



**collectivfide**

TRUST IS MUTUAL

**2023**

# ANNUAL REPORT



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# A Message from the Board Chair



**MARG TORRANCE**

Board Chair  
Collectivfide Insurance Group

2023 was a challenging and busy year as we continued to see the accelerated pace of broker acquisitions in the increasingly competitive M&A landscape. Although we fell short of our planned acquisition targets, we continued to invest in our operations to support and enhance the value of your investment and the value of the brokerages within the Collectivfide network, all of which remain strong and profitable partners in our local communities. We remain steadfast in our goal to protect the broker distribution channel and partner with brokerages whose values align with ours and the "Mutual Way" of doing business.

Collectivfide's value proposition resonates with brokers, as we see and hear Collectivfide's name echoed more frequently from within the broker community, so thank you for your support in that. Furthermore, we attracted a new shareholder this past year from within the Mutual community, signalling the belief in the value of Collectivfide's business model and our mission: to protect and grow Mutual volume.

As part of the preparation for the next phase of our growth strategy and capital raise, there has been much discussion at the Board table to position Collectivfide for long-term success. We did many things that were new and a first for our Board of Directors, and I want to thank them for their invaluable leadership and expertise as we navigated our new path. I appreciate their commitment and input as we strive to achieve the right balance of flexibility to attract the right partner(s), ensure we have sound governance in place, and most importantly, ensure that the Mutuals will retain control of Collectivfide. I am proud that the Collectivfide Board of Directors remained aligned, future-focused, and committed to our mission.

I am very grateful to you, our shareholders, for your support and feedback as we have continued to make the changes necessary to grow this company for long-term success.

I'm excited about our future thanks to Tony Ngo and the Collectivfide team's hard work, who have put all the pieces in place for the next phase of our accelerated growth. From our initial discussions as colleagues six years ago here, it's incredible to think that Collectivfide as a company is approaching its fifth anniversary. This is going to be a tremendous year for this organization.

Serving as your Board Chair has been an honour and a privilege, and I can't wait for what Collectivfide has in store for all of us in the future.

# A Message from the President & CEO



**TONY NGO**

President & CEO  
Collectivfide Insurance Group

A focus on foundational work was the theme for our organization over the past year. We targeted the fundamental day-to-day structures in our network so that we could lay the groundwork to scale for our expected growth in 2024 and beyond. Our team has implemented robust policies, workflows, and best practices with our brokerages to ensure consistency throughout the network. These consistencies have resulted in exceptional outcomes for the entire organization. We have seen combined brokerages achieve a **39% EBITDA margin**. Our combined loss ratio in mid 40% level has also contributed to our overall profitability. Another accomplishment to be celebrated is our retention ratio in the high 90% level; this is a true reflection of our commitment to our customers.

We also revamped our M&A team by adding a team member who has decades-long industry experience and their well-known ties have bolstered our reputation and increased our connections, creating a strong acquisition pipeline. The work that our team have put in place has prepared us for the path that we are

on now. However, to fulfill our purpose of protecting and growing Mutual volume, we are looking for additional investments, and we've engaged with partners to help.

As I reflect on the last year, what I have realized is that our model, including the alignment of brokerages to our values and visions, is truly differentiated and works! It is very satisfying to see brokerages thrive under the Collectivfide umbrella. We have accomplished what we have promised our broker partners and managers, by providing them with the support they need to succeed, and not just talking about it, we delivered.

By focusing our priorities in 2023 on the fundamentals, Collectivfide is well-positioned to meet with potential partners whose values align with our own and execute our strategy to protect the broker distribution channel and grow Mutual volume.

The past year has not been without challenges. With changing customer behaviours and preferences, the P&C landscape has become increasingly competitive in attracting new business. This will be a focus for our organization in the years to come.

2023 was also a year Collectivfide had to contend with systemic macroeconomic challenges faced throughout the industry that were outside of our organization's



control. Auto theft has been a primary concern that has attracted the attention of our industry and government leaders. However, due to our strategic coverage map, we did not experience the record vehicle thefts our peers in the industry have experienced.

