



SUMMER 2021

MUTUALLY YOURS





LETTER FROM OUR CEO

Over the past decade, Canada has seen an increase in insurance catastrophe losses and, unfortunately, Alberta is leading the way in this trend. In fact, 5 of the 10 largest catastrophe payouts in Canada have occurred in Alberta:

- 2011 Slave Lake Fire: \$1.7 billion
- 2012 Southern Alberta rainstorm: \$1.4 billion
- 2013 Alberta floods: \$2 billion
- 2016 Fort McMurray fire: \$5.2 billion
- 2020 Alberta hailstorm and Fort McMurray flood: \$2.3 billion

Also, 8 of the 10 largest catastrophe payouts in the history of Canada have happened in the last 10 years.

Alberta can be a tough province from an insurance claims perspective and weather has a big impact on our business.

- Rain that causes flooding.
- Wind & hail damaging buildings.
- Lightning starting wildfires.
- Wind causing wildfires to grow out of control.

How has this impacted MMI?

- In 2020 we had 2 catastrophes with over 100 claims.
 - A hailstorm in Calgary with 76 claims.
 - A windstorm in the La Crete area with 29 claims.
- In 2019 there was a wildfire that caused evacuation in High Level, La Crete, and other towns in northern Alberta.
 - Although this is shown as one catastrophe the fire burned for over a year and since 2 separate towns were evacuated weeks apart this could be considered as 2 events.

- In 2014 we had 2 catastrophes with over 100 claims.
 - Wind – La Crete & Northern Alberta with 47 claims.
 - Wind – Southern Alberta with 63 claims.
- Most other years we have at least 1 catastrophe loss.

We are currently doing an extensive review of our products, pricing, and wordings to make sure we are adequately prepared for this trend of increased losses.

CEO APPOINTMENT

In March of 2020, the MMI Board of Directors appointed **John Miller** as the Interim CEO after the previous CEO left the company. In October of 2020, John became the permanent CEO. John has 29 years of experience in the insurance industry, mostly in underwriting, pricing and product development, with the last 6 years being with MMI. His immediate focus has been bringing the leadership team together to focus on key issues like reducing expenses and meeting growth targets. We are happy to have John in this position and believe that he will serve our company well in his new role.

OUR 2021 BOARD OF DIRECTORS

Have you ever wondered who directs the operations of Mennonite Mutual? It is the board of directors; and they are individuals who are selected from the member churches and are elected at the Annual General Meeting of the company. Directors can serve for a maximum of four three-year terms. A one (1) year period must elapse after the fourth term, before they may be elected or again Co-opted to the Board. For your interest, the list at right is the present board and we have included a bit of information about each person.

Board members may serve on the following Committees: audit, corporate, conduct review, investment, nominating and executive.

Willy Goertzen, Chair

Grande Prairie, AB
Westpointe Community Church (EMC)

Gordon Baergen, Vice-Chair

Edmonton, AB
Lendrum MB Church (ABMB)

Lorne Siebert, Treasurer

Calgary, AB
Foothills Mennonite Church (MCA)

Susan Siemens, Secretary

La Crete, AB
Bergthaler Mennonite (EBMC)

Abe Thiessen, Board Member

Edmonton, AB
Lendrum MB Church (ABMB)

Becky Andres, Board Member

Calgary, AB
Foothills Mennonite Church (MCA)

Isaac Dyck, Board Member

La Crete, AB
La Crete Christian Fellowship (EMC)

Dennis Hoepfner, Board Member

Calgary, AB
Abbeydale Christian Fellowship (EMC)

Naomi Dueck, Board Member

Coaldale, AB
Lethbridge Mennonite Church (MCA)

John Miller, CEO

40 IS THE NEW 50, IN CALGARY

Lower speed limit for Calgary's residential roads now in effect

Starting May 31, 2021 the default unposted 40 km/h speed limit comes into effect. This change will affect the speed limit on both residential and collector roads in neighbourhoods, but there will be **no changes** to speed limits on higher classification roads (e.g. Deerfoot Trail, Bow Trail, Anderson Road, Memorial Drive) or playground zones.

