

# Annual Review

The Reciprocal Advantage  
Working for You

2024





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# CEO Message

Dear Subscribers,

The chance to interact with HIROC's Subscribers, their people and our people at HIROC means that I have the most fulfilling job I can imagine. As an example, each year, I reach out to a variety of Subscriber CEOs across the Reciprocal to hear about your successes, and what you and your teams are working on – how HIROC is serving your organizations and what we can do to improve. It is a pleasure to work with you to find ways for team HIROC to help you achieve your goals.


We know the pressures you face with increasing and understandable demands in relation to the quality of healthcare, healthcare human resources issues including violence in our workplaces, and with financial limitations on how you can address these challenges. We know that the cost of insurance is another worry for you. Together with HIROC's Board of Directors we are working and will continue to work to control these costs to the maximum extent possible.

We are pleased that surplus distributions to eligible Subscribers provide some assistance. We are committed to continuing our efforts to return surplus and to increase the number of eligible Subscribers. We are watching closely issues impacting the current global financial markets and will ensure that your desire for sustainability in your insurance program is at the forefront of our work.

The wisdom of our Subscribers is treasure that we receive and have the opportunity to share widely. We at HIROC are very fortunate to have front row seats to your dedication, care and brilliance. We get to see the innovative, and not to mention entrepreneurial, spirit of the entire healthcare system – from coast to coast to coast.



“The Reciprocal model is stronger than ever, and that's because of you.”



The opportunity for our HIROC team to share **YOUR** valuable knowledge with a Subscriber in a totally different part of the country is the gift that keeps on giving. This reinforces the power of the Reciprocal model and brings it all back full circle to the HIROC story.

HIROC was born out of an insurance crisis back in 1987. It was the wisdom of some daring healthcare leaders to start a not-for-profit, made-in-Canada insurance solution tailored specifically for the healthcare community.

One that provides comprehensive coverage and excellent claims management.

One that has a vision and values that align with yours.

One that proactively creates tools and resources to support safer care for all.

One that has your back.

Thank you to our dedicated Board of Directors who guide HIROC's strategy and mission to help make our best kept secret not so secret anymore. Thank you to our amazing HIROC team for meeting our Subscribers where they are and providing world-class service.

And thank you to our Subscribers for your continued support, trust in HIROC, and belief in our collective vision of partnering to create the safest healthcare system.

**Catherine Gaulton**  
CEO, HIROC



# Board Chair Message

Fellow Subscribers,

My time on the HIROC Board, and this past year as Chair, has provided a great deal of insight and has enhanced my understanding of how healthcare is provided across this country. That is one of the most significant benefits of HIROC – this wide lens on the system with many different Subscribers from across Canada. Subscribers, in partnership with HIROC, prioritize coming together over common challenges and shared successes.

Our Board of Directors is no different. Each of our members gives willingly of their time; they are passionate about working together to drive the safest possible system. I would like to thank our Directors for all that they have done this past year.

At a recent meeting, the Board of Directors was challenged with describing HIROC in one word (it's harder than you think). Around the room we heard words like **trusting, caring, innovative, and responsive**. These words speak to the heart of what we look for in any partner, similarly they are words we would use to describe healthcare providers. To me that says we really are in this together.

A clear example of this partnership is the work with HIROC's Subscriber Advisory Council and their newly formed Health Human Resources Committee. HIROC uses the Council, the Committee and all of their contact with Subscribers to understand what's keeping them up at night, their challenges and obstacles. In response to this feedback, HIROC put into motion plans to support our Subscriber community on the topics of cyber security and workplace violence.

We saw a groundswell of interest for the HIROC Cyber Forums, where over 500 delegates gathered virtually to hear from fellow Subscribers and cyber experts. Working with Subscriber experts, the team at HIROC also kicked off an exclusive learning series revolving around workplace violence prevention. To date, over 700 healthcare professionals from across the country have taken in these value-add learning sessions.

In addition to these virtual events, over the year we were grateful to be able to meet with fellow Subscribers where they work. Thank you to Catherine and the team at HIROC for all you do to bring such inspired healthcare teams together from east to west and north to south. These are not just opportunities for learning about what's working, but they are moments where we can talk through early ideas and create plans to address our challenges.