Consolidation remains a key topic with the distribution channel. With interest rates remaining elevated, consolidators mainly those backed by private equity, saw a slowing of their acquisition pace.

Despite the challenge rate environment, 2023 still experienced a high level number of transactions and we anticipate this to continue over the next year.

Overall, 2023 was a year of strengthening our foundation in preparation for the execution of the next stage in our growth plans for the next 12 months and beyond. I could not be more assured that we have the right team, Board of Directors, partners, and supportive shareholders to make the upcoming year like no other, and we look forward to updating you on our success.



# Who We Are

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## Our Vision

We help communities thrive by building meaningful relationships through locally owned insurance providers.

Our mission is to become a force for collective good in the communities we serve.

## Our Mission

## Inclusion, Diversity, Equity & Accessibility Statement

Collectivfide is focused on building a community through conscious action. Leading by example, we nurture our culture to ensure that everyone is supported and encouraged to speak safely and openly. We foster an environment where the diversity, integrity, and dignity of all are valued, and we look to partner with those who reflect and uphold these values.

We will continuously strive to adapt to a changing social landscape in which individuals are mindful of their role in creating an inclusive culture.





# Our Values

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## Relationships

We believe in nurturing and strengthening relationships with our partners and developing people in our communities.

## Trust

We believe that trust is earned and there is no substitute for doing the right thing.

## Innovation

We believe in finding innovative solutions. Creativity, thinking differently, and challenging the status quo are how we do this.

## Agility

We believe in encouraging agility by being dynamic and responsive in all aspects of our organization.

## Respect

We believe in respect through honesty and openness. We enable a culture where the diversity, integrity and dignity of each individual is valued.





# Collectivfide in the Community

Our Community and Donation Program celebrated its first anniversary since its launch, and we couldn't be prouder of the success and buy-in from our network. Community is a fundamental pillar of Collectivfide and our broker partners' identity, and through this program, we ensure that the communities we operate in are supported and taken care of. Please see a list of some of the fantastic organizations we've sponsored throughout 2023.



## Who we've supported

- Alliston Potato Festival
- Big Brothers Big Sisters - Barrie
- Big Brothers Big Sisters - Owen Sound
- Cambridge Food Bank
- Canadian Tire Jumpstart
- Loaves and Fishes - Brockville

- My Sister's Place - Alliston
- Reider Cup - Grey Bruce Community Foundation
- Salvation Army Food Bank - Owen Sound
- Simcoe Panorama
- Sustainable Waterloo



# 91.5\*

Total Employees Across the Network

\*part-time employee

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# 19

Net New Employees Across  
Collectivfide and the Network in 2023



# Collectivfide Outlook; The Next Chapter

2024 is shaping up to be a very busy and exciting year for Collectivfide, as our organization is at an inflection point in our growth trajectory. The hard work and dedication the entire company has accomplished since our inception is paying off, and we will continue this progression. As Collectivfide enters the next stage of the strategic plan, we are excited about the opportunity to grow our partnerships with aligned organizations that are looking to invest in our vision of becoming a leading community-focused and relationship-driven insurance provider.

Executing our operational plan will further solidify our brand in the broker distribution space. It is no surprise that our track record, from our partnerships and acquisitions, has resulted in an incredibly successful brokerage model. Not only have we provided a mechanism that supports growth and the ability to compete against larger brokerages, but our business model has also kept jobs in local communities and built upon the relationships and trust that are so important in our industry. It is apparent from the feedback we have received that the value proposition of Collectivfide resonates with the brokerage community, which has embraced our vision. This embrace has resulted in a strong pipeline of potential partnerships and acquisitions that will undoubtedly enhance our already solid network.

Capital permitting, we plan to double our size over the next twelve to eighteen months through organic growth and partnerships/acquisitions. Our team has been preparing for this moment for months, and now it comes down to delivery. Areas of focus will be on quality underwriting, organic growth, and capital deployment.

