October 22, 2020 AGM

**Chairman’s Report:**

Who would have thought a year ago that we would have to close our offices, postpone our AGM and that we’d all be wearing masks and be six feet apart? COVID-19 has certainly changed a lot of things but here we are in October 2020 having our 82nd AGM.

Although business has been interrupted on a number of fronts, I’d like to inform the membership that your Board of Directors has been and will continue to oversee the affairs of the Company.

On behalf of the Board, I’d like to report on three important items.

**First,** we are into the second year of a three-year strategic plan. There are five major pillars of focus and each pillar has a quantitative target along with multiple action items. The focus areas are:

1. **Growth**-This area is centred on keeping our good business and increasing our overall portfolio with well underwritten new policies.
2. **Profitable Business**-This is related to growth but the focus here is on creating an underwriting profit so we can increase our surplus and invest in areas to keep our company competitive. You will see in our financial report that we had a significant underwriting loss is 2019 but have taken corrective steps in our strategy to improve our underwriting and improve our book of business going forward.
3. **Efficiency**-This area focuses on getting more efficient with our operating and acquisition expenses.
4. **Employee Engagement**-Retention and recruiting are key to our company’s success. We want to have a workforce that is motivated and can see growth and developmental opportunities.
5. **Client Engagement**-Every policy holder is a member of this company. We are striving to ensure members are pleased with their experience with Stanley Mutual. Whether that’s answering questions, cost of premiums, keeping your property safe or when you are in the unfortunate circumstance of having a claim.

**The second item** I’d like to inform the membership on is that your Board takes education and continuous improvement very seriously. Two of your Directors recently completed the Director Certification Program offered by the Ontario Mutual Insurance Association. I was fortunate to receive my Professional Director designation from Governance Solutions in 2019. The Board values strong governance and we will continue to identify and implement best management practices.

**The third item** is about what makes Stanley Mutual different from other insurance companies. To me, it’s about living and practicing the “mutual way and our values”. You will read more in our CEO’s report about our most recent efforts of giving back to our communities, particularly during this trying time with COVID-19.

The “Mutual Way” is about trying to find a way to keep our member’s insured. It’s about treating our policy holders with respect. It’s about working with our other “Mutual” Insurance Companies in NB, the Maritimes and beyond, to collaborate on initiatives that make us better and to help each other in times of need. And, it’s about recognizing our strong history but also being excited about an even stronger future. We are a proud NB company founded and still headquartered in Stanley, NB.

Our mission is “to create a community where the strength of all supports the needs of each”.

Our vision is “to responsibly grow our insurance company and communities the Mutual way”.

Our values spell **MUTUAL** - “**M**utuality, **U**nderwriting, **T**rust, **U**nderstanding, **A**ccountability and **L**ifelong learning"

Stanley Mutual is not the same as the other insurance companies… I hope you can see and experience the difference.

Finally, my report would not be complete if I didn’t recognize the efforts of all our staff, agents and brokers. Your loyalty and work ethic are recognized and greatly appreciated. To our President and CEO Greg, thanks for your leadership. I also want to also recognize the efforts of Tammy Ross who among other things has put a tremendous amount of effort into organizing this AGM.

Also, thank you to my fellow Directors for your support and advice. Thanks to Gilbert Campbell for his leadership as Chair over the past two years and who passed the gavel to me this past April. And, I want to particularly thank recently retired directors Carol McShane, Bill Lunnie and Jim Pinnock for their service. It is an honor to represent Stanley Mutual as Chair.

Respectfully submitted,

Derek MacFarlane RPF, Prof Dir

Chair of the Board