



2023 Annual Report



Table of Contents

2	Our Story
3	Purpose, Vision, & Values
4	Message from the President & CEO
7	Senior Leadership
8	Message from the Board of Directors
10	Board of Directors
11	The Value of Broker Partnerships
12	Our Commitment to Claims Services
13	Prepared to Protect Canadians
14	Spruce Up Your Story
15	Financial Highlights

Our Story

Red River Mutual believes everyone has a right to feel safe and protected and to know that someone is looking out for them – while they're watching out for others. With over 79,000 customers with homes, farms and businesses from Thunder Bay, Ontario to the West Coast, we are committed to providing competitive insurance products that meet the changing needs of Canadians.



Altona Head Office



Winnipeg Regional Office

As a company, we know that it's the people we protect that matter most. That's why we make decisions that support our long-term security and profit and why we strive to be a positive force in the community and in the lives of our customers.



Our Purpose

Be a positive force in the community and in the lives of our customers.

Our Vision

We are the insurance provider that Canadians love talking with.

Our Values

Care for Customers and Co-workers like Family

We look out for each other, and together make sure we're all protected and supported.

Play the Long Game

We make decisions that support our long-term security and profit.

Challenge the Status Quo

We're empowered to take bold action and be a positive force in the community and in the lives of our customers.

Building on Strong Foundations and Embracing Change



A message from the President & CEO

Since the beginning, Red River Mutual has strived to be a positive force in the lives of our customers, being there when they need us most. As we approach our 150th anniversary, I look forward to working with our employees and partners to ensure that the Red River Mutual experience remains both caring and supportive of our customers and the lens for our decision-making.

As I reflect on 2023, my first year as CEO, I've spent significant time getting to know our people, partners, and communities and I've experienced how we collectively cultivate a positive and empowering atmosphere. We have been, and will continue to be, intentional about maintaining our strong reputation. As we move into a new chapter in our company's history, it's important to acknowledge that while change is constant, and we must adapt, it is our enduring legacy that continues to shape our identity and purpose.

Delivering Positive Outcomes

Be a Positive Force in the Community and the lives of our customers. It's our Purpose. Our reason for being.

Considering the challenges faced in 2023, including continued significant weather-related claims, higher inflation and interest rates, and reduced reinsurance capacity, I am pleased to report that Red River Mutual continues to deliver stable financial results. Amidst ongoing technological investments, evolving our underwriting and rating sophistication, and claims practices, we continue to offer competitive premiums to our customers. The resilience of our people and pursuit of these strategies have enabled Red River Mutual to modernize our strong foundation.

In 2023, aligned with other Canadian insurance providers, Red River Mutual adopted new international financial reporting standards (IFRS 17 & 9), with retroactive application to 2022. Adoption of these standards has required a significant, multi-year effort. Common, industry-wide performance metrics are still being established and are likely to evolve.

In the latest fiscal year, Insurance Revenue saw an increase of 14.1%, reaching \$230.9 million, compared to \$202.4 million in 2022. This strong growth enabled us to surpass important internal milestones in Residential and Commercial premium in 2023.

Insurance Service Result declined to \$9.8 million from \$11.2 million in 2022, driven by fire and weather-related losses, as well as tighter reinsurance conditions. Income from externally held investments, including unrealized gains and losses, increased to \$11.7 million compared to a loss of \$5.1 million in 2022. Other Expense, primarily consisting of overhead costs, increased to \$16.7 million, largely due to software-related costs. Overall, the company managed to achieve Net Income of \$3.2 million, a positive turnaround from a Net Loss of \$2.5 million in 2022.

Caring for Customers and Coworkers

We hear regularly from our customers, brokers, and vendor partners alike that a significant strength of Red River Mutual is the experience of doing business with us. We do it well!

We pride ourselves on relationships, and we encourage our teams to spend time with brokers and customers, to build and foster positive relationships. These meaningful connections also help us provide better coverage options and manage claims. Enabling these relationships is a guiding principle for our strategic priorities, technical decisions, and operational plans.

Red River Mutual further invests in our employees, ensuring that everyone has an opportunity to develop. We all work best in an atmosphere of support and respect, and we strive to provide our employees flexible work arrangements in support of work/life balance and community involvement. It is our people that enable the company to be agile and resilient.

Well-Positioned for Change

Looking to the year ahead, I'm confident the experience of doing business with Red River Mutual will remain positive as we continue to modernize, enabling our teams to spend more time with our customers and partners. I also look forward to developing new partnerships and formalizing our next strategic plan as we embark on our 150th year of business in 2025.

I would like to extend thanks to our Board of Directors, as we collectively navigated the loss of Board Chair, and long-term board member, Garth Reimer. The seamless appointment of Chad Friesen as our new Board Chair speaks to the strength of the Board.