On the operations side, technology will be a main priority in our plan to improve efficiency across the network and be able to access shared resources. Our customers and communities have always been at the heart of our business, with better workflows sustaining our service levels while further strengthening our relationships. Furthermore, technology will enable us to execute our organic growth plans by allowing us to monitor, utilize data and structure the sales funnel.

The underwriting team will focus on sustaining our excellent combined loss ratios through consistent policies and inspection reviews while balancing growth opportunities for our brokerages. Writing high-quality risks will be essential to our success as we continue to work with our carrier partners to ensure a beneficial relationship for all.





Although 2023 was a very challenging year for our M&A team, our approach shift has built positive momentum going into 2024. Over the past months, our efforts in the M&A space have begun to bear fruit and have led to many extensive discussions. Given the number of conversations we are currently involved in, we are very confident that we will meet our acquisition target. The team will also continue to promote our differentiated value proposition through grassroots seminars and industry-wide events.

We also anticipate some challenges along the way. Increased competition and well-capitalized consolidators in the M&A space have driven purchase prices up as acquisition activity is expected to remain high. Yet, Collectivfide is confident that the brokers looking for a succession plan will find our approach and flexibility a preferred option.

Our organization is on the brink of a breakout year as we turn the page on our next chapter. We are confident that the team and the foundational work we've done will accelerate our ability to execute and deliver for all our stakeholders.

# Financial & Operational Highlights

2023 was a successful year for Collectivfide as we onboarded one new brokerage for a total of 10 broker partners and 16 offices. Our highlights include:

## \$21 M

Protection of \$21 million in Mutual volume over 10 acquisitions

## 39%

Brokerage Adjusted EBITDA

## 27%

Revenue Growth (YoY)

## 32%

Increase in Brokerage Valuation (YoY)

