



A BETTER FUTURE FOR
OUR COMMUNITY
TODAY



Usborne & Hibbert
Mutual Fire Insurance Company



Usborne & Hibbert Mutual Fire Insurance Company

Notice of the 150th Annual General Meeting Usborne & Hibbert Mutual Fire Insurance Company

The 150th Annual General Meeting (AGM) of Usborne & Hibbert Mutual Fire Insurance Company will be held at the Mitchell Golf Club on **Monday, March 23, 2026, at 7:00 p.m.** The meeting will include the presentation of the Annual Report, the election of Directors, the appointment of auditors, and the transaction of any other business that may properly come before the meeting.

Election of Directors

Nominations have been received for the election of **two Directors** for a **three-year term**. The Directors whose terms are expiring are **Tom Feeney** and **Tim DeWeerd**. Both Tom and Tim have indicated their intent to stand for re-election. Nominations have been received for the election of **one Director** for a **two-year term**. **Nicholas Vink** was appointed by the Board of Directors in May 2025 due to a vacancy. Nicholas Vink has indicated his intention to stand for election.

2025 Financial Statements

The **2025 Financial Statements** for Usborne & Hibbert Mutual are posted on the company's website. Copies of the Financial Statements are available at the company office, **507 Main Street South, Exeter, Ontario**, or may be obtained by submitting a written request to the company office at least **14 days before the meeting**.

We look forward to seeing you at the AGM.

A Message from The Chair



I am proud to share that Usborne & Hibbert Insurance has successfully navigated through another year. While we faced challenges — particularly with weather-related claims — stronger investment returns have enabled us to deliver a 7% refund from surplus back to our policyholders.

This achievement reflects the dedication and professionalism of our entire team. I extend my sincere thanks to our CEO, Shelagh Cleary, and all the staff for their unwavering commitment to our company's success. Thank you to our agents and brokers for their continued efforts in growing our business and strengthening our presence in the communities that we serve. I am also grateful to my fellow Board members for their leadership and guidance. Most importantly, I thank our policyholders for their ongoing loyalty and trust.

As we move through 2026, I encourage you to take part in our 150-year celebrations and help us honour the legacy we have built together.

Alex Gibson
Chair, Board of Directors
Usborne Hibbert Mutual Fire Insurance Company

A Message from the President & CEO



The past year presented both challenges and opportunities for Usborne & Hibbert Mutual. As an organization built on mutual values and strong relationships, our focus remains firmly on protecting our policyholders and ensuring the long-term strength of our company.

Throughout 2025, our team demonstrated resilience, adaptability, and a continued commitment to serving our communities. Despite experiencing higher claims activity early in the year and navigating several weather-related events, our organization remained financially stable and operationally strong. These experiences reinforce the importance of prudent underwriting, disciplined risk management, and maintaining a strong surplus

position.

At the same time, we continued to make important investments in the future of the company. In 2025, we successfully implemented a new computer system that will enhance our operational efficiency, improve service to policyholders and brokers, and position us for continued growth in the years ahead. While transitions of this scale require significant effort, they are essential to ensuring that our organization remains modern, efficient, and responsive to the needs of our policyholders.

Our growth over the past several years reflects the trust that policyholders place in us and the strong partnerships we have built with our brokers and agents. We remain proud of our deep roots in the agricultural community while continuing to expand across our commercial, residential, and automobile lines of business.

As a mutual insurance company, our purpose extends beyond financial results. Our strength lies in the relationships we build with our policyholders and the communities we serve. Every decision we make is guided by our commitment to long-term stability, responsible stewardship, and providing reliable protection when it is needed most.

I would like to thank our Board of Directors, employees, agents, and broker partners for their dedication and professionalism throughout the year. Their hard work ensures that we continue to deliver the high level of service our policyholders expect.

Most importantly, I would like to thank our policyholders for the trust you place in Usborne & Hibbert Mutual. We remain committed to protecting what matters most to you, today and for many years to come.