Starting May 31, we're putting a limit on injuries

Driving at 40 km/h
reduces collisions, injuries
and deaths.





50 YEARS OF SERVICE!

There are not many people that you will meet in your lifetime who have volunteered for one organization for 50 years! Meet **Ed Janzen** from the Springridge Mennonite Church in Pincher Creek.

MMI has been blessed by the endless years of involvement by many of our volunteers but to date Ed Janzen is the only volunteer who has served for a half decade!! Due to the Covid Pandemic we have not been able to celebrate this milestone like it should be celebrated but we do wish to acknowledge Ed and thank him profusely for his time and efforts in the MMI Ministry. Thank you Ed – and may God continue to bless you and the Springridge Mennonite Church as you serve in your church and surrounding community!

RETIREMENT ANNOUNCEMENT

Join the entire MMI Management team and staff members along with our Board in thanking **Kevin Neufeldt**, Board Chair and **John Hubert** Committee Chairman for Corporate Governance for serving 12 years. **Gary Sawatzky** served 2 years as a Board Member.

Their years of service are a testament of their dedication and willingness to serve our churches. We will always be grateful for their business insight in leading MMI.

MMI BYLAW CHANGES

At the MMI Annual General Meeting, which was held on April 15, 2021, proposed bylaw amendments for the Company were presented to the voting delegates, who gave unanimous support for the changes. Our thanks go to the Corporate Governance Committee members particularly committee chairman John Hubert, and Becky Andres who presented the bylaw revisions to the delegates, and to Larry Jantzi in his support role to this Committee.

Some of the most significant changes are highlighted below:

- Reformatting of the Bylaws – to modernize their presentation and bring more clarity.
- New Definitions added including “Affiliated Church”, “Affirming Church”, “Volunteer Representative” (replacing previous “Adjuster” or “Local Treasurer”), etc.
- Updating of Terminology – replacement of usage of terms “Class A” and “Class B” congregations with “Affiliated Churches” (historic denominational tie) and “Affirming Churches” (for those churches who affirm their shared beliefs with our organization).
- Redefining of volunteer role from that of former treasurers and adjusters to that of “Volunteer Representative” who primarily serve now as a liaison between their church and MMI.

- Charitable Giving – clarification that it is the Board’s responsibility to approve the Company’s charitable giving on an annual basis subject to internal Minimum Capital Test requirements. The charitable giving program has also been expanded to include donations to Member Churches.

MMI remains committed to supporting and strengthening the churches alongside the important role served by our many dedicated volunteer representatives.



PROTECT YOUR FARM

... And All Its Parts.

Attention farmers! These questions are for you:

Are your farm buildings adequately insured?

If you experienced a total loss would the limit of coverage be adequate to rebuild the structure?

Did you know the coverage limit needs to be enough to cover not just the building but also demolition and debris removal after the loss? Do you have enough coverage?

If you answered “no” or “I don’t know” to any of these questions you should call our office and speak with one of our licensed Farm Advisors. They can help you decide what limit of coverage is adequate to protect your buildings and avoid the financial hardship of being under-insured. Ultimately, you choose the amount of coverage for the building but we are here to assist.

Another important point is to consider how the buildings are insured; are they listed as a separate item on your policy (required for farm buildings) or are they covered by the “Detached Private Structures”

extension from your home (for non-farm buildings)? We are here to help you understand which buildings are considered farm and which are non-farm. Ask us about Equipment Breakdown coverage.

Do you own farm machinery? When was the last time you reviewed the limit of coverage for those items?

This is another important aspect of your policy that often gets overlooked but a licensed Farm Advisor can assist you. They will also be able to discuss coverage for Rock and Root Ingestion.

What about tools?

Do you use tools in your farming operation? Your policy has an automatic amount of coverage but if the tools you own exceed that amount a Farm Advisor has a solution for you.

A farm is a complex operation and we understand that insuring it is not always the simplest thing. Let our experts help you and give you the peace of mind knowing that if a loss should occur, you are well protected.