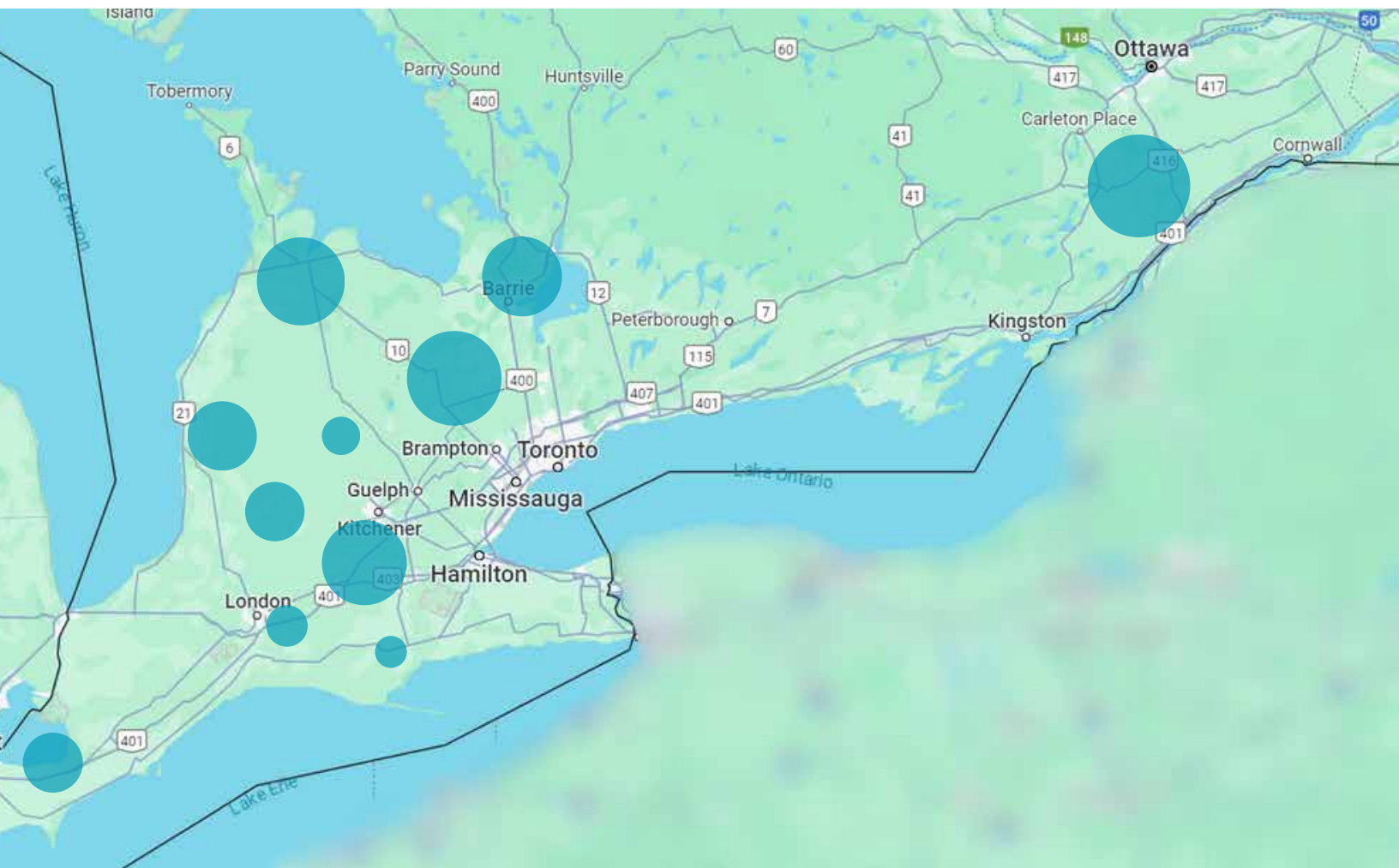


# Collectivfide Network

## Collectivfide Portfolio Coverage Includes

Alliston and surrounding area  
Ayr  
Barrie  
Brockville  
Comber and surrounding area  
Dorchester and surrounding area  
Dublin

Goderich  
Kitchener  
Listowel  
Lucknow  
Owen Sound and surrounding area  
Paris  
Simcoe



# Risk Overview

## Insurance Market

The hard market condition in personal lines did not slow down in 2023. Inflation rates on auto pricing, replacement parts, building supplies and high-end vehicle thefts continue to drive up claims costs. We also see auto and homeowner rates rising across all carriers. In commercial, there is ongoing upward pressure on rate increases, which seems to be more single digits than double now. We also continue to see a shortage of experienced commercial underwriters, claims adjusters, and capacity constraints with certain segments. We are seeing more capacity offerings either through incumbents, MGA and/or start-ups. Carriers remain focused on valuations, which remains a highlight in the renewal process. Our brokers face the pressure to explain to their clients why the insurance pricing is consistently increasing. More work is also placed on brokers as they need to remarket more renewals than usual.

Collectivfide is supporting our brokerages by providing them with education for their clients on why the insurance product is priced the way it is and giving them access to third-party tools to create efficiencies. We've also created remarketing strategies to support the understanding of when to remarket and have maintained consistent communication with carriers on upcoming increases and how they compare.

## Regulatory Changes

In its 2022 budget, the Ontario government revealed a plan to allow consumers to opt-out of mandatory DCPD coverage on auto policies to reduce premiums, which passed in 2023. This plan introduced OPCF 49, in which drivers agree not to recover loss or damage from an insurer after a collision. Our brokers went above and beyond the requirements of educating clients by creating further processes to protect their E&O. Additional education was provided to fully understand the new endorsement, as well as the creation of an additional signed form identifying that the client understood the risks.





## RIBO Compliance

In 2023, we saw more focus on RIBO compliance with Ontario's take-all-comers requirements and increased spot checks. These spot checks are designed to review office processes, take-all-comers, and financials. Our brokerages are well-positioned to be compliant on this matter with policies, procedures, and best practices that Collectivfide has created, along with the support of our in-house Principal Broker.

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## Climate Change

For the second year in a row, Canada exceeded \$3 billion in insured damage from natural catastrophes and severe weather events, per IBC. In Ontario, the summer storm in July/August affected some of our policyholders, mostly in Essex County. Worsening weather events have already meant higher premiums and difficulty getting the necessary water coverage for homes and businesses. Our brokerages are at a higher level of care to fully understand each of the carriers' water coverage definitions and explain these definitions to their clients. Water coverage is already a challenge to obtain in those higher-risk regions.

