Why Choose Trisura?

“A ship in port is safe, but that’s not what ships are built for.”

So said Grace Murray Hopper (1906-1992), a pioneering computer scientist, ultimately an Admiral in the US Navy, and a remarkable woman known as “Amazing Grace”. Sure, I admit I was tempted to quote Steve Jobs, whose unfortunate early demise and absolutely astounding achievements have been the subject of much press of late. Yes, Jobs changed the world, and I have always admired his remarkable abilities, yet apparently he was such an eccentric and often difficult person, I am torn in his remembrance. So I chose Amazing Grace, without whom, perhaps, Steve Jobs’ star would never have been able to shine so bright.

Being in the risk business, I love the way Grace thought. Her words make me think about Trisura and why we have built this company, and indeed, why we are actually in business. We believe in creating exceptional experiences for all of our stakeholders including, of course, our brokers and their customers because we believe the business can be done better. This has a myriad of meanings including the fact we often have to leave the harbour and take to the high seas.

Personally, upon reflection now that we are approaching our sixth birthday, perhaps the two most gratifying experiences have been the ability to work closely again with so many broker friends who have supported and believed in us (we will write over $50 million in premiums this year), and the 70 people who have chosen to join us and make Trisura their working home. Both groups took a chance, albeit calculated: you left the safety of the port and took to the seas. You all had choice, and you chose Trisura, and for that bold decision, I am eternally grateful.

But why continue to choose Trisura? First, let me be clear, we are trying to make that decision less bold and even easier for you to continue to make in the future. Thanks to you, we have enjoyed a remarkably successful start as witnessed by our profitability and the growth in our shareholders equity to over $43 million, up from our initial $25 million. Our MCT remains extremely sound at over 535% (more than double the industry average). The support of Trisura by the reinsurance community has never been stronger and we are thrilled that 10 of the world’s best reinsurers have elected to deal with us. Further, we have recently been upgraded by A.M. Best Company in terms of our issuer credit rating (ICR) and our outlook which they have now rated as Positive (up from Stable). For their most recent assessment please visit A.M. Best press release.

So while we remain a solid choice from a financial perspective, that of course is not what defines us. In fact, there are many larger and stronger insurance companies out there (although in my opinion maybe a few of them are still moored in port!). Why then deal with Trisura? Our ultimate goal is to help you achieve success and to ensure that every dealing you have with Trisura is exceptional. You can count on us to care about you and your clients’ needs, to listen and appreciate your point of view and to try to the best of our ability to find a solution by giving you options and choice. We need to be faster and more nimble than our competition, giving you prompt feedback with no wasted time,
and decisive when you give us an opportunity. We accomplish this by giving you full access to decision makers and by empowering our underwriters. We will share our expertise whenever you need it – if you need help in the complex world of specialty lines we are there for you.

You can also count on us to remain a broker focused company, unlike many of our competitors who appear to be hedging their bets. I simply don’t understand why some brokers choose to support insurers who are also going direct, especially when their clients’ needs are served just as well by a broker focused insurer. Moreover, we are selective, meaning we are working with a limited number of brokerages which hopefully gives you a competitive advantage from time to time. This includes tailoring programs and technological solutions to give you an edge.

But why else choose Trisura? I believe that, unlike so many other insurers, Trisura is an entrepreneurial organization with a sense of urgency and ownership, just like so many of you and your clients. We share that common bond. We are also fiercely proud of being Canadian – Canadian owned and managed. And of course, we remain the underdog – in a world full of huge insurance Goliaths, we are definitely a David, and hence are far more satisfying to support! Finally, and perhaps most importantly, we realize you need us to leave the safe confines of port and say yes to taking to the high seas. Of course, there are times where we cannot because to do so would be reckless or foolhardy, but we also know that you need us to take those calculated chances as often as we can in order to find a solution for you and your client. For all of these reasons, we hope you continue to choose Trisura.

In order to serve you better, and to prepare for our future growth, we have made numerous significant hires over the past six months since my last update.

First, we are pleased that Rebekah Alberga has joined us in the newly created role of VP Claims and Corporate Counsel. Rebekah will be leading our claims area and providing guidance as Trisura continues to grow and evolve. Rebekah is a lawyer with significant prior claims experience, is a welcome addition to our management team and she is available anytime you need to speak with her.