It's exciting to lead Red River Mutual into a new chapter of our story, while continuing to protect yours.



President & CEO

Senior Leadership



Brenda Gibson
President & CEO



Jenna Book
Vice President of Human
Resources



Geoff Branson
Senior Vice President & CFO



Amanda Evenson
Vice President of Data & Analytics



Jennifer Ewankiw
Vice President of Strategy



Lyndon Friesen
Vice President of Claims



Charlene Henderson
Vice President of Underwriting

Navigating Changes and New Chapters

A message from the Board of Directors



Last year was all about change. I'm pleased to report that the company navigated those changes well and remains a positive force in the lives of others.

The year began with a change in CEO. After 15 years of dedicated leadership, Brian Esau stepped down from the position in February 2023. This type of transition can be very difficult for an organization as it creates uncertainty and some trepidation. The Board and the Senior Leadership Team met the challenge and kept the company on a stable course throughout the change.

After an extensive recruitment process, we were thrilled to welcome Brenda Gibson as our new President & CEO. Her industry experience, innovative drive, and genuine care for people was exactly what we were looking for to take Red River Mutual into the future.

Brenda joined us at the end of March and faced the difficult task of managing a growing organization while at the same time learning the systems, building relationships, and dealing with several new challenges. The Board is very impressed with how well she handled a turbulent first year in the role.

The Board of Directors endured some difficult changes in 2023. In August, our dear friend and Board Chair, Garth Reimer, passed away. After guiding us through the CEO transition, Garth announced the severity of his illness and just a few months later died peacefully. We not only lost a good friend, but we also lost a great leader of Red River Mutual. We were lucky to have Garth in our lives and continue to rely on lessons learned from him.

As we went through these significant changes, the work of the company had to continue, including serving our customers, implementing technology improvements, and navigating a difficult insurance market. Increasing inflation, growing risk exposure, and rising technology costs continue to put pressure on the company's operating expenses and capital position. While we remain in a solid financial position, the Board and Management continue to look for new ways to balance our need to grow and the risk associated with growth.

As Red River Mutual approaches its 150th anniversary in 2025, we recognize that few companies in Canada have lasted this long. We wouldn't be where we are today without generations of good management and sound strategy. Our Board understands the great responsibility of honouring the past, while at the same time staying focused on the future. There are many opportunities and challenges ahead of us. As a mutual company, we have the unique privilege of considering both short-term and long-term strategy. Over the next several months, we look forward to setting out a new vision for the next 10 years, along with a framework of goals and supporting action items for the next 3 years.

On a personal level, I am grateful to be the Board Chair for Red River Mutual and honoured to work with a wonderful Board of Directors, CEO, and Senior Leadership Team that represent a diverse background of experience and skills yet share a common vision and passion for this company. We are in good hands.

Thank you to the entire Red River Mutual team for your contribution to the mission and thank you to our stakeholders for enabling us to do this important work.



Chair of the Board of Directors

Board of Directors



Chad Friesen



Dr. Sylvie Albert



Beth Bell



Catherine Kloepfer



Priti Mehta-Shah



Darrel Penner



John Proven



Christopher Thiessen



Monique Vielfaure-Mackenzie

The Value of Broker Partnerships

Red River Mutual is represented by broker partners from Ontario to British Columbia. We work diligently to nurture positive and enduring relationships with our broker partners and support their efforts to serve our customers.

Benefits to our customers

For customers, a local insurance broker means personal accessibility.

- Brokers live in the communities they serve, providing in-person access and advice. When you purchase your insurance through a broker, you know that you're being covered for the things that affect your neighbourhood – whether that be for your home, farm, or business.
- In the unfortunate event of a loss, a local broker can assist you in working through the claims process.

Benefits to our company

Red River Mutual has a deep history with our brokers.

- Brokers understand the communities they serve. They offer us valuable insight into community dynamics and regional needs.
- They help us build and offer better products for our mutual customers, identifying gaps in coverage offerings and areas where we can improve.
- Brokers provide front-line customer support. It is often brokers who initiate the claims process on behalf of the customer, providing vital direction before we make initial contact.

Thank you to our broker partners for their support in 2023, as we worked together to overcome challenges and find solutions for continued success.

Our Commitment to Claims Service

In 2023, we listened to our customers and leveraged new technology, including a texting platform for our customers to connect with Red River Mutual claims adjusters more easily, an e-transfer payment method for claimants receive payment quicker, and a camera program designed to capture measurements and scopes of damages to property for even more accurate evaluations.

2023 Claims Reviews



Excellent service! Our claim was addressed efficiently, and the adjuster was kind and helpful. It felt like the company was looking out for us. Thanks so much!

Red River Mutual Customer



The claims specialist was professional. Very smooth process. Excellent communication. Red River Mutual was fantastic to deal with!

