

## NEW FOR 2016

### Policy wordings

We introduced new policy wordings effective January 01, 2016. The introduction of the new wordings brings to conclusion an extensive review that involved feedback from our broker partners, board of directors and staff. Most of the changes enhance your insurance coverage while others simplify your coverage. The major changes to the wordings are:

- A reduction in the number of special limits of insurance for personal property
- An increase in the amount paid in the special limits of insurance for personal property
- Improvements in the watercraft coverage
- Expanded coverage for docks
- Collapse of above ground pools has been added
- Increase in the limit for food freezers and the elimination of the policy deductible
- Increase in the limit of coverage for exterior wiring systems
- Increase in the limit of coverage for livestock before they must be specifically insured

You should receive copies of the new wordings with your 2016 policy renewal. If you did not receive a copy of the wording, please contact your broker.

### Sewer back-up premium

Beginning April 01, 2016, there is a new charge of \$75 for full limits of sewer back-up coverage for anyone insured with a comprehensive policy.

The charge is in response to the increasing number and cost of water related losses. Since 2008, water losses have been the second most expensive peril for Bay of Quinte costing well in excess of \$1 million in gross claims incurred each year. In order to be fair to our policyholders and charge only those with the loss exposure, the Board of Directors elected to charge specifically for this coverage instead of increasing the homeowner premium rates for all of our homeowner packages.

All comprehensive policies currently have full limits coverage and those policies will be renewed with full limits. The Board has decided to offer a limit of \$25,000 free of charge. If \$25,000 of sewer back-up is sufficient for your insurance protection, you can contact your broker to have the limit of coverage reduced.

### Loss prevention reports

New technology was adopted by our Loss Prevention Department in 2015. The new technology improves our reporting and significantly increases the efficiency and effectiveness of the department. Following the inspection, reports will be sent directly to you detailing the results of the inspection.

## ARE YOU READY FOR A POWER OUTAGE?

Power outages seem to be occurring more frequently and in some areas are even lasting for several days at a time. Being prepared will help reduce the inconvenience of a power outage and help you get through it.

The Government of Canada recommends that you have emergency supplies to sustain you and your household members for at least 72 hours. After you create your emergency kit of essentials remember to check it monthly to make sure nothing has been removed and replace any items that no longer function or have expired. Every emergency kit will be slightly different depending upon

your specific needs, but be sure to include at minimum the following items: batteries, bottled water (about 4 litres per person), a manual can opener, candles, cash, flashlight, food (canned items), hand sanitizer, multi-tool such as a swiss army knife, pet supplies, prescription medication, radio (wind-up or battery powered) because local media may have information on how widespread the outage is and how long it may last, basic corded telephone and waterproof matches.

Some other useful tips to help you in the event of a power outage include:

- Try to keep your refrigerator and freezer doors closed so that it stays cold for as long as possible to prevent any food from spoiling. If the power is out for an extended period of time, then it may be necessary to discard some food items such as dairy and meat.
- Do not use your bbq inside your home to cook or for a source of heat.
- If you have a portable generator, do not have it run inside your home.
- Unplug any sensitive electronic equipment because when the power returns it can sometimes create a power surge and damage your electronic equipment.
- Do not leave candles burning unattended.



Box 6050, 13379 Loyalist Parkway  
Picton, Ontario, K0K 2T0



# Bay of Quinte Mutual

## INSURANCE CO.

ANNUAL REPORT & NEWSLETTER 2015

# retrospective

## enter to WIN!

Once again we are pleased to offer you a chance to WIN a discount certificate to be applied against your 2016 – 2017 insurance premiums.

Please read the enclosed information and complete the “tear off” section. Completed entry forms can be returned to us by mail or taken into your agent/broker’s office, and they will forward it to us. All entries received before Tuesday, April 12, 2016 will be entered into a draw for one of six discount certificates to be applied to your insurance premium with our company.

**1st prize** is a \$400 discount certificate, **2nd, 3rd, 4th, 5th, and 6th prizes** are \$200 discount certificates. The draw will be made at the Board of Directors meeting to be held on Tuesday, April 12, 2016.

**THANK YOU FOR PARTICIPATING,  
GOOD LUCK TO YOU AND  
CONGRATULATIONS TO THE  
2015 WINNERS.**

We are not responsible for lost entry forms, or entry forms that arrive after April 12, 2016. Winners will be notified by mail.

## FIRE LOSSES

We had a record number of fire losses in 2015. 60 fire losses totaling \$13.3 million were reported during the year. Of the 60 fire losses, 18 losses were significant fires costing more than \$300,000 each. Carelessness has been a common reason for fire losses this year. Sadly, many of the fire losses in 2015 could have easily been prevented. Topping the list of preventable fires in 2015 are fires caused by the improper disposal of ashes from a wood burning device, careless smoking and inattention while cooking.

We urge you to think about fire safety. Please visit our website [www.bayofquintemutual.com](http://www.bayofquintemutual.com) to find a number of useful safety tips regarding cooking, woodstoves and fire places, smoking and candles.