LIABILITY: PERSONAL OR FARM?

What does it Cover?

RESIDENTIAL or **“PERSONAL” LIABILITY** pays claims for bodily injury or property damage which occur as a result of an accident or occurrence for which you are legally liable. A court decision is not necessary for a payment to be triggered. A payment would be made on the policyholder’s behalf if it is determined that the policyholder or family member has been negligent, and a property damage or bodily injury loss has occurred. Personal Liability does not cover farm or business operations.

Some examples where **FARM LIABILITY** is required:

- a) Use of tractors larger than 30 hp;
- b) Have more than 40 acres of land;

- c) Livestock on the property (other than pets); or
- d) Greenhouse operations when some or all of the produce is for sale.
- e) Any building currently used or used in the past for agricultural purposes.

Remember, it is not the size of the farm operations, but whether there is any farm activity at all that determines the type of coverage you need. If you are operating a farm tractor on the road, for example, and you are involved in a collision with a motor vehicle, you may be found liable. Make sure you are purchasing the appropriate type of liability protection!

MMI MEMBER CHURCHES & VOLUNTEERS

Bergen Evangelical Missionary Church	Sundre	
Bergthal Mennonite Church	Didsbury	Eric Goerzen, Richard Goerzen, Dennis Harder
Bergthaler Mennonite Churches La Crete Bergthaler Cornerstone Evangelical Church Countryside Community Church	La Crete	Larry Buhler Abe Friesen Ken Peters
Bethel Evangelical Free Church	Vauxhall	
Bow Island Evangelical Free Church	Bow Island	John Hubert
Calgary Abbeydale Christian Fellowship	Calgary	Harold Friesen
Calgary Evangelical Missionary - Group of Churches	Calgary	
Calgary First Mennonite Church	Calgary	Henry Bergen
Calgary Inter-Mennonite Church	Calgary	Judy Witmer
Calgary Trinity Mennonite Church	Foothills MD	
Calgary Vietnamese Mennonite Church	Calgary	
Chinook Church	Pincher Creek	
Clairmont Community Church	Clairmont	
Cleardale Gospel Chapel	Cleardale	Abe Friesen
Coaldale MB Church	Coaldale	
Coaldale Mennonite Church	Coaldale	Peter Janzen Herb Wall
Crestwood Church	Medicine Hat	Stan Wiens
Dalhousie Church	Calgary	Don Neufeld
Duchess Mennonite Church	Duchess	Jason Baerg
Edmonton First Mennonite Church	Edmonton	Gordon Taves, Dean Prior
Edmonton Sunrise Community Church	Edmonton	
Faith Gospel Fellowship	Fort Vermilion	Robert (Bob) Stalker
Foothills Mennonite Church	Calgary	
Garrington Community Church	Red Deer County	
Gem Mennonite Brethren Church	Gem	Marv Berg, Alvin Plett
Grace Christian Fellowship	Bow Island	Peter Dyck
Grande Prairie Church of Christ	Grande Prairie	
High Level Christian Fellowship	High Level	
High Level Evangelical Church	High Level	Peter Wiebe
Highland Mennonite Brethren Church	Calgary	
Hines Creek Lighthouse Fellowship	Hines Creek	
Hoadley Evangelical Missionary Church	Bluffton	Sue & Dave Stankevich
Holyrood Mennonite Church	Edmonton	David Lefever, Guenther Toews
Iglesia La Gracia de Dios Calgary Fellowship	Calgary	
Jubilee Christian Centre	Calgary	Ed Funk
La Crete Christian Fellowship Church	La Crete	
La Glace Bible Fellowship Church	La Glace	Bob Janzen
Lendrum Mennonite Church	Edmonton	Barb Thiessen

