, BA, MAcc, CPA, CA
 LYNN EIDT, BBA, CPA, CA
 MICHAEL P. B. JAREMCHENKO, BA, CFP, CPA, CA
 PHILLIP W. HART, BMath, MAcc, CPA, CA
 JUDITH R. ATTRIDGE, BAacc, CPA, CA
 STACEY A. CAMPBELL, BBA, CPA, CA
 BRADLEY YPMA, BA, CPA, CA
 TINA M. GROENESTEGE, BBA, CPA
 ASHLEY VAN DORP, BBA, CPA, CA

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 FAX 519-284-4393
 E-MAIL: office@fammeandco.on.ca
 WEBSITE: www.fammeandco.on.ca

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of
 Osborne & Hibbert Mutual Fire Insurance Company
 Exeter, Ontario

Opinion

The summary financial statements, which comprise the summary statement of financial position as at **December 31, 2022** and the summary statement of comprehensive income for the year then ended and related notes are derived from the audited financial statements of **Osborne & Hibbert Mutual Fire Insurance Company** for the year ended **December 31, 2022**.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with international financial reporting standards.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by international financial reporting standards. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 14, 2023.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with international financial reporting standards.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Famme & Co.

Professional Corporation
 Chartered Professional Accountants
 Authorized to practice public accounting by
 the Chartered Professional Accountants of Ontario

Stratford, Ontario
 February 14, 2023

*Usborne & Hibbert Fire Insurance Company Summary
Statement of Financial Position as at December 31, 2022*

ASSETS

	2022	2021
ASSETS		
Cash	\$ 5,358,458	\$ 5,216,270
Investments	38,612,997	39,251,025
Accrued investment interest	224,672	169,564
Outstanding Premiums receivable	2,478,207	2,309,993
Due from Reinsurer - ceded claims	1,845,219	2,649,655
- other	27,924	30,894
Prepaid expenses	44,516	23,849
Income taxes receivable	238,203	-
Deferred policy acquisition expenses	948,026	828,371
Property, Plant & Equipment - net of depreciation	1,914,461	2,011,124
	<u>\$51,692,683</u>	<u>\$52,490,745</u>

Approved on Behalf of the Board:


Director


Director

Usborne & Hibbert Fire Insurance Company Summary
Statement of Financial Position as at December 31, 2022

LIABILITIES AND MEMBERS' SURPLUS

	2022	2021
LIABILITIES		
Accounts payable	\$ 392,675	\$ 370,806
Due to reinsurers	262,230	205,981
Income taxes payable	-	427,625
Unearned premiums	6,352,824	5,529,005
Provision for unpaid claims	6,716,834	8,075,589
Refund from surplus payable	449,751	906,742
Deferred income taxes - current	432,767	412,324
	<u>14,607,081</u>	<u>15,928,072</u>
MEMBERS SURPLUS		
	<u>37,085,602</u>	<u>33,562,673</u>
	<u>\$ 51,692,683</u>	<u>\$ 52,490,745</u>

*Usborne & Hibbert Fire Insurance Company Summary
Statement of Comprehensive Income for the year ended December 31, 2022*

COMPREHENSIVE INCOME

	2022	2021
GROSS PREMIUM WRITTEN		
	\$ 13,363,898	\$ 11,694,772
Less: Reinsurance ceded	(2,507,806)	(2,089,819)
Net premium written	10,856,092	9,604,953
Less: Increase in reserve for unearned premiums	(823,819)	(633,477)
Net premiums earned	10,032,273	8,971,476
DIRECT LOSSES INCURRED		
Gross claims incurred and adjusting expenses	4,761,852	9,306,971
Less: Reinsurance plan recoveries	(1,102,755)	(4,441,064)
	3,659,097	4,865,907
EXPENSES		
Commissions and other acquisition expenses	1,878,814	1,562,075
Salaries, directors' fees and benefits	957,408	827,604
Other operating and administrative expenses	1,106,684	956,113
	3,942,906	3,345,792
Net Underwriting income (loss)	2,430,270	759,777
Investment and other income (loss)	\$ (1,299,667)	\$ 1,476,785
Refund from surplus	(447,674)	(898,318)
Comprehensive Income (loss) before taxes	682,929	1,338,244
Provision for (recovery of) income taxes	160,000	518,732
Net income (loss) for the year	\$ 522,929	\$ 819,512

Usborne and Hibbert Mutual continues to support the community through corporate donations on behalf of our policyholders:

- Academic Scholarships to 9 local high schools
- Ritz Lutheran Villa - Mitchell
- South Huron Hospital Foundation
- South Huron Fire Department
- Ausable Bayfield Conservation Foundation
- Huron Hospice - Clinton
- St. Patrick's School, Kinkora
- Huron County Xmas Bureau
- St. Mary's Healthcare Foundation

In keeping with our strong agricultural roots, Usborne and Hibbert supports the following local agricultural fairs:

- Mitchell Fall Fair
- Kirkton Fall Fair
- Ilderton Agricultural Society



We truly appreciate your business.

Thank you for being a valued policyholder of Usborne & Hibbert Mutual.



**Usborne & Hibbert
Mutual Fire Insurance Company**

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www.usborneandhibbert.ca