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## Vehicle Thefts

Vehicle theft rose substantially again in Ontario last year, with recovery rates lower due to the probability of many stolen vehicles being shipped overseas. Insurance carriers have responded by adding surcharges on specific makes and models of automobiles, and the surcharge may be reduced or waived if the client installs a theft-prevention device. In addition to this, rate increases across Ontario were applied to all vehicles in some cases. As mentioned in the President and CEO message, our strategic coverage map prevented Collectivfide from experiencing the vehicle thefts our peers in the industry have experienced.

## Meet our Partners







**Managed By:** Jill Miner  
**Location:** Comber, ON  
**Acquisition Date:** September 2023

## About R.E. Miner Insurance Brokers Ltd.

R.E. Miner Insurance Brokers Limited has been providing home, auto, farm and commercial insurance for over 50 years to the Comber community. The Miner family has been leading the brokerage since its inception in 1970, with daughter, Jill Miner, as the current Principal Broker. The staff at the brokerage have been involved in many local organizations, including Comber Minor Baseball, Friends of Greater Comber, the Comber Fair, Tilbury Storm Soccer and the Tilbury Minor Hockey Club.



**Managed By:** David Sproul  
**Location:** Goderich, Lucknow and South Bruce Peninsula, ON  
**Acquisition Date:** December 2022

## About Delmar Sproul Insurance Brokers Inc.

Delmar Sproul Insurance Brokers Inc. has a long-standing history of serving communities in Goderich, Lucknow, South Bruce Peninsula, and surrounding areas. Providing home, auto, farm and commercial insurance, the multi-generational brokerage has son, David Sproul, as Principal Broker. Formerly part of McConville Omni.



**Managed By:** Jon Hemsworth  
**Location:** Dublin and Listowel, ON  
**Acquisition Date:** October 2022

### About Moore Hemsworth Insurance Group Inc.

Moore Hemsworth has a long-standing history of serving its community, getting their start as Hemsworth Insurance in 1886. The Moore family has been selling insurance since 1968. The two joined forces in 2009 and formed what is now Moore Hemsworth Insurance Group Inc.



**Managed By:** Angie de Haan  
**Location:** Kitchener, ON  
**Acquisition Date:** October 2022

### About E. Bollenbach Insurance Brokers Ltd.

For more than 45 years, E. Bollenbach Insurance Brokers Ltd. has served the Kitchener-Waterloo Region by providing a variety of insurance services from home and auto to commercial. E. Bollenbach Insurance Brokers Ltd. has always believed that relationships matter and taking the time to get to know your customers so you can tailor solutions to align with what is important to them is the key.

# DORCHESTER

## INSURANCE BROKERS LTD.



**Managed By:** Owen Wallace & Derek Thornton  
**Location:** Dorchester, ON  
**Acquisition Date:** December 2021

### About Dorchester Insurance Brokers Ltd.

Formed in 1989 and now under a second generation of family ownership, the team at Dorchester Insurance Brokers Ltd. continues to provide professional, friendly, and highly personalized service for individuals, families, and businesses across Ontario. With family at its core, Dorchester values maintaining personal relationships with its clients and the insurance partners it works with daily. For more than 30 years the company has evolved into a dominant and well-regarded player in Dorchester and area.



**Managed By:** Marla Newell  
**Location:** Brockville, ON  
**Acquisition Date:** October 2021

### About W.C. Burgess Insurance Services Ltd.

Specializing in personal property, farm, auto, and commercial insurance, W.C. Burgess Insurance Services Ltd. was founded in 1988. W.C. Burgess operates under the philosophy that the strength of its customer relationships has been built on a foundation of strong ethical practices, excellent staff, unfailing courtesy, and a sincere attitude of helpfulness.