The Surety team in Toronto has expanded with the additions of Alex Ruffolo, Financial Analyst, Contract Surety, who was previously a co-op student with us from Laurier; David Kowal, who has joined us in Commercial Surety, also as a Financial Analyst; and Carolyn Rhodes, who has joined the team as an Operations Assistant supporting Contract Surety nationally.

Further, we have added Kim Roberts as Senior Underwriter, Developer Surety. Kim comes to us with significant experience in assisting condo developers with their Tarion security requirements and is leading our new initiative with Janet Mascitelli, VP, Surety, in Toronto. Kim and Janet are also being assisted by Sandy Ewen, a long time expert in the field, who is supporting Trisura through a consulting arrangement.

Our Toronto Corporate Risk team has benefitted from the additions of James Bennett, Underwriter and Joanna Bozzo, Operations Assistant. Both have made strong, immediate contributions to the team.

Further west, in Calgary, we have grown dramatically in both Surety and Corporate Risk, reinforcing our already significant commitment to the Prairie provinces. Tammy Ziolkowski has joined us an Underwriter in Corporate Risk and will be well known to many of our brokers from her prior experience in the business. Her addition is also
significant as we now have Corporate Risk expertise on the ground and are underwriting locally right in Calgary, rather than from Vancouver. Stephanie Kuntz and Jonathan Hope have bolstered our Surety team, both as Underwriters in Contract Surety. We are now definitely among the most significant Surety teams in the Prairies.

We are also pleased to welcome Beatrice Lartillot to the Corporate Risk team in Montreal in the role of Operations Assistant.

In our Corporate Office here in Toronto we have added Endre Ladanyi as a Programmer Analyst and Michelle Young as our Accounting Clerk. Endre’s addition further reinforces our ongoing commitment to our broker portal and the use of technology to create an advantage for our brokers and ourselves.

Further, we welcome Shirley Lewis as a Marketing Consultant to our Corporate Team. Shirley will be well known to many of you based on her previous experiences in our industry and she will be assisting all of our branches and product lines in their marketing needs going forward.

We continue to utilize and benefit from business school co-op programs and currently have Mike Mastroluisi from McMaster’s MBA program in our Toronto Contract Surety department and Milad Gerami from the BComm program at UBC in our Vancouver office, also in Contract Surety.

We are now very close to a full staff contingent with 70 full time employees, co-op students and contract consultants and are well positioned to take advantage of future growth opportunities.

I am sure you will agree the industry has become extremely challenging over the past few years, and we certainly find it tougher going today then when we commenced operations in 2006. The soft insurance market with broad product coverage and low pricing, and the end of construction stimulus spending and now increased belt tightening by most levels of government, have impacted our Corporate Risk and Surety lines respectively. We are still growing, but are up just 12% year over year versus a greater budgeted forecast and of course much higher growth rates in our earlier days.

Despite these headwinds, we have invested more in our staff, have increased our capacity in our surety treaties, have entered the Developer surety business, have increased our appetite in our Errors & Omissions business including med mal and media liability, and are launching our new Private Company Directors & Officers product with numerous enhancements. We have 10 programs up and running on our broker portal and are focused on bringing many more online in 2012.

We will write $50 million in specialty lines premium in 2011, and have charted our course for $100 million by 2015. This goal may seem like a distant shore right now, but we are confident that by continuing to focus our efforts on our brokers, building lasting and intimate relationships and by delivering exceptional experiences in an effort to help you achieve success we will reach our destination.

Canada has been viewed by many as a safe port in the ongoing global storm still swirling through many countries and regions. Numerous insurers have chosen to drop anchor here and compete on what they have to offer – price. Whether they will remain in Canada for the long run is indeed a good question. I challenge you to consider their value
proposition and see how that stacks up against what Trisura has to offer. In the event you feel we are lacking in any way, please call me at any time and let me know how we can do better.

Once again, thank you on behalf of all of my colleagues here at Trisura. We sincerely appreciate your support. Now, in the spirit of Amazing Grace, welcome aboard. It’s time to weigh anchor and set sail. I hope you enjoy the journey.

Best regards,

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