Red River Mutual Customer



They were patient, understanding and great to deal with. Thank you Red River Mutual for having such knowledgeable and understanding staff to deal with your clients!

Red River Mutual Customer



Fantastic service throughout the process. I think this was our first claim in 30 years, and it was painless and perfect.

Red River Mutual Customer

Prepared to Protect Canadians

In 2023, we focused on diversifying our business into other geographies, an integral part of remaining sustainable and providing competitive premiums and products for our customers.



Commercial Insurance

We continued to successfully grow our business outside of Manitoba and have increased our presence in Saskatchewan. Our commercial growth strategies of diversifying the business we protect and the geographies we serve are making us an important commercial insurance option for our broker partners and customers in 2024 and beyond.



Farm Insurance

Our dedicated leadership and staff have helped more than double our insurance revenue in this line of business in the last five years. In 2024, we will continue adapting with the farming industry and new generations of farmers to provide the best possible insurance solutions to our customers.



Residential Insurance

Continuous improvements in technology and rating advancements have all contributed to the success of our residential insurance. In 2024, we will build on this momentum and continue providing our brokers and customers with quality service and products.

Insurance Service Revenue by Line of Business
(\$ Millions)



Spruce Up Your Story

Spruce Up Your Story is a major part of Red River Mutual's community support efforts, and an effective way for the company to make an impact in our customers' lives.

Since 2020, this initiative provides funds and volunteer support to help repair and refresh community spaces that are well-worn and well-loved: the spaces where stories are already being made. Whether it's new umbrellas for shading at a community pool, renovating a curling rink to make it accessible, or adding pollinator-friendly landscaping to a school greenspace, we want to help wherever we can.

One 2023 recipient, the Forrest Community Park in Forrest, Manitoba, wanted to further develop its community greenspace. Because of Red River Mutual, they were able to add a second playground to the community, create a picnic area with a pergola and firepit, develop a multisport court, and landscape the area with trees, shrubs, and grass. They had this to say:

"By introducing an outdoor community space that could be used all year round, it allows community members to interact, play, exercise, and socialize and helps instill a sense of community pride and ownership amongst residents."



Since Red River Mutual started Spruce Up Your Story, we have worked closely with our broker partners and staff to help spread the word and positivity. What we have seen from them, and our communities, is a real sense of togetherness and a strong desire to help each other. It has been inspiring to read stories about the spaces at the heart of our communities.

Spruce Up Your Story is helping us live out our company purpose of being a positive force in the community and in the lives of our customers. It has shown us the potential we have as an organization to reach out and engage the people we already work to protect.

As we head into our fifth year of this initiative, we are excited to see where it will take us next.

\$500,000+ invested locally

40+ spaces restored

30+ communities supported

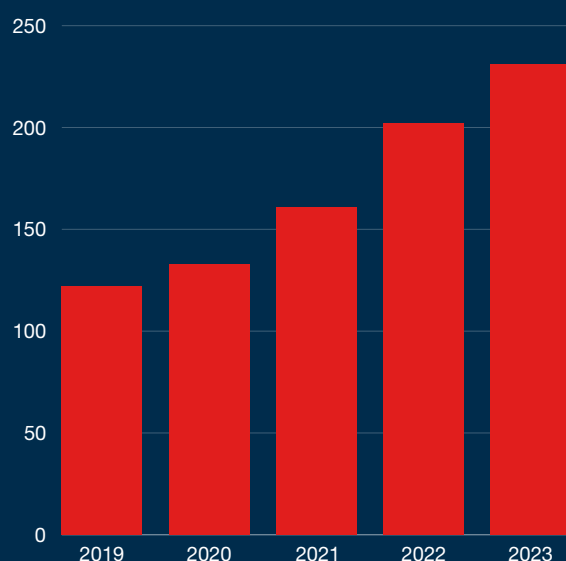


**To learn more about Red River Mutual's community initiative,
visit [SpruceUpYourStory.com](https://www.spruceupyourstory.com)**

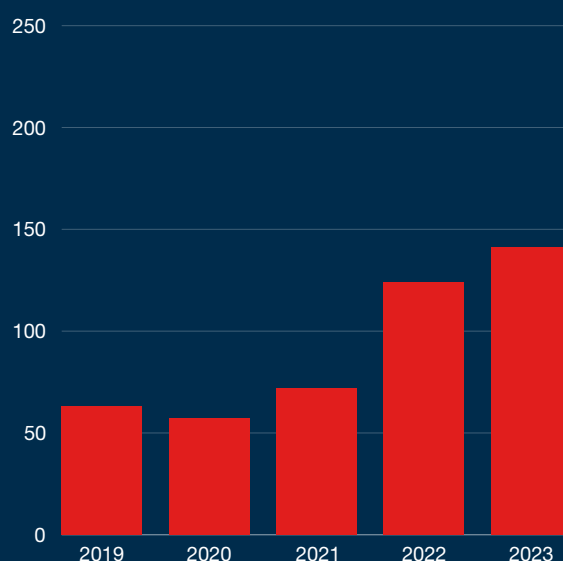
Financial Highlights

(\$ Millions)

