

**MIDDLESEX MUTUAL INSURANCE CO.
ANNUAL GENERAL MEETING, MINUTES
MARCH 28, 2023 – 7:00 p.m.
Bryanston Community Centre**

Welcome & Call to Order, Mr. Gary Goertz, Board Chair

Mr. Goertz welcomed everyone and called the meeting to order at 7:02 pm.

Mr. Goertz noted proper notice of the Annual General Meeting (“AGM”) was given as prescribed by the Company By-Law. Mr. Goertz asked Ms. Gummerson to confirm we have a quorum, and the AGM of Middlesex Mutual Insurance Co. is duly constituted, CONFIRMED.

Mr. Goertz welcomed guests from McKillop Mutual and noted that an Amalgamation Information Session on the proposed Amalgamation with McKillop Mutual Insurance Company would be held after the adjournment of the AGM.

Mr. Goertz reminded attendees that they must be a policyholder to move, second or vote on a motion.

APPROVAL of the Agenda of MARCH 28, 2023:

A Motion was MOVED by Mr. Vandenbosch, SECONDED by Mr. Godbolt, THAT the Agenda for the March 28, 2023 AGM be APPROVED as written and CARRIED.
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Board Chair, Opening Remarks, Mr. Gary Goertz:

Mr. Goertz thanked the Board and Staff for their hard work and dedication. Mr. Goertz noted that thanks to all of the staff and broker partners, Middlesex Mutual enjoys one of the best retention rates in the insurance industry. Mr. Goertz spoke to the Board’s role in governance, executive oversight, and strategic planning. Each Board member participated in several Director Certification courses throughout the year, notably sessions on Board & CEO Evaluation, Governance, Risk Management and Strategic Planning. Both Mr. Goertz, Board Chair and Mr. Filson, Board Vice-Chair, received their completed certificates, resulting in three (3) of the six (6) Directors having completed their certificates. Two (2) more Directors are on the verge of completion. Mr. Goertz reiterated the company’s commitment to community; including Community Spirit donations in the year to both the Ilderton Youth Centre and the Northwest London Resource Centre.

Mr. Goertz acknowledged and thanked Director, Paul Vandenbosch for his nine (9) years of service on the Farm Mutual Re Board. Paul’s experience there and at our board table is a valuable resource to all. Mr. Goertz also thanked Ms. Gummerson for her hard work and dedication in her interim role as President & CEO.

Interim President & CEO, Opening Remarks, Ms. Christina Gummerson:

Ms. Gummerson noted that 2022 was a challenging year for the insurance industry. Subsequent impact from the pandemic (labour shortages, supply chain issues and high inflation); low investment yielding and a volatile investment environment; and extreme weather including the May Derecho storm and Hurricane Fiona were key challenges. The Company was not as significantly impacted by weather in 2022 as in the previous year. Claims activity in the automobile line of business increased as people began to return to pre-pandemic driving habits. Ms. Gummerson noted that much of the strategic focus in 2022 was on working with McKillop Mutual on the proposed amalgamation.

Ms. Gummerson thanked the staff for their commitment to serving our members. The dedication of office staff, agents, and broker partners, together, drive the success of Middlesex Mutual. Ms. Gummerson acknowledged the Board's commitment to the company's success and value proposition, focusing on lasting value for the members now and into the future. Ms. Gummerson also thanked the Board for their support and guidance in her interim role. Finally, Ms. Gummerson thanked our valued members for their trust in us as their insurance company.

APPROVAL of the 2021 AGM Minutes of MARCH 23, 2022:

A Motion was MOVED by Mr. Parkinson, SECONDED by Mr. Schneider, THAT the Minutes for the March 23, 2022 AGM be APPROVED as written and CARRIED.

APPROVAL of the 2022 Special General Meeting ("SGM") Minutes of DECEMBER 7, 2022:

There was some discussion around virtual versus in-person meetings. It was noted that in-person meetings would be the preferred format for member meetings.

A Motion was MOVED by Mr. Parkinson, SECONDED by Mr. Vandebosch, THAT the Minutes for the December 7, 2022 SGM be APPROVED as written and CARRIED.

FINANCIAL REPORTS:

APPROVAL to waive the requirement to read the full audited financial statements for the year ending 2022:

A Motion was MOVED by Mr. Godbolt, SECONDED by Ms. Bodkin, THAT the requirement to read the full audited financial statements for the year 2022 be WAIVED and CARRIED.

Review and APPROVAL of the 2022 Year End Financial Statements, Ms. Christina Gummerson:

Ms. Gummerson provided an overview of the 2022 Year End Financial Statements. Ms. Gummerson highlighted areas of the Statement of Comprehensive Loss/Income, including: premiums; claims; commission, operating and administrative expenses; and investment income. Gross written premium growth was \$1.3 million, a growth of 9.7%. Net claims incurred were down 11% from the prior year. Claims challenges included increased auto claims counts and the impact of labour shortages, supply chain issues & inflation in all lines of business. Total commission, operating and administrative expenses increased 5% from the prior year. Notable areas of increase included: increasing technology costs; investment in talent, retention and succession planning of staff, including continuing education; and increased cyber insurance protection. Net underwriting loss for the year was \$605 thousand. Investments were impacted by a decline in market values of \$2.4 million in unrealized losses. Investment loss overall was \$1.16 million. Total comprehensive loss after taxes was \$1.3 million. Highlights for the Statement of Financial Position included: total company assets; liabilities; claims reserves and members' surplus. Total Assets at the end of 2022 were \$47 million, net outstanding claims were \$5.95 million and total Members' Surplus was \$29.66 million.

Auditor's Report for the 2022 Year End Financial Statements, Mr. Jeff Sawyer, Partner, BDO Canada LLP:

Mr. Sawyer reviewed the Independent Auditor's Report for the 2022 Year End Financial Statements. In BDO's opinion, the financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2022. Mr. Sawyer touched on the Auditor's Basis for Opinion and Responsibilities as indicated in the Audit Report.

A Motion was MOVED by Mr. Filson, SECONDED by Ms. Dow, THAT the BDO Canada LLP Auditor's Report be APPROVED as written and CARRIED.

A Motion was MOVED by Mr. Parkinson, SECONDED by Mr. Smith, THAT the Financial Statements for the year ended December 31, 2022 be APPROVED as written and CARRIED.

Appointment of Auditors for 2023:

A Motion was MOVED by Mr. Vandenbosch, SECONDED by Mr. Schneider, THAT BDO Canada LLP be appointed as auditors for the 2023 year and CARRIED.

As Mr. Goertz is up for election, he turned the meeting over to Vice-Chair, Mr. Filson for the following sections of the Agenda: **Report of the Nominating Committee and Election of Directors.**

Mr. Filson noted as per the Company By-Law, three (3) Directors are to be elected at this Annual Meeting. Subject to section 3.09 (a) of the By-Law, two (2) Directors are to be elected for a three-year term. Terms have expired for Directors Paula Bodkin and Gary Goertz. Subject to section 3.11 of the By-Law, one (1) Director is to be elected for the remainder of the term created by a vacancy on the Board (a one-year term). A vacancy was created by the resignation of a director immediately following the AGM in 2022. The Board appointed John Godbolt to fill that vacancy until this Annual General Meeting.

Report of the Nominating Committee, Mr. Wayne Parkinson, Committee Chair:

Mr. Filson called upon Mr. Parkinson to provide a report. Mr. Parkinson noted that the Board annually appoints Directors to the Nominating Committee, which consists of Directors whose terms of office do not end during their tenure on the Committee.

Mr. Parkinson briefly described the Committee mandate and candidate vetting process. By the deadline of 30 days before the Annual General Meeting, the Committee had only received the By-Law required letter of intent from three (3) candidates: Paula Bodkin, Gary Goertz and John Godbolt. All three (3) candidates met the director eligibility requirements, and it was confirmed that all three (3) candidates would continue to be suitable for a director position.

Election of Directors, Mr. Filson, Board Vice-Chair:

Mr. Filson noted that as per the Nominating Committee report, Paula Bodkin, Gary Goertz and John Godbolt were the only individuals eligible for election. Mr. Filson asked Ms. Gummerson, in her role as Corporate Secretary, to cast a single ballot to elect Ms. Bodkin and Mr. Goertz to a three (3) year term and Mr. Godbolt to a one (1) year term. The ballot was cast, and Mr. Filson congratulated the re-elected Board members and noted their combined experience offers strength and stability on the Board. Mr. Filson thanked the current Board members for always putting the interests of the members at the forefront of Board discussion and decisions. Mr. Filson then turned the meeting back over to the Chair, Mr. Goertz.

Meeting Adjournment:

Mr. Goertz thanked everyone for attending and adjourned the meeting at 7:33 pm.

Gary Goertz, Board Chair

Christina Gummerson,
Interim President & CEO/Corporate Secretary

Date

Date