



2021 ANNUAL REPORT



We are obsessed with Member safety. Our mission is to help Canadians stay safe, mobile and protected—whether on the road, at home or abroad. We are driven by doing what is right for our Members—after all, we are all Members too.

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Jay Woo
President and CEO
CAA Club Group



Ethel Taylor
Chair of the Board
CAA Club Group



2021 Message from the President and CEO and Board Chair

As we look back on 2021, it is evident that it was a roller coaster ride of a year. As the pandemic stretched into its second year, there were moments of great uncertainty and fear but also moments of hope and optimism. Even as we look forward to 2022, the possibility of turbulent times ahead looms as we recover from this unprecedented global crisis.

With so much weighing on everyone’s minds, our focus for the past year has been on how we can take away one less worry from our Members’ everyday lives. Whether it’s making sure we are promptly there to rescue them from the side of the road, helping them save on insurance coverage that meets their lifestyle needs, or simply providing more value to their membership through rewards and Member benefits.

When the pandemic started, CAA Insurance offered our customers meaningful financial relief through a series of industry-leading rebates and rate reductions. In 2021 we continued those relief efforts with a 15% rate reduction for auto policies and 10% rate reduction for home insurance. A total of \$200 million in relief benefits were distributed to our insurance customers since 2020.

Many of us are still commuting less by car, so to further stretch the household budget we expanded our MyPace program — Canada’s first and only pay-as-you-go auto insurance payment program. The mileage threshold was increased to 12,000 km, from 9,000 km previously, allowing more Ontarians to take advantage of the cost savings this program provides.

While most Members know us for roadside service, more and more Members are taking advantage of the rewards and savings that are part of the membership benefits. In fact, Members saved approximately \$8.3 million through our rewards program and CAA Dollars in 2021. To further enhance the Member benefit we signed a multi-year partnership with Mirvish Productions, Canada’s premier live theatre production company. We are excited to help usher in the return of live theatre while providing CAA and AAA Members with exclusive benefits, savings and experiences when performances begin in Toronto in 2022.

These are just some of the ways we have been making our Members’ days better in 2021, along with other examples in this report. We recognize that there is still a lot of uncertainty in the world around us and household budgets are being stretched. We truly appreciate the support our Members have given us as we continuously strive to keep them safe and add more value to the membership. Looking forward, we have even more exciting benefits and exclusive Member experiences being introduced in 2022 that we can’t wait to share with you.

Thank you and stay safe.



2021 Annual Report

For more than 115 years, we have been innovative leaders committed to meeting and exceeding the needs of Canada’s motorists and travellers.



CAA Club Group of companies (CCG) is comprised of two automobile clubs—CAA South Central Ontario and CAA Manitoba—providing roadside assistance, travel, insurance service and Member savings for our 2.4 million Members. The organization also includes CAA Insurance Company, a national property and casualty insurance company, Orion Travel Insurance Company, a nationwide trusted travel insurer and Echelon Insurance, a leading specialty insurer. In 2021, CAA Insurance launched CCG Advisory Services, a new company providing Ontarians with trusted advice on life, critical illness, and disability insurance.

CAA Insurance and Orion Travel Insurance distributes products through CAA Clubs and select brokerages. Echelon Insurance distributes products through an extensive network of more than 500 brokers across the country.





2021 Insurance



CAA Club Group of Companies provides comprehensive care, dependable coverage, competitive rates and responsive claims services through CAA Insurance, Orion Travel Insurance, Echelon Insurance, and now CCG Advisory Services. Whether Members and customers are looking for auto, property, travel or life insurance, CCG offers a variety of products that add value to the day-to-day lives of Canadians no matter their stage of life.

CAA Insurance

CAA Insurance continues to be driven by putting customers first and creating innovative products and services that make the industry more accessible and straightforward. Thanks to this Member and customer-first approach, the company continues to experience significant growth.

In 2021, CAA Insurance protected 578,158 families, leading to a 28% year-over-year growth in written premiums. Thanks to this growth, the organization built upon the meaningful and industry-leading relief offered to policyholders in 2020, reducing auto insurance premiums by 15% in Ontario, and home insurance by 10% for another 12-month term. Over \$200 million in relief benefits was distributed to Members and customers through refunds, discounts and other measures, since 2020.

The company also continues to engage new brokers and deepen existing relationships, ensuring customers can easily access insurance products via their channel of choice.

On the innovation front, CAA Insurance continues to be the only insurer in Canada offering a mileage-based auto insurance payment program. In 2021, even more value was made available to customers by expanding the annual mileage threshold from 9,000 km to 12,000 km. It means that more drivers can take advantage of this unique approach to auto insurance. Altogether, 14,406 new CAA MyPace policies were sold in 2021, generating a 75.6% increase in written premiums compared to the year prior.

Further establishing themselves as innovative leaders, CAA Insurance became the only Property and Casualty insurer in Canada to offer its home insurance policyholders (in Ontario and Manitoba) a four-day annual emergency medical travel insurance policy as an inclusion in their coverage.

Beyond delivering thoughtful and innovative products and services, CAA Insurance continues to leverage CCG's advocacy experience to engage decision-makers at Queen's Park about the need for more affordable, innovative and consumer-focused insurance in Ontario.

2021 Insurance

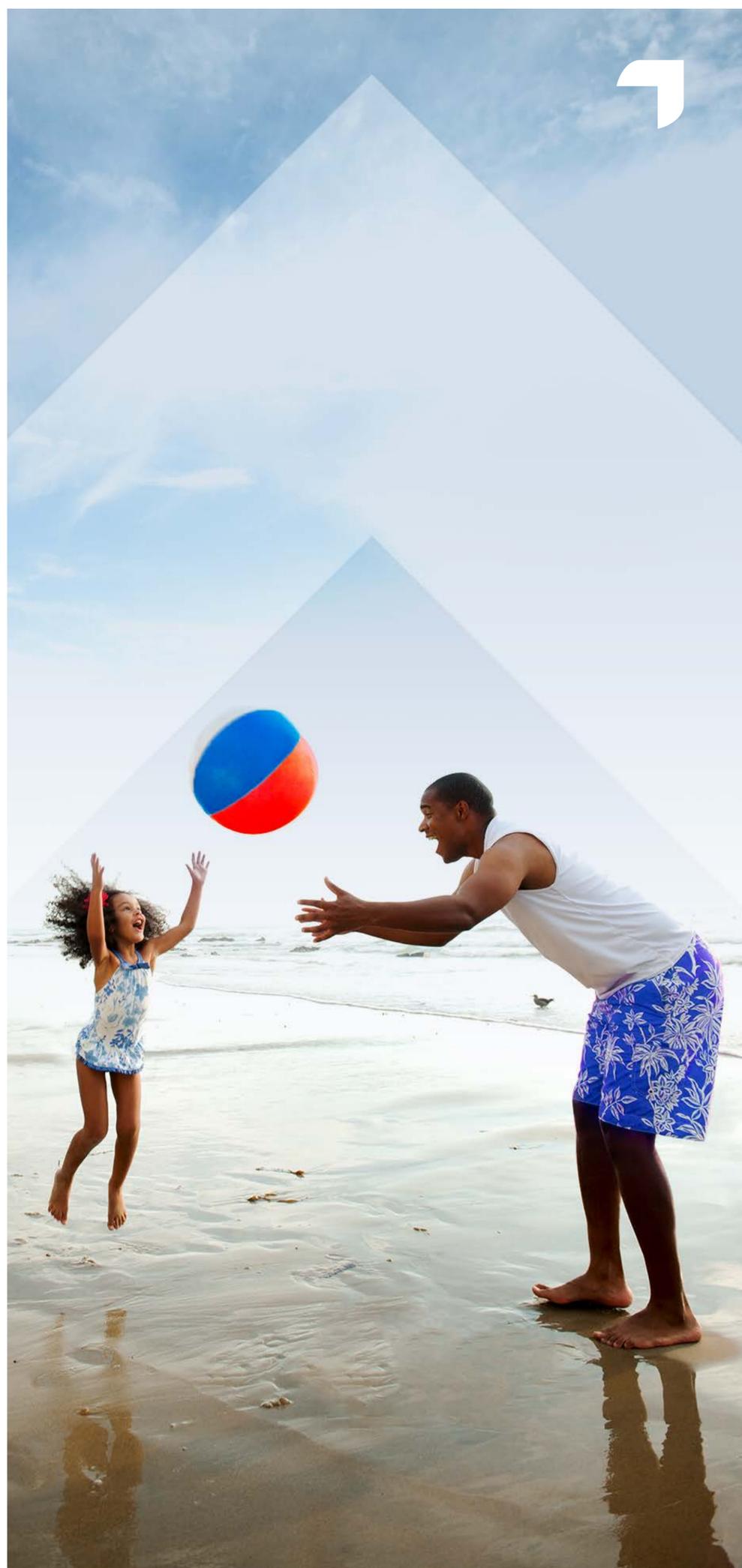
Orion

Orion Travel Insurance continues to be a trusted industry leader when it comes to providing meaningful protection for and adding value to Canadian travellers' lives. In 2021, the company created new products that responded to travellers changing needs while also raising awareness about important issues that impacted travel.

Orion regularly shared valuable and trusted information with Members and the public about what travellers needed to consider when travelling, such as understanding entry requirements and the importance of staying up-to-date on the COVID/medical situation at their destination. With 35% of Canadians typically travelling without travel insurance, Orion also ramped up education to ensure travellers understood the risks of unprotected travel.

From a product perspective, Orion created a suite of new products to fill the gaps in coverage that emerged as the pandemic continued, including:

- **COVID-19 coverage:** Orion was one of the first in the market to introduce meaningful coverage that protected Canadians travelling for essential reasons during the pandemic.
- **Orion's Emergency Medical Care:** In-province Virtual Emergency Medical Assistance provides easier access to emergency medical assistance while travelling closer to home.
- **Cancel for Any Reason Trip Cancellation:** This allows travellers to cancel their trip at any time for any reason while partially covering their expenses.
- **Denied boarding:** When travellers cannot board their plane due to health and other reasons, their accommodations and other expenses are covered.



Orion continues to look for ways to protect more travellers, including the 30-40% of Canadians who use travel insurance through their employee benefits. As a result, partnering to protect Canadians through employee benefits is a growing focus. In 2021, four new partners were onboarded, and more are anticipated in the year ahead.

2021 Insurance

Echelon Insurance

Echelon Insurance experienced another year of growth as it found new ways to offer creative Specialty insurance solutions for individuals and businesses across Canada.

In 2021, Echelon expanded Specialty commercial business insurance coverage to support small and mid-sized businesses with unique insurance needs. This meant extending hospitality coverage to provinces beyond Ontario and bringing coverage to Ontario taxi drivers struggling to find fair, affordable insurance options due to the higher risk nature of the taxi business.

Echelon also implemented new and enhanced technology to better support its existing Specialty business. Guidewire 10 successfully launched for Ontario Automobile Personal and Commercial Automobile products, offering added functionality and improved stability for Echelon Associates and Brokers. Echelon's Specialty Insurance Module (SIM), initially developed to support towing businesses, was further enhanced to support long-haul trucking and non-fleet CAA towing operators.

With these new coverage and service approaches, Echelon continues to make it a priority to proactively understand how to protect customers' businesses from potential risk and to implement solutions that help tackle day-to-day challenges.

To further contribute to that goal, a new in-house Technical Risk Services division was launched to provide policyholders with free consultations and prevention advice to identify risk areas and prevent losses before they happen.



CCG Advisory Services

In February 2021, CAA launched CCG Advisory Services to offer Ontarians trusted advice on life, health, dental, critical illness and disability insurance. Building on CAA's foundation of trust in the marketplace, this new division provides another way to protect Members and their families. Since its launch, CCG Advisory Services has grown from offering six to more than 200 life and health insurance products, issuing over \$100 million in life insurance coverage.

As CAA's family of insurance companies and broker partnerships continue to grow, so does our commitment to delivering protection and choice to our Members and Canadians in the years to come.

2021 Membership and Emergency Roadside Service

Membership Is Growing

More and more people are finding value in membership with 215,000 new Member households joining the CAA family in 2021.

Showing Everyday Value

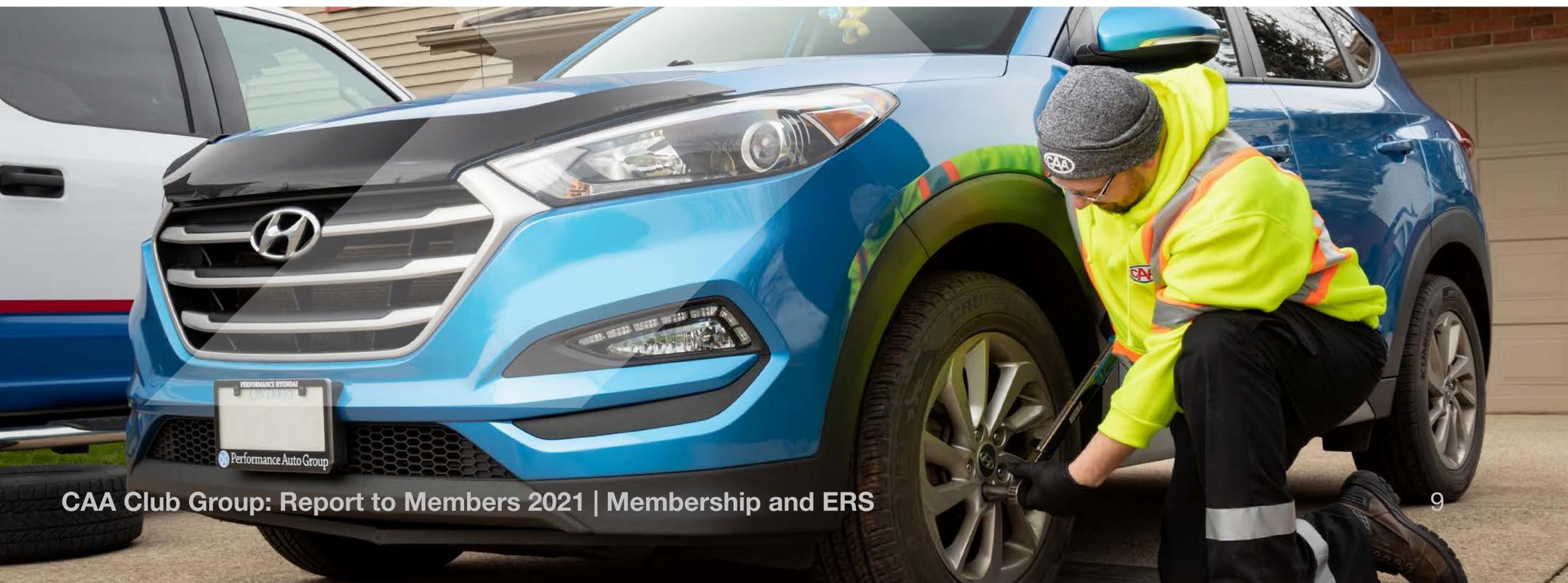
CAA Rewards and Member discounts became increasingly relevant as people looked for ways to make life more affordable. To help Members see how CAA can provide significant savings, membership launched an easy-to-read chart on the back of Member statements. The chart showcases where Members have saved throughout the year through rewards partners, home and auto insurance, and travel and roadside services.

More Members are also using the CAA Mobile app, making it easier to access CAA services and rewards and track their savings right from their fingertips. Since launching in 2020, approximately 194,000 people in Ontario and 18,000 in Manitoba have downloaded the new app.

Demonstrating the total value of a CAA Membership and enhancing the Member experience was a top priority this year. While our trusted roadside assistance service remained a core and essential service, CAA needed to make it easier for Members to understand and experience the full array of benefits available.

Membership also launched a 10-year partnership with Mirvish productions to help bring back the magic of live theatre to Canada's largest city. After a year's hiatus since its last show, the newly named CAA Ed Mirvish Theatre (previously