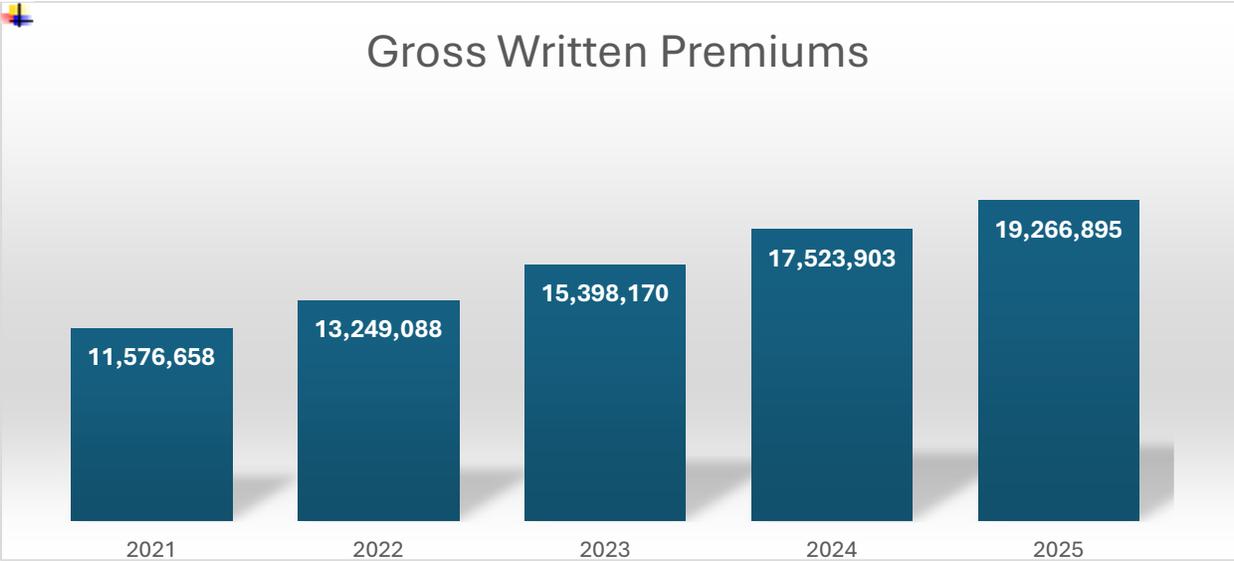
Financial Summary for 2025

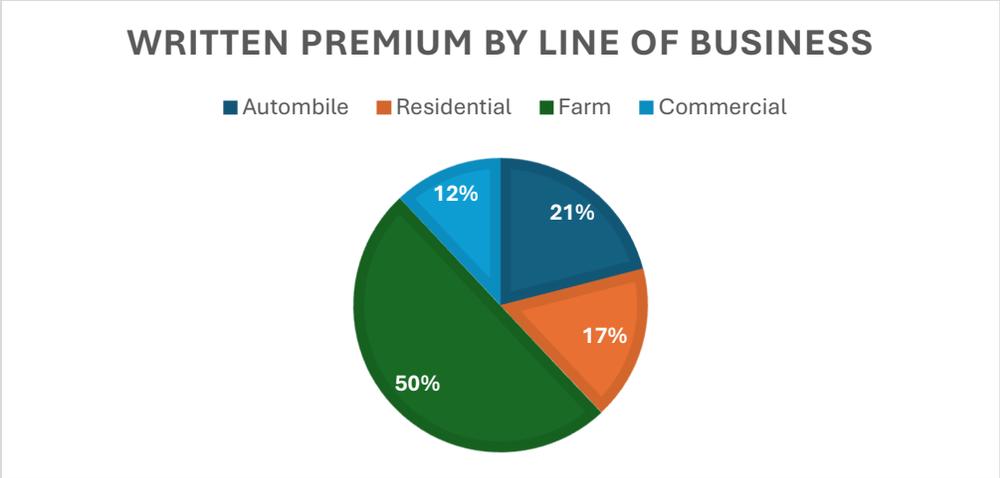
Revenue Overview

Insurance revenue, which represents gross written premium minus unearned premiums, increased notably in 2025. Total revenue grew by just over 12%, reaching \$18.5 million.

We continue to expand our business by offering protection for farms, businesses, homes, and automobiles. Over the past five years, our premium base has grown by \$7.7 million. While we maintain a substantial farm portfolio, we are also seeing growth across our other lines of business.

Automobile insurance continues to grow at the fastest pace; however, all lines of business experienced growth in 2025 through both our broker partners and our agents.





Insurance Service Expenses

Insurance service expenses, which include claims, commissions, and all costs directly associated with acquiring and servicing policies, decreased from \$21.7 million in 2024 to \$18.8 million in 2025.

More than \$12 million of these expenses were directly attributed to property and automobile claims. This past year, we responded to challenging weather-related losses, including snow-load collapses, ice-damming claims, and a summer hailstorm.

While the frequency of claims was high at the beginning of 2025, the number decreased considerably as the year progressed. Fortunately, we did not incur any losses above our reinsurance retention level.

Reinsurance and IFRS 17

Under IFRS 17, reinsurance premiums paid are netted against reinsurance recoveries to determine the net income or expense from reinsurance contracts.

In 2025, Usborne & Hibbert Mutual recovered \$4.42 million from reinsurance while paying \$4.27 million in premiums. Rates and capacity in the reinsurance market have stabilized compared to several years ago. We have also helped offset market pressures by increasing our retention levels.

Insurance Service Results

Insurance service results reflect the balance of insurance revenue, insurance service expenses, and net income or expense from reinsurance contracts. These results indicate whether our core insurance operations are profitable.

Comparing 2024 to 2025, we improved from a loss of \$2.1 million in 2024 to a loss of \$170,234 in 2025.