Lethbridge Mennonite Church	Lethbridge	Irvin Martens, Jim Moyer
Linden Mennonite Brethren Church	Linden	Ernie Neufeld
Little Smoky Country Chapel	Little Smoky	Fred Sherwood
Living Hope Evangelical Church	La Crete	
McDougal Chapel	Sundre	Paul Isaac, Bob Loewen
McLaurin Baptist Church	Grande Prairie	Paul Plant
Mountview Bible Fellowship	Grande Prairie	
Old Colony Mennonite Church	Buffalo Head Prairie	Tobias Harms
Old Colony Mennonite Church of Two Hills, Alberta	Musidora	Henry Peters
Old Colony Mennonite Church	Worsley	Abram Friesen
Picture Butte Mennonite Church	Picture Butte	
Reinland Mennonite Church of Two Hills	Two Hills	Andrew Klassen
Reinland Mennonite Church of Southern Alberta	Vauxhall	David Banman, Abram Bergen
River West Christian Church	Edmonton	Travis Padgham, Trevor Hamm
Rocky View Hispanic Mennonite Church	Chestermere	
Rosemary Mennonite Church	Rosemary	Alvin Nickel, Ben Dyck
Seven Persons Community Church	Seven Persons	Arlin Cash
Sommerfeld Mennonite Church	La Crete	
Springridge Mennonite Church	Pincher Creek	Ed Janzen, Karl Janzen
Sundre Church of the Nazarene	Sundre	Al Colwell
SunWest Church	Calgary	
Taber Evangelical Free Church	Taber	Henry Willms
Taber Evangelical Mennonite Church	Taber	Peter Neufeld, Peter Wiebe
Tofield Community Church	Tofield	
Vauxhall MB Church	Vauxhall	
Vertical Church	Pincher Creek	
Westpointe Community Church	Grande Prairie	Tim Van Natter, Dan Siemens
Westview Fellowship	Grassy Lake	Nick Friesen
Worsley Baptist Church	Worsley	Jason Ruecker
Worsley Reinland Mennonite Church	Cleardale	Abe Friesen
Zion Evangelical Missionary Church	Didsbury	Larry Hildebrandt, John Howard

Welcome to the following new member churches:

Bethel Pentecostal Church	Sexsmith	Angele Willis
Bezanson Community Church	Bezanson	Greg Clairmont
Cornerstone Christian Church	Calgary	Marcella Ballachey
Eaglesham Community Church	Eaglesham	Celeste Emerson
First Baptist Church	Edmonton	Dean Power
King of Glory Church	Calgary	Marcella Ballachey
Ministik Community Church	Tofield	Todd Sumner
Victory Faith Church	La Crete	Andrew Wiebe
Westview Baptist Church	Calgary	Bill Webb

COMPASSION FUND

A key mandate of MMI Insurance is to equip one another to “bear each other’s burdens”. Several years ago, MMI developed a program to partner with individual congregations to meet needs in their congregation and / or community.

The purpose and goal of the Compassion Fund is to share financial aid through the local churches, thus giving the local congregation more opportunity to meet the needs of its members and persons in the community to which it relates. MMI will match funds raised by the local congregation for a specific need, up to a maximum of \$3,000 per situation.

Some typical examples of the types of requests we receive from congregations are funds to assist:

- a needy family after the main income earner in the family suffered a serious illness resulting in financial hardship;
- with funeral expenses for someone in their church or community;
- a family in the community who suffered a total fire loss (and had no insurance).

It is a privilege for MMI to be able to extend mutual aid and we are pleased to be able to partner with the local church congregations by matching the funds that have been raised for these needs.

Annually, one percent of MMI reserves, is designated for the Compassion Fund and we encourage congregations to make application (through their local MMI representatives) for matching funds for situations in their local community. This is one more way in which your participation in MMI equips us as a mutual aid organization to reach out and assist the church in meeting needs. Your support for our program as a policyholder helps make this possible – thank you for your part in helping us to help others.

MEMBER CHURCH DIVIDENDS

MMI serves at the pleasure of our member churches and faithful policyholders. We therefore are pleased to forward monies back to the member churches – 1% of annual earned premiums year to date from those policies registered under the church you attend. These monies are a reminder that we support each other in the work of the local church.