From all of us on the Board, thank you to HIROC's staff for being there day in and day out for Subscribers and those we collectively serve. The programs, the coverage, and the support you provide go above and beyond. It is how HIROC is helping to shape the standard for the care and service the system delivers.

It is an absolute honour to serve all our Subscribers as Chair on the HIROC Board and as your peer in the healthcare community. I look forward to continuing that work in the year to come.

**Dr. David Pichora**  
Board Chair, HIROC





# Here for You

**We know Canada. We know healthcare.**  
The Reciprocal Advantage is a made-in-Canada solution, created by  
Subscribers, working for Subscribers.

1

**We offer comprehensive coverage**  
HIROC is your one-stop shop as far as insurance goes.  
We have an eye on the broader industry and will meet the  
needs of Subscribers.

**We ensure your voice is at the centre of  
what we do**  
From our Board of Directors to our Subscriber  
Advisory Council, HIROC Subscribers are owners  
and influencers in all that we do.

2

3

**We are a go-to resource for Canadian  
healthcare organizations**  
HIROC's risk, safety, insurance and claims support mean  
that if you have a question, we have the answer.



4

**We are a dot connector in the healthcare and  
insurance ecosystem**  
HIROC has shaped the standard of having an insurer that  
is so driven by healthcare and integrated in the system.

**Community is in our DNA**  
Through our Safety Grants Program, podcasts,  
cross-Canada events, and online workshops,  
we are connecting Subscribers and their ideas, scaling and  
sharing knowledge across the community.

5

6

**Our vision and values are shared across the system**  
HIROC maintains an ethical standpoint of ensuring  
users of the healthcare system are treated fairly.

All of this, we do for you – our Subscribers. If you have questions or want to learn  
more, connect with us at [inquiries@hiroc.com](mailto:inquiries@hiroc.com).



# Here for Our Community

Day in and day out, we are working for you as a leader in the healthcare safety and insurance space.

Here are just a few examples of HIROC's dedication to the healthcare community:



Risk Management  
Residency Program



Board Residency Program



Healthcare Change  
Makers Podcast



HIROC Safety Grants Program



HIROC's active LinkedIn  
community, exclusive  
content and knowledge  
sharing recaps



HIROC Insider monthly  
newsletter, events and  
latest releases





# Learning Across Canada

Working for you to share valuable knowledge. Through online and in person interactions, HIROC is scaling lessons learned across the country.

A few of the places you may have seen us in 2024...

- AdvantAge Ontario Convention (Ontario)
- Atlantic Learning Exchange (New Brunswick)
- Association of Ontario Midwives Conference (Ontario)
- CCHL Canada West Health Leaders (Saskatchewan)
- CCHL National Conference (Nova Scotia)
- HIROC East Coast Safety Symposium (Newfoundland)
- Children's Healthcare Canada Conference (Newfoundland)

- HIROC AGM and Conference (Ontario)
- HIROC's Critical Incidents and Disclosure Workshops (virtual)
- HIROC Cyber Workshops (virtual)
- HIROC Facilities Forum (Ontario)
- HIROC Prairies & Territories Safety Symposium (Alberta)
- HIROC Subscriber Visits to the Territories (Yukon and Northwest Territories)
- Simulation Canada Expo, Sim Innovator Award (Alberta)





# Just One Word

In 2024 we asked our Board of Directors to describe HIROC in just one word.

Here's what they had to say:

Supportive

Partner

Responsive

Trusted

Dependable

Service

Caring

Culture

Integrity

Innovative

Canadian



And if we had to describe our Subscribers in one word, it would be **PARTNER**.

What word would you use \_\_\_\_\_

Thank you for partnering with us to create the safest healthcare system.



# The Financials

The Reciprocal continued on the path of financial stability for its Subscribers in 2024 with a net income of \$223 million, compared to the prior year of \$166 million. Subscribers' Equity ended at \$1,189 million up from \$988 million. The Minimum Capital Test (MCT) ratio, a measure of solvency and financial strength, increased from 259% to 280%, well above the 150% regulatory requirement for commercial insurers and HIROC's internal targets.

## Insurance Service Result

On an undiscounted basis, HIROC's insurance service result was a loss of \$2 million (2023: \$35 million loss). The undiscounted combined ratio (lower is better), which is an important metric for HIROC, was 101% (2023: 112%). This represents undiscounted insurance service expenses and net expenses from reinsurance contracts, divided by insurance service revenues (premiums).

Claims expenses represent 89% (2023: 98%) of premiums, which was lower than the targeted 91%. There were no significant changes in the claims frequency and severity of liability claims during the year. However, there were favourable prior year developments for both the liability and property lines.

Operating expenses and premium taxes remain low as a percentage of premiums at 6% and 3%, respectively.

The Reciprocal purchases reinsurance to limit its risk and protect the equity of its Subscribers. Reinsurance contract expenses, net of reinsurance recoveries, were 3.3% of premiums (2023: 5%).

## Investment Result

HIROC's total portfolio return was 9.2% for the year (2023: 9.8%), higher than the benchmark return of 9%. The return for the 4-year period was 4%, exceeding the benchmark of 2.9%.

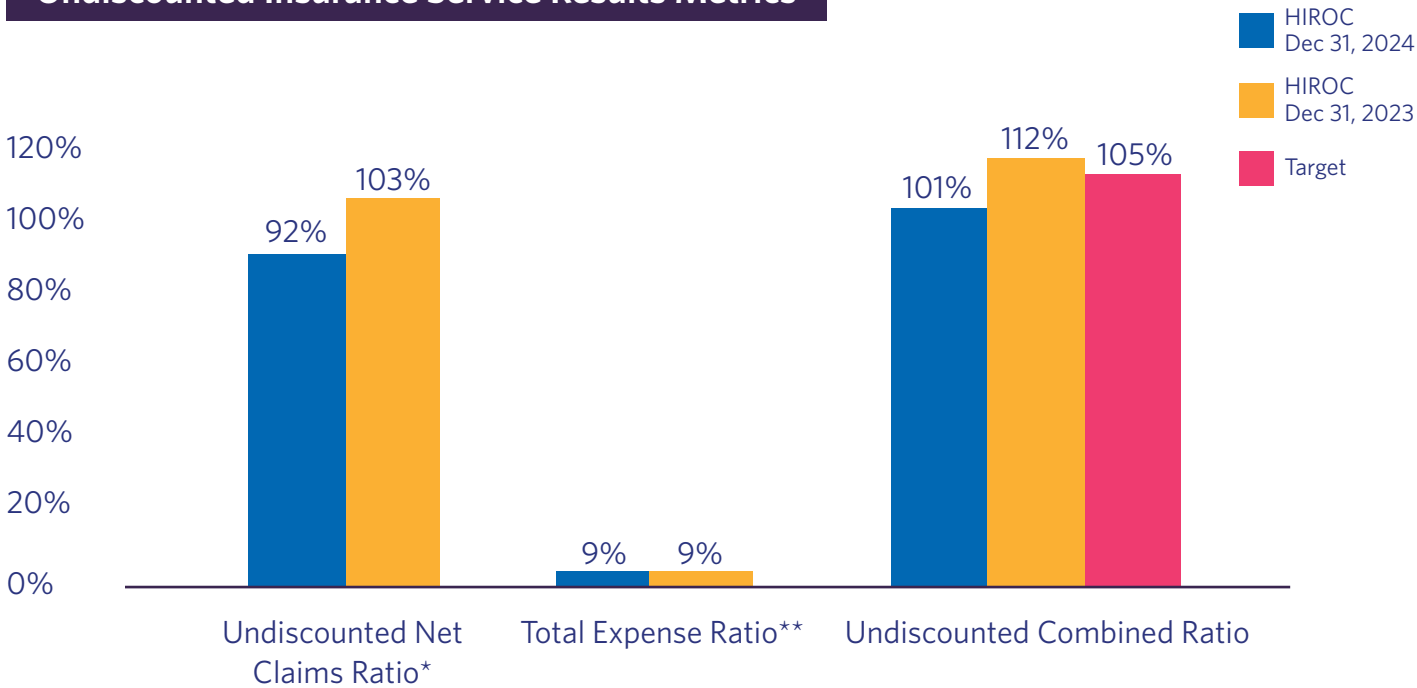
HIROC's fixed income portfolio performed well as the trend of decreasing interest rates continued in 2024. The fixed income return in 2024 was 5.6%, compared to the benchmark of 4.8%. The return for the 4-year period was 1% compared to the benchmark of -0.1%.

HIROC's Canadian equities return was 19.4% for the year, while the S&P/TSX Capped Composite Index was 21.7%. U.S. equity performance was 23.9%, exceeding the S&P 500 Index of 23.8%.

## Surplus Distribution

HIROC continues to maintain its financial strength allowing for the absorption of losses and being able to withstand adverse economic conditions. In 2024, HIROC made a surplus distribution of \$25 million to qualifying Subscribers. The ability to approve surplus distributions is influenced by favourable investment returns, performance against internal targets, and market conditions. The eligibility of a Subscriber to participate in surplus distribution is dependent on their equity position, which is largely impacted by the length of time they have participated in the Reciprocal.

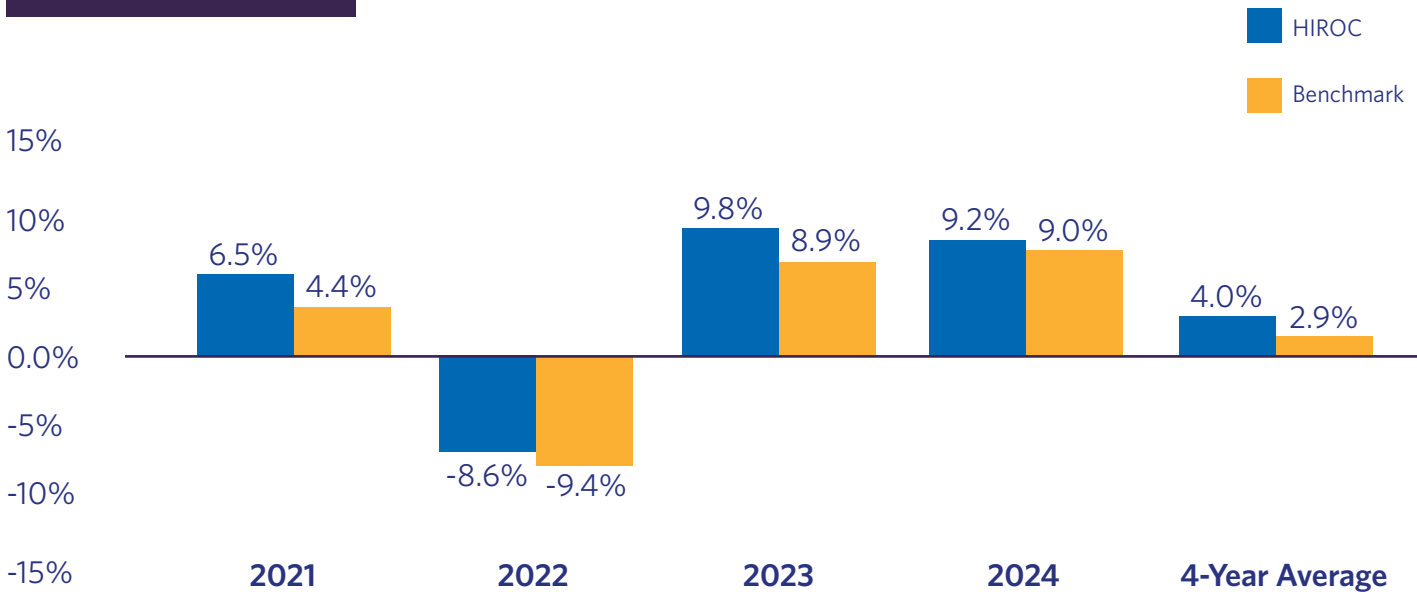
## Undiscounted Insurance Service Results Metrics



\*Includes the gross claims ratio and reinsurance impact ratio

\*\*Includes premium tax ratio of 3%

## Investment Return





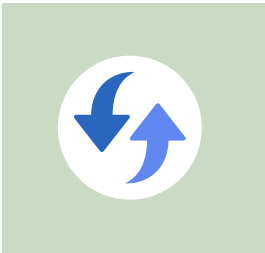
# A Focus on ESG



Under the guidance and oversight of our Board of Directors, HIROC’s Environmental, Social and Governance (ESG) strategy is rooted in key fundamental principles that align with HIROC’s values.

### Why is ESG important to us?

Primarily, it’s the right thing to do. Secondly, it helps keep our focus on our north star, the sustainability of HIROC for the benefit of our Subscribers, and the success of the healthcare ecosystem.



### Here’s how we’re making an impact:

<b>Environmental</b> <ul style="list-style-type: none"><li>Environmental stewardship as an organization</li><li>Promoting the impact our Subscribers are having</li><li>Energy efficiency and waste management in our offices</li><li>Transit use and virtual meetings</li><li>Environmental changes and impacts on Subscriber property losses</li></ul>	<b>Social</b> <ul style="list-style-type: none"><li>Employee engagement</li><li>HIROC culture and brand affinity</li><li>Diversity, Equity, Inclusion and Belonging (DEIB) at HIROC</li><li>Subscriber satisfaction, keeping abreast of how we’re doing</li><li>Subscriber retention</li><li>Healthcare community engagement</li><li>HIROC staff education strategy and leadership development</li><li>Knowledge exchange strategy across the healthcare sector</li><li>HIROC staff wellness initiatives</li></ul>
<b>Governance</b> <ul style="list-style-type: none"><li>Board diversity</li><li>Audit results</li><li>Governance education at the board level</li><li>Regulator-required solvency measure</li></ul>	Across all spectrums of HIROC’s ESG strategy is a common thread, pursuing a strategy that is bigger than us. It’s a thread that aims to convey HIROC’s commitment to community, action and impact.

# 2024 Board of Directors

### BOARD CHAIR

#### Dr. David Pichora

President & Chief Executive Officer  
Kingston Health Sciences Centre  
Kingston, ON

### VICE-CHAIR

#### Mike Nader

President & Chief Executive Officer  
Winnipeg Regional Health Authority  
Winnipeg, ON

#### Elizabeth Beader

Trustee  
Thrive Group  
Hamilton, ON

#### Scott Bishop

Vice President, Corporate Services & CFO  
NL Health Services  
St. John’s, NL

#### Tyler Bragg

Vice Chair  
Saskatchewan Health Authority  
Saskatoon, SK

#### ‘Remi Ejiwunmi

Vice President  
Shah Family Hospital for Women and Children at Trillium Health Partners  
Mississauga, ON

#### Jen Feron

General Counsel  
IWK Health  
Halifax, NS

#### Ken Klassen

Executive Chief Operating Officer, Shared Administrative Services  
Shared Health  
Winnipeg, MB

#### Michael Lam

Chief Program Officer, Financial Operations  
Alberta Health Services  
Calgary, AB

#### Jo-anne Marr

Trustee  
CMHA York Region & South Simcoe  
Markham, ON

#### Lori Marshall

President & Chief Executive Officer  
Chatham-Kent Health Alliance  
Chatham-Kent, ON

#### Marie-Josée Martel

Trustee  
Hôpital Montfort  
Ottawa, ON

#### Nyranne Martin

Chief Operating Officer  
The Royal Ottawa Health Care Group  
Ottawa, ON

#### Athana Mentzelopoulos

President & Chief Executive Officer  
Alberta Health Services  
Edmonton, AB

#### Bruce Squires

President and Vice President  
McMaster Children’s Hospital & Women’s and Children’s Health,  
Hamilton Health Sciences  
Hamilton, ON

#### Marc Toppings

Vice President & Chief Legal Officer  
University Health Network  
Toronto, ON





PARTNERING TO CREATE THE SAFEST HEALTHCARE SYSTEM

HIROC is a trusted healthcare safety advisor, committed to offering a full spectrum of insurance products and support throughout a claim. Combined with sage counsel and risk management solutions, HIROC works with its partners to increase safety.

**HIROC.com**