

## 2021 MIABC Annual General Meeting

The 2021 Annual General Meeting of the MIABC was held virtually on September 13. The meeting commenced with an address given by the Minister of Municipal Affairs, the Honorable Josie Osborne. The 2021 Chair Charles Hamilton (CAO, CSRD) stated that this year's report centered on the concept of resilience "a fitting theme because of the efforts that the MIABC staff and members made to adapt and respond to the pandemic and the unrelenting challenges that accompanied it."

All departments required new processes and new skill sets. The Claims department experienced another steady year, receiving about 1000 new claims and closing about the same number. The Member Services department also faced unfamiliar challenges in advising members how to address issues that no one had ever encountered before. They found three new ways to respond to changing needs i.e., the creation of the "Tell Us Anything Blog"; the development of new Webinars to provide timely risk management advice; and changes to the Loss Control Program which was revamped to allow for virtual as well as traditional service delivery.

The MIABC had a solid financial year in 2020 and is well-positioned to build on that during 2021. They will continue to find ways to increase capital and provide stability to local governments in the future. No dividends were declared in 2020; however, MIABC did return \$460,000 to local governments in the form of Risk Management Grants. As the capital level, while strong, dropped below target due to world events, the board decided to act prudently and let the capital accrue to meet the elevated risks presented by the pandemic. If the capital target is exceeded, the board may declare dividends by 2022.

There were 5 resolutions passed; three concern liability and two are property damage. West Kelowna carries liability insurance with the MIABC. The three amendments to the Liability Protection Agreement were as follows:

- to ensure coverage for damage caused by the Off-Highway operation of a non-standard motor vehicle;
- to ensure coverage for licensed emergency medical assistants, first responders and paramedics; and
- to ensure coverage for communicable disease claims. MIABC expects to face little or no increased exposure for expanding this coverage.

The five members nominated to the Board were elected by acclamation.

**STATEMENT OF FINANCIAL POSITION****JUNE 2021****ASSETS**

Cash	\$	9,001,900
Accounts receivable		9,102,039
Investments		125,799,130
Recoverable from reinsurers		11,848,796
Recoverable from subscribers		14,452,070
Prepaid expenses		595,239
Property and equipment		7,418,752
Investment property		15,147,834
	<b>\$</b>	<b>193,365,760</b>

**LIABILITIES**

Accounts payable	\$	2,806,368
Premium tax payable		267,992
Provision for unpaid claims		81,019,772
Assessments in advance		12,703,981
		<b>96,798,112</b>

**SUBSCRIBERS' EQUITY**

Reserves contributed		7,866,515
Unrealized investment gains		14,684,974
Retained earnings		72,276,840
Current net income		1,739,319
		<b>96,567,648</b>
	<b>\$</b>	<b>193,365,760</b>

**STATEMENT OF INCOME****SIX MONTHS ENDED JUNE 2021 (2021 H1)****REVENUE**

Gross earned premiums	\$	10,956,255
Reinsurance ceded		(4,618,068)
Net earned premiums		<u>6,338,187</u>
Commissions		1,024,500
Investments		1,873,666
Commercial leases		240,307
<b>Total Revenue</b>		<b>9,476,660</b>

**EXPENSES**

Net claims paid		3,818,817
Change in net claims provision		945,138
Net claims incurred		<u>4,763,955</u>
Premium tax		507,468
Risk management grants		240,085
Member services		64,265
General office		2,583,746
Legal cost recovery		(422,178)
<b>Total Expenses</b>		<b>7,737,341</b>
<b>Net Income</b>	<b>\$</b>	<b>1,739,319</b>

**STATEMENT OF FINANCIAL POSITION HIGHLIGHTS**

Investment performance, maturing insurance programs contribute to strong balance sheet.

Subscribers' equity in excess of \$96 million to help members manage losses due to extreme weather and social inflation, while supporting rate stability in a hard market.

Investment value rebounded strongly from temporary drop in 2020.

Claims liabilities supported by adequate claims provision, strong capital, and liquidity.

**STATEMENT OF INCOME HIGHLIGHTS**

9.9% growth in net earned premiums compared to 2020 H1.

Growth in diversified income streams enhance stability and capital.

**Insurance Products**

Liability program experienced some growth in 2021.

Property insured values have grown substantially over 2020 H1.

Substantial growth in commission income compared to 2020 H1.

**Investments**

Portfolio growth enhanced by repositioning opportunities in 2021 H1.

Property values increasing and lease income stable in 2021 H1.