We can’t give those monies to your church if you don’t let us know which church you attend! So let us know! Send us a note (membership@mmiab.ca) informing us of your preferred church and we will note it in our records. If you have questions or need more information, contact your local volunteer!

DEMUTUALIZATION OF ECONOMICAL MUTUAL

Policyholders having insurance with Economical Mutual (if he or she held it on Nov 3rd, 2015) can potentially receive cash or shares as a result of Economical Mutual Insurance Company converting from a mutual company to a public company. This conversion is called demutualization. On May 20, 2021 eligible members voted in favor to demutualize.

Please note that this process has no effect on insurance policies, claims, or premiums. MMI remains your primary point of contact for all matters concerning your insurance.

Customer of ours who held a policy with Economical on the eligibility date are encouraged to participate in this process.

Economical has created a dedicated demutualization website at joininourfuture.com. All eligible policyholders can set up an online account.

To activate an account, follow these simple steps:

1. Go to joininourfuture.com/eng/register/
2. Enter your qualifying policy number and your postal code
3. Follow the instructions on screen

If you have any further questions about demutualization, please feel free to email Economical (joininourfuture@economical.com) or call 1-866-302-6046 (toll-free).

FINANCIAL REPORT

In 2020, Mennonite Mutual Insurance (MMI) was not profitable and spent \$424,000 more than its revenue.

Background

Mennonite Mutual Insurance (MMI) records the results from its business from January 1 to December 31. There are three main activities in the business of MMI:

- Insurance – the selling of insurance policies, collecting premiums for those policies and paying claims related to the policies sold.
- Automobile insurance – selling automobile insurance through Mennonite Insurance Agency Ltd. (MIAL) on behalf of insurance companies other than MMI. MIAL receives a commission for each policy sold.
- Investments (savings) – the Superintendent of Insurance of Alberta (the government regulator) requires MMI to keep a certain level of savings. This protects policyholders by ensuring that MMI will continue to operate and will be there to pay claims of its policyholders and have sufficient funds to do so.

Where Did Our Money Come From?

Our total revenue for 2020 was \$16,296,000.

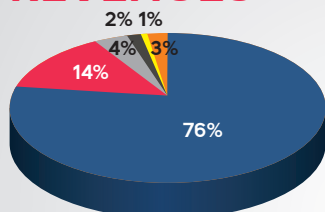
- We earned \$12,479,000 in premiums from policies.
- Our reinsurance policy with Farm Mutual Re allowed us to recover \$2,320,000 of the claims we paid.
- Our brokerage, MIAL, earned \$690,000 in commissions.
- The investments we hold earned \$277,000, net of investment management fees.
- We collected \$106,000 in service fees.
- Lastly, we took \$424,000 from our savings to pay for our spending in 2020.

How Did We Spend Our Money?

We spent our revenue of \$ 16,296,000 in the following areas.

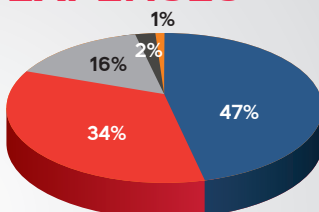
- Claims are our largest expense annually. In 2020, we paid \$7,581,000 to our policyholders related to the claims they made.
- We spent \$5,470,000 to pay for the costs of running our company.
- The premiums paid to our reinsurer, Farm Mutual Re were \$2,614,000.
- MMI made total donations of \$375,000. Of this, \$318,000 in donations were made to our member churches.
- As with all insurance companies, we are required to pay taxes. We paid \$199,000 related to Alberta Insurance Premium Taxes, the Alberta Health Cost Recovery levy and corporate income taxes.
- We paid \$58,000 to agents that helped sell our insurance.

REVENUES



- Premiums Earned - 76%
- Claims Costs Recovered - 14%
- Commissions Earned - 4%
- Investments - 2%
- Service Fees - 1%
- Transfers from Savings - 3%

EXPENSES



- Claims - 47%
- Operating Expenses - 34%
- Reinsurance Cost - 16%
- Donations - 2%
- Taxes - 1%



Why should you obtain AMI Autoglass Insurance?