Higher-than-expected claims activity negatively impacted results in 2025. We also transitioned to a new computer system during the year, which temporarily created operational challenges. However, the new system is expected to improve efficiencies and better position us for continued success. The company also reported favourable prior-year reserve development.

Investment Income & Surplus

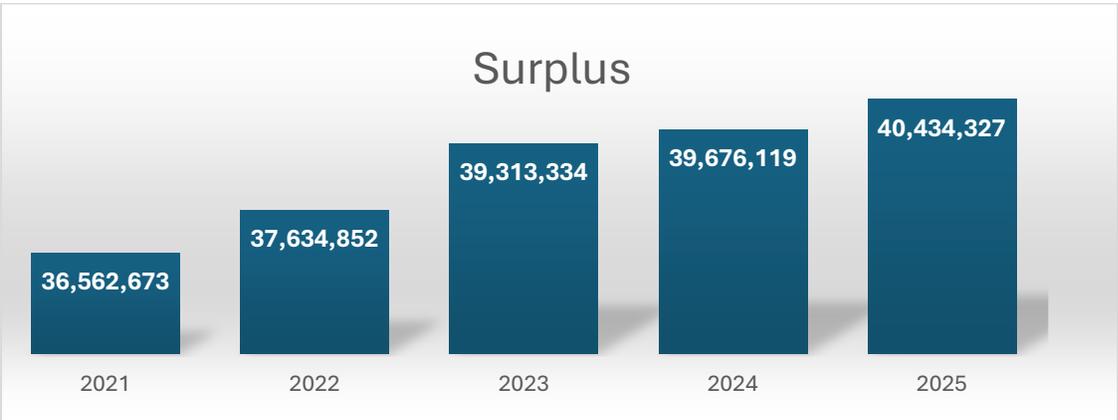
Despite the operational challenges experienced during the year, our investment portfolio delivered a strong performance.

In 2025, investment income totaled \$3.5 million, supported by favourable conditions in both bond and equity markets.

Maintaining a strong surplus is essential to ensuring our long-term stability and our ability to navigate periods of increased claims activity or market volatility. Usborne & Hibbert Mutual continues to maintain a solid financial position, supported by a growing policyholders’ surplus.

During 2025, policyholders’ surplus increased by \$758,208, representing growth of 2% compared to the prior year. This continued growth further strengthens our ability to meet our obligations and provide long-term security to our policyholders.

As a mutual insurer, sharing our success with policyholders remains an important part of our philosophy. In recognition of our strong financial position, Usborne & Hibbert Mutual will distribute \$800,000 through a refund from surplus to qualifying policyholders.



Commitment to Our Policyholders

Usborne & Hibbert Mutual is committed to the best interests of our policyholders. Our mission is to build and nurture lasting relationships, offering personalized service that meets your unique needs.

I would like to express my sincere gratitude to the Board of Directors, employees, agents, and brokers for their continued dedication. Their commitment ensures that we remain a strong and trusted partner for our policyholders.

Thank you to all our policyholders for placing your trust in us. We look forward to another year of working together to protect what matters most.

Sincerely,

A handwritten signature in black ink that reads "Shelagh Cleary". The signature is written in a cursive style with a large initial 'S' and 'C'.

Shelagh Cleary, BA, FCIP
President & CEO
Usborne & Hibbert Mutual Fire Insurance Company

Community Support and Giving Back - 2025

At Usborne & Hibbert Mutual, we are proud to support the communities where we live and work. Giving back to those who have supported us over the years is a core part of our values. In 2025, we made donations to several organizations dedicated to improving lives and making a positive impact:

2025 Donations Include:

- ❖ Academic Scholarships to 11 local high schools
- ❖ South Huron Hospital Foundation
- ❖ Perth Waterloo Egg Farmers
- ❖ Artemis Huron
- ❖ Huron County Foodbank
- ❖ Carter Schoonderwoerd Rink CS8 Memorial Rink
- ❖ Big Brothers Big Sisters of South Huron
- ❖ Huron County Christmas Bureau
- ❖ Huron Area Search & Rescue (HASAR)
- ❖ Ausable Bayfield Conservation Foundation

In addition to direct donations, we have also proudly supported local events and initiatives through sponsorships, continuing our long-standing tradition of community involvement. These sponsorships include:

- ❖ Local Charity Golf Tournaments
- ❖ Perth County Federation of Agriculture – Harvest Gala
- ❖ Middlesex Cattlemen’s Association
- ❖ Mitchell & Kirkton Fall Fairs
- ❖ Huron County 4-H
- ❖ Handbags for Hospice – Exeter & Stratford
- ❖ Local soccer, hockey, and broomball teams

We are proud of the ongoing support we provide to our community and the organizations that make a difference. By investing in local initiatives, we aim to strengthen the bonds that unite us all.