Insurance Service Revenue

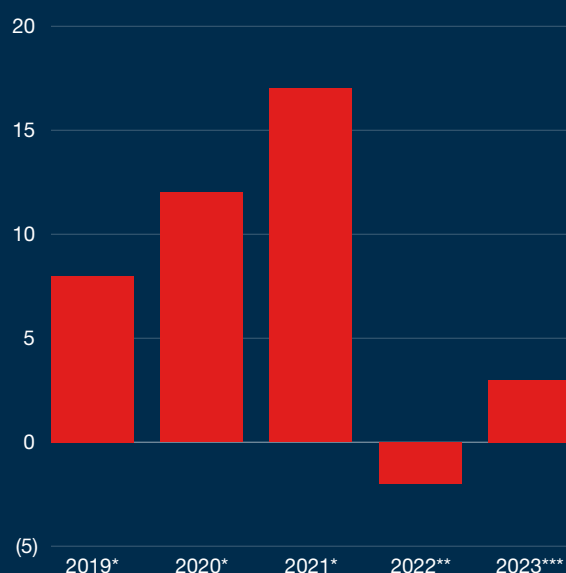


Gross Claims*



*Gross Claims is a component of Insurance Service Expense under IFRS 17

Net Income

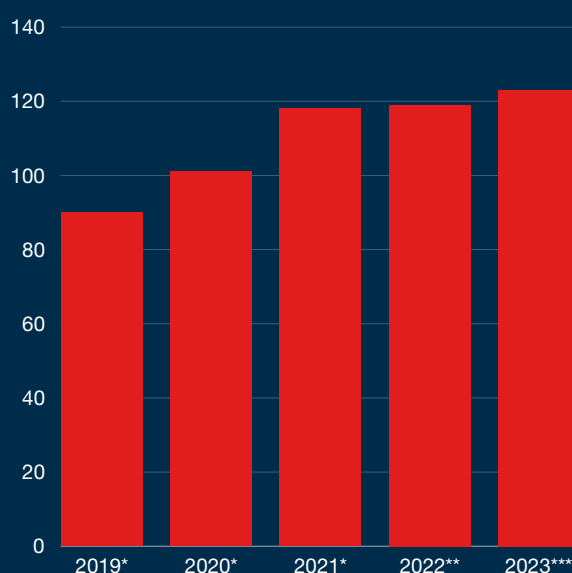


*Presented Under IFRS 4 (Total Comprehensive Income)

**Restated under IFRS 17

***Presented under IFRS 17

Equity



*Presented Under IFRS 4

**Restated under IFRS 17

***Presented under IFRS 17

Statement of Financial Position

As at December 31
(\$ Millions)

	2023 \$ Presented Under IFRS 17	2022 \$ Restated Under IFRS 17
Assets		
Cash and cash equivalents	42.4	39.0
Loans and receivables	2.1	4.2
Income taxes receivable	1.3	7.1
Investments	182.8	156.9
Investments in associates	20.2	18.3
Investment income accrued	1.3	0.7
Prepaid expenses and deposits	1.1	0.6
Reinsurance contract assets	33.5	24.1
Property and equipment	4.3	4.4
Intangible assets	7.5	11.7
Right-of-use assets	3.0	3.4
Total assets	299.5	270.4
Liabilities		
Trade payables	6.2	6.3
Lease liabilities	3.3	3.6
Insurance contract liabilities	163.9	135.9
Deferred income taxes	3.5	5.3
Total liabilities	176.9	151.1
Equity	122.6	119.3
Total liabilities and equity	299.5	270.4

Statement of Operations

For the year ended December 31
(\$ Millions)

	2023 \$ Presented Under IFRS 17	2022 \$ Restated Under IFRS 17
Insurance revenue	230.9	202.4
Insurance service expense	220.1	196.1
Insurance service result before reinsurance contracts held	10.8	6.3
Net expense (recovery) from reinsurance contracts held	1.0	(4.9)
Insurance service result	9.8	11.2
Investment income (expense)	11.7	(5.1)
Finance income (expense) from insurance contracts issued	(3.9)	0.3
Finance income (expense) from reinsurance contracts held	1.2	(0.1)
Net insurance financial result	18.8	6.3
Income from investment in associates	1.9	1.2
Loss from investment in associates	(1.0)	(0.7)
Other expense	(16.7)	(10.6)
Income (loss) before income taxes	3.0	(3.8)
Recovery of income taxes	(0.2)	(1.3)
Net income (loss) for the year	3.2	(2.5)

Red River
Mutual



Your Story is Ours to Protect