AMI covers all the window glass on the vehicle that is insured.

Coverage extends to the sunroof/panoramic roof, back glass, side glass & windshield.

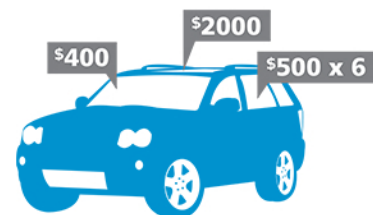
Separate from your auto policy, claims do not affect it.

A \$50 replacement deductible.

Affordable annual premiums, most premiums less than 55 cents per day.

Protects against high replacement glass costs which are a result of increased standard features and newer technologies.

An example of glass costs for an average passenger vehicle:



\$7800 TOTAL





CANADA GREENER HOME GRANTS

Home retrofit and upgrade program

The federal government launched a new program allowing Canadians grants of up to \$5,600 in energy-saving home upgrades and evaluations.

The program, called **Canada Greener Homes Grants**, will be worth \$2.6 billion over the next seven years. Homeowners would be allowed to get up to \$5,000 for energy-efficient retrofits to their main homes, as well as another \$600 to help with home energy evaluations.

Who is eligible?

Homeowners should first make sure they are eligible for the program, having all the documents to prove homeownership on hand.

Eligible property types for the program include:

- Single and semi-detached houses
- Row housing
- Townhomes
- All-season cottages
- Mobile homes on a permanent foundation
- Permanently-moored floating homes
- Residential portions of mixed-use buildings
- Small multi-unit residential building, which must be three storeys or less and with a footprint no bigger than 600 m².

If eligible, homeowners can now officially register for the program online at www.nrcan.gc.ca or by calling 1-833-674-8282.



RISING LUMBER COSTS

The rising cost of lumber during the pandemic could potentially cause you to be underinsured on a loss to your buildings. Only primary dwellings have GRC (Guaranteed Replacement Cost), protecting from these shortfalls.

If you are not sure about your policy limits, or you would like to re-evaluate the coverage(s) you have, give us a call. Make sure you know what they are worth and protect them (and your financial future) accordingly.

HERE TO SERVE YOU



It is not business as usual, as all our employees have been working from home since March 2020 while juggling family matters. You – our customers – depend on us; insurance is an essential service. Much of the essential work we do cannot be done from home.

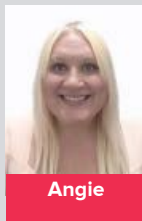
We have implemented preventative health measures for employees and contractors who need to meet and visit with you. Our front-line insurance advisors and claims personnel have been answering your calls. The Board and Management Team at MMI greatly appreciates the efforts of all our staff members.

Please take care of yourselves and your loved ones. We are going to get through this, together. Thank you!!

NORTHERN OFFICES



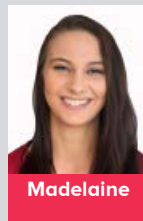
Dena



Angie



Bernice



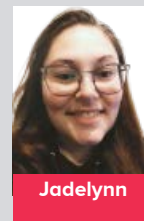
Madelaine



Brandy



Tammy



Jadelynn

SOUTHERN OFFICES



Pam



Remi



Yaz



Matt



Kelly



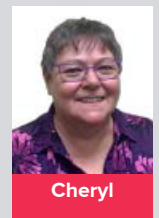
Melonie



Daniel



Daniel D.



Cheryl



WE SELL AUTOMOBILE INSURANCE!

Two weeks before your next automobile insurance policy renewal, call or visit MMI. We have agents in Calgary, Edmonton, Grande Prairie, La Crete and Lethbridge. Our friendly, licensed insurance professionals are ready to help you.

WE ARE PROUD TO BE YOUR AUTO INSURANCE PROVIDER. GIVE US THE OPPORTUNITY TO QUOTE YOUR NEW AND RENEWING AUTO POLICIES.

BRANCH OFFICES:

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