- ✓ Don't overload circuits
- ✓ Check smoke alarm regularly
- ✓ Don't leave candles unattended
- ✓ Have an escape plan

## Introducing BQASSIST

Bay of Quinte Mutual now provides more than peace of mind to our policyholders. We are pleased to announce the introduction of legal assistance and identity theft assistance services.

The services are free and unlimited. To access the services, you simply need to call the following toll free number: 1-877-837-0104. The services are available 24 hours a day, seven days a week and 365 days per year. All of the lawyers have a minimum of five years experience and services are available in English and French.

Telephone advisory services for personal and commercial issues are provided in the following areas of law:

- Civil litigation
- Corporate and commercial
- Employment
- Immigration
- Residential landlord and tenant
- Wills and estates
- Condo / strata
- Criminal
- Family
- Residential real estate
- Tax

The identity theft support services provide access to an identity restoration consultant, who is an experienced lawyer with specific training to provide ongoing advice to you until your identity has been restored. Identity theft prevention, loss and restoration services include:

- General information about identity theft
- Protection suggestions to help avoid becoming a victim
- Step by step process to follow if an identity is stolen
- Provision of an identity restoration tool kit
- Assistance with identity theft resolution
- Notarization services of affidavits and other documents for law enforcement agencies, financial institutions and credit agencies
- Preliminary search for any outstanding litigation as a result of the identity theft

Like us on Facebook [facebook.com/bayofquintemutualinsurance](https://www.facebook.com/bayofquintemutualinsurance)

Follow us on Twitter @bayofqmutual

## CHAIR'S REPORT TO MEMBERS

On behalf of the Board of Directors of Bay of Quinte Mutual Insurance Co., it is my honour as Chair to present the 2015 report to our policyholders. I would like to thank the Board, President Jeff Howell, Management and all of the Staff for their efforts during the year ensuring that Bay of Quinte remains a strong and viable mutual.

That said this has been the year of the fire. We had more total loss structure fires than any other year since 1874, our first year in business. Thanks to our reinsurer we were still able to show an underwriting profit at the end of the year.

This past year saw the retirement of our Manager of Policy Service, David Crawford. David was with our company for 39 years. He began his career at Bay of Quinte as the Assistant Manager in 1976 and in 1991 he became the Manager of Policy Service. The entire company sends our best wishes to David on his retirement. In the fall of 2015 we welcomed Jeffrey Bedore as our new Manager of Policy Service.

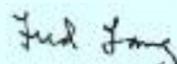
The Loss Prevention Department has gone hi-tech and environmentally friendly as inspections will now be done with new tablets instead of paper. The new technology increases the efficiency and effectiveness of the department's work. Comprehensive and easy to read reports will now be sent directly to our policyholders in whatever manner of communication you prefer – email or Canada Post.

Our annual golf tournament raised over \$10,000.00 for the Gleaners Food Bank. The Gleaners mission is to provide a food network to improve the quality of life for families in the Quinte region. I would like to say thank you to all our sponsors and participants for helping us to raise money for a great cause. We also supported several different organizations during the year with charitable donations to the local 4H clubs, Farm Town Park, Belleville General Hospital Foundation and the Cancer Society.

As part of good governance, your Board of Directors and Management have been busy working on many items to improve our insurance coverage and service to our policyholders. New residential policy wordings were launched on January 01 providing a number of coverage enhancements. In the New Year we will be busy working on finishing our governance policies, updating our enterprise risk management document and developing our own risk solvency assessment document. The directors and staff continue to advance their expertise and experience by attending education events provincially, nationally and internationally. All towards the aim of making the best decisions for Bay of Quinte Mutual and its policyholders.

The Board and I would like to thank all our broker partners, agents and policyholders for choosing BQ. We look forward to working with and for all of you to continue to provide the products and service you have come to expect from a competitive mutual company.

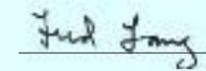
Mutually yours,

  
Fred Lang

## BALANCE SHEET AS AT DECEMBER 31, 2015

	2015 \$	2014 \$
<b>ASSETS</b>		
Cash	3,403,648	2,287,756
Portfolio investments	40,769,436	40,498,775
Accrued interest	198,085	205,920
Accounts receivable		
Agents and policyholders	6,455,015	6,223,720
Reinsurers		15,810
Income taxes recoverable	623,157	
Reinsurers' share of provision for unpaid claims and adjustment expenses	5,906,396	3,156,661
Deferred policy acquisition expenses	2,410,814	2,233,218
Prepaid expenses	2,210	9,387
Property, plant and equipment	791,679	872,547
Deferred income taxes	96,000	108,000
	<b>60,656,440</b>	<b>55,611,794</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	830,415	712,695
Due to reinsurers	127,503	114,527
Income taxes payable		412,083
Provision for unpaid claims and adjustment expenses	13,404,300	9,513,041
Unearned premiums	12,407,446	11,934,706
	<b>26,769,664</b>	<b>22,687,052</b>
<b>POLICYHOLDERS' SURPLUS</b>		
Surplus and resources for protection of policyholders	33,886,776	32,924,742
	<b>60,656,440</b>	<b>55,611,794</b>