**Managed By:** Carlos Vincent  
**Location:** Barrie, ON  
**Acquisition Date:** May 2021

**About R.K. Mooney Insurance Brokers Ltd.**

For more than 30 years, R.K. Mooney Insurance Brokers Ltd. has helped individuals and businesses protect their property and loved ones in locations throughout Simcoe County. The company provides a full range of insurance products that include both personal and commercial lines. Since its inception, it has been the goal of R.K. Mooney to listen to the concerns of its clients and provide effective solutions that will allow them to manage risk at an affordable price.



**Managed By:** Taylor Graham  
**Location:** Owen Sound, ON  
**Acquisition Date:** February 2021

**About TG Group Inc.**

Formed in 1991 as Graham Slade Insurance Brokers, TG Group is recognized as an industry leader in commercial insurance and insurance programs, specializing in marine, aviation, consulting/risk management, personal lines and specialty programs. With over 30 years of experience and solid Canadian insurance partners, the company has evolved into a dominant player in Owen Sound and area.



**Managed By:** Trent and Tyler Brown  
**Location:** Ayr, Paris, Goderich & Simcoe, ON  
**Acquisition Date:** September 2020

### About dbi Brokers Ltd.

dbi Brokers Ltd. is a family owned broker that has been serving the Southwestern Ontario region for almost 90 years. The brokerage offers its clients a full range of P&C and commercial insurance coverage, as well as travel and life insurance designed to insure risk exposures of individuals, families, farms and businesses. The broker's staff live and work in the towns in which it operates and support community activities through sponsorship of community events and organizations.



**Managed By:** Tamina Shiels  
**Location:** Alliston, ON  
**Acquisition Date:** June 2020

### About Doner-Horsley Insurance Brokers Ltd.

Doner-Horsley Insurance Brokers Ltd. has been serving the insurance and financial services needs for people in the South Simcoe area for over 100 years. Doner-Horsley's service areas include but are not limited to: Alliston, Cookstown, Tottenham, New Tecumseth, New Lowell, Creemore, Stayner, Beeton, Angus, Newton Robinson, Bond Head, King City, Barrie, Bradford, Newmarket, Schomberg, Nobleton, Kleinburg, Caledon and Orangeville.

**MEET**

**THE**

**TEAM**



# Collectivfide Management Team



Tony Ngo  
**President & CEO**



Eric Walker  
**Head of Mergers & Acquisitions**



Lana Triemstra  
**Controller**



Bettina Urban  
**Director of Human Resources**



Gary Sumak  
**Director of Operations**

# The Collectivfide Team



Anita Caswell  
**Sr. Manager UW & Operations**



Michelle Morant  
**Operations Manager**



Rachel Kinzel  
**Assistant Controller**



Martina Restek  
**Human Resources Generalist**



Phillip Downie  
**Sr. M&A Analyst**



Connie Tuerlings  
**Finance Analyst**



Chintan Wagh  
**Data Analyst**



Jenanne Hadad  
**Marketing Specialist**



Karina Luksep  
**Marketing Coordinator**



Michelle Williams  
**Administrative Assistant**

# 2023-2024 Board of Directors



Marg Torrance  
**Board Chair**



Christine Van Daele  
**President, Westminster Mutual  
Insurance Company**



Brian Downie  
**Chief Integration Officer, Salus  
Mutual Insurance**



Shawn Durnin  
**President & CEO, Axiom Mutual  
Insurance Company**



Alex Gallacher  
**Managing Director, ENGAGE HR**



Mary Garriock  
**Director, West Wawanosh  
Mutual Insurance Company**



Kevin Inglis  
**President & CEO, Howick  
Mutual Insurance Company**



Glenn McGillivray  
**Director, Institute for  
Catastrophic Loss Reduction**



Doug Patton  
**Director, Dumfries Mutual  
Insurance Company**



Bonnie Barkley  
**Director, Grenville Mutual  
Insurance Company**



J.P. Gagnon  
**President & CEO, Farm Mutual Re**



Terry Knight  
**President, North Blenheim  
Mutual Insurance Company**





# Collectivfide Insurance Group



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