



2021 ANNUAL REPORT



Usborne & Hibbert
Mutual Fire Insurance Company

***YOU'RE
INVITED***

***TO THE ANNUAL
GENERAL MEETING***

Notice of Annual Meeting

The 146th Annual Meeting of the Usborne & Hibbert Mutual Fire Insurance Company will be at the Kirkton-Woodham Community Centre at 2 p.m. on Monday, March 21, 2022. The purpose of the meeting is to present the Annual Report, to elect Directors and to transact any business that may rightly come before the meeting.

Established health and safety protocols, including provincial guidelines and conditions established by the Municipality of South Huron will be followed. In accordance with Ontario Regulation 364/20 proof of vaccination is required for all individuals who enter the Community Centre.

Nominations will be received for the election of two Directors for a three year term. The Directors whose term of office expires are Joe Chaffe and Jennifer Schroter. Jennifer Schroter has indicated her intention to stand for re-election. Joe Chaffe is retiring from the Board after serving for 35 years as a Director.

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

The 2021 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



MESSAGE FROM THE CHAIR

In 2021 the changes that began with the pandemic in 2020 continued. Usborne & Hibbert Mutual has responded to the many challenges felt by our partners and worked to find new solutions.

2021 has had challenges with several large losses, supply chain issues have added to the problems of getting items repaired and/or replaced. Rising costs on several items make reviewing your policy more important than ever.

The board and management team spent time reviewing our business and developing strategies to continue to make U&H your choice. For our policy holders we are committed to being your provider of choice, for our partners and staff we are updating and improving our systems to make U&H competitive and efficient. Our plan is to remain true to our roots with community being a priority, promoting prevention and safety programs, and rewarding good years.

On behalf of the board, thank you to the policy holders for your business, and to the staff thank you for your commitment to serving our customers. After reviewing the year, your board is pleased to announce that a refund from surplus will again be offered.

Working together we to provide peace of mind for our policy holders,

A handwritten signature in black ink, appearing to read "Jennifer Schroter". The signature is fluid and cursive.

Jennifer Schroter,
Chair of the Board



MESSAGE FROM THE PRESIDENT & CEO

For over 145 years Usborne & Hibbert Mutual has built relationships with our policyholders. We believe these strong relationships are key to providing you with personal service dedicated to your specific needs. This past year has been unpredictable and unprecedented. The pandemic continued and while we did go back to work in the office for a short time, we were also fortunate to be able to work remotely. Serving your insurance needs is our top priority and with the help of technology we have been able to accomplish that.

The company continued to grow and at the end of 2021 gross written premiums are now \$11,694,772, an increase of 12% over the prior year. Unfortunately it was not a good year for claims with incurred losses of \$8,270,691. We experienced twelve structure fires during the year and four of the fires were well over the company's retention. Fortunately due to a substantial prior year recovery on a previous claim, we achieved an underwriting income of \$759,777. Investment income provided \$1,476,785 to the overall bottom line. The Board of Directors declared a 12% refund from surplus, representing \$819,512 being given back to qualifying policyholders. The company ended the year with a net income after taxes of \$819,512 and a surplus of \$36,562,673.

One of our strongest assets is our people – directors, employees, agents and brokers. I am very proud of the team that works on your behalf and is committed to you, our policyholders. Usborne & Hibbert Mutual remains financially strong, forward-focused and well positioned to meet the various challenges and opportunities that the future holds.

All of us Usborne & Hibbert wish to express our sincere appreciation for your continued loyalty and trust and we look forward to many successful years ahead.

Sincerely,

A handwritten signature in black ink that reads "S. Cleary". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

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.*

BOARD OF DIRECTORS

Jennifer Schroter, Chair

Tom Feeney, Vice Chair

Joe Chaffe

Alex Gibson

Michael O'Shea

Calvin Strathdee

***The following agents and
brokers proudly represent
Usborne & Hibbert Mutual:***

Dave Boersma

Becky Case

Andrew Carruthers

Skyler Fischer

Julia Simpson



Famme & Co.
Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

JEFFREY R. SKUBOWIUS, BA, CPA, CA
FRANKLIN H. FAMME, BBA, CMgt, CPA, CA
BRADLEY J. W. McNEIL, BA, MAcc, CPA, CA
STEPHEN VAN DEN HENDEL, BAcc, CPA, CA
PETER D. BRICKMAN, BA, CPA, CA
STEPHEN J. WARD, BA, MAcc, CPA, CA
LYNN EDYT, BBA, CPA, CA
MICHAEL P. B. JAREMCHENKO, BA, CFP, CPA, CA
PHILIP W. HART, HMAcc, MAcc, CPA, CA
JUDD R. ATTRIDGE, BAcc, CPA, CA
STACEY A. CAMPBELL, BBA, CPA, CA
BRADLEY YPMA, BA, CPA, CA

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WEBSITE: www.fammeandco.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, 2021** 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, 2021**.

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 15, 2022.

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.

Stratford, Ontario
February 15, 2022

Famme & Co
Professional Corporation
Chartered Professional Accountants
*Authorized to practice public accounting by
the Chartered Professional Accountants of Ontario*

*Usborne & Hibbert Fire Insurance Company Summary
Statement of Financial Position as at December 31, 2021*

ASSETS

	2021	2020
ASSETS		
Cash	\$ 5,216,270	\$ 3,573,621
Investments	39,251,025	37,131,692
Accrued investment interest	169,564	194,670
Outstanding Premiums receivable	2,309,993	1,846,785
Due from Reinsurer - coded claims	2,649,655	1,089,603
- other	30,894	123,662
Prepaid expenses	23,849	24,211
Income taxes receivable	-	2,941
Deferred policy acquisition expenses	828,371	626,181
Property, Plant & Equipment - net of depreciation	2,011,124	2,398,280
	<u>\$52,490,745</u>	<u>\$47,011,646</u>

Approved on Behalf of the Board:


Director


Director

Usborne & Hibbert Fire Insurance Company Summary
Statement of Financial Position as at December 31, 2021

LIABILITIES AND MEMBERS' SURPLUS

	2021	2021
LIABILITIES		
Accounts payable	\$ 370,806	\$ 289,494
Due to reinsurers	205,981	161,690
Income taxes payable	427,625	-
Unearned premiums	5,529,005	4,895,528
Provision for unpaid claims	8,075,589	4,614,244
Refund from surplus payable	906,742	993,468
Deferred income taxes - current	412,324	314,061
	<u>15,928,072</u>	<u>11,268,485</u>
MEMBERS SURPLUS		
	<u>36,562,673</u>	35,743,161
	<u>\$ 52,490,745</u>	<u>\$ 47,011,646</u>

Usborne & Hibbert Fire Insurance Company Summary
Statement of Comprehensive Income for the year ended December 31, 2021

COMPREHENSIVE INCOME

	2021	2020
GROSS PREMIUM WRITTEN		
	\$ 11,694,772	\$ 10,307,694
Less: Reinsurance ceded	(2,089,819)	(1,585,266)
Net premium written	9,604,953	8,722,428
Less: Increase in reserve for unearned premiums	(633,477)	(549,012)
Net premiums earned	8,971,476	8,173,416
DIRECT LOSSES INCURRED		
Gross claims incurred and adjusting expenses	9,306,971	4,671,587
Less: Reinsurance plan recoveries	(4,441,064)	(776,940)
	4,865,907	3,894,647
EXPENSES		
Commissions and other acquisition expenses	1,562,075	1,957,734
Salaries, directors' fees and benefits	827,604	734,399
Other operating and administrative expenses	956,113	864,946
	3,345,792	3,557,079
Net Underwriting income (loss)	759,777	721,690
Investment and other income (loss)	\$ 1,476,785	\$ 1,961,766
Refund from surplus	(898,318)	(1,010,174)
Comprehensive Income (loss) before taxes	1,338,244	1,673,282
Provision for (recovery of) income taxes	518,732	312,925
Net income (loss) for the year	\$ 819,512	\$ 1,360,357

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
- Huron County Foodbank
- Ronald McDonald House Southwestern Ontario
- Huron Hospice - Clinton
- Optimist Club Mitchell – Let's Play Together
- Huron County Xmas Bureau
- United Way

In keeping with our strong agricultural roots, Usborne and Hibbert supports the following local agricultural fairs and we look forward to when they will resume.

- 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. We look forward to another successful year and we wish you a happy, healthy and safe 2022.



**Usborne & Hibbert
Mutual Fire Insurance Company**

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www.usborneandhibbert.ca