APPROVED ON BEHALF  
OF THE BOARD

 Director

 Director

## STATEMENT OF SURPLUS AND RESOURCES FOR PROTECTION OF POLICYHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 \$	2014 \$
BALANCE - BEGINNING OF YEAR	32,924,742	29,430,608
COMPREHENSIVE INCOME FOR YEAR	962,034	3,494,134
BALANCE - END OF YEAR	33,886,776	32,924,742

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 \$	2014 \$
<b>PREMIUM INCOME</b>		
Gross premiums written	23,772,839	22,878,121
Less reinsurance premiums	(3,354,124)	(3,220,070)
Net premiums written	20,418,715	19,658,051
Increase in unearned premiums	(472,740)	(528,471)
Net premiums earned	19,945,975	19,129,580
Service charges	177,383	170,636
	<b>20,123,358</b>	<b>19,300,216</b>
<b>DIRECT LOSSES INCURRED</b>		
Gross claims and adjusting expenses	16,094,375	10,537,710
Less reinsurers' share of claims and adjustment expenses	(4,460,474)	(534,670)
	<b>11,633,901</b>	<b>10,003,040</b>
	<b>8,489,457</b>	<b>9,297,176</b>
<b>EXPENSES</b>		
Net premium acquisition costs		
Policy services	340,670	267,318
Other	4,269,943	4,109,063
Salaries and benefits	1,286,784	1,241,703
Directors and professional fees	182,190	162,317
Travel and education	182,489	191,415
Loss prevention	593,320	447,031
Advertising	77,710	76,155
Office and communications	594,957	557,576
Ontario premium taxes	97,811	93,321
Licences and dues	76,799	70,214
Miscellaneous	44,733	52,128
Building occupancy costs	88,347	89,384
Depreciation of property, plant and equipment	110,111	103,147
	<b>7,945,864</b>	<b>7,460,772</b>
<b>UNDERWRITING INCOME</b>	<b>543,593</b>	<b>1,836,404</b>
<b>INVESTMENT INCOME</b>	<b>752,441</b>	<b>2,819,730</b>
<b>COMPREHENSIVE INCOME BEFORE TAXES</b>	<b>1,296,034</b>	<b>4,656,134</b>
<b>INCOME TAX EXPENSE</b>		
Current	322,000	1,157,000
Deferred	12,000	5,000
	<b>334,000</b>	<b>1,162,000</b>
<b>COMPREHENSIVE INCOME FOR YEAR</b>	<b>962,034</b>	<b>3,494,134</b>

## NOTICE OF ANNUAL GENERAL MEETING

The 142nd annual general meeting of the policyholders of the Bay of Quinte Mutual Insurance Co. will be held at:

**Tyendingaga Recreation Hall**

363 McFarlane Road

Tyendingaga, ON

Thursday March 10, 2016 at 11:00 a.m.

- To receive the financial statements and the auditors' report for the year ending December 31, 2015
- To appoint auditors for the year 2016
- To elect directors

Our keynote speaker at the meeting will be:

**Jim Kennelly**

Mr. Kennelly will be speaking on the history of Tyendingaga Township.

### ELECTION OF DIRECTORS:

The directors whose term of office will expire at the annual meeting are:

Zone 1: Mr. Art Wiersma  
Zone 4: Mr. George Taylor  
Zone 7: Mr. Grant Ketcheson

These gentlemen are all eligible for re-election.

Application for directorship must be received according to By-Law One, article 23 by 11:00 a.m. on February 24, 2016. One director is required for each of zones 1, 4 and 7.

### CLARIFICATION OF ZONES:

Zone 1: Wards of North Marysburgh, South Marysburgh and Athol in the County of Prince Edward  
Zone 4: Ward of Ameliasburgh in the County of Prince Edward, Municipality of Brighton, Township of Cramahe and all points West  
Zone 7: County of Renfrew, Municipality of Centre Hastings, Municipality of Marmora and Lake, Township of Madoc and all points North

All policyholders are cordially invited. This is the policyholder's meeting and any suggestions that might be of benefit to the company will be welcomed.

If you plan to attend this meeting, please call 1-800-267-2126 to reserve a seat by Tuesday March 01, 2016.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Comments or Questions: \_\_\_\_\_

**VOID**

**TO BE DRAWN APRIL 12, 2016**

We invite your comments and suggestions for improvement of our Company. We are not responsible for lost entry forms, or entry forms that arrive after April 12, 2016. Winners will be notified by mail. Please complete and return this portion. Either present this section to your broker to be forwarded to us or mail to:

Bay of Quinte Mutual Insurance Co. P.O. Box 6050, Picton, Ontario K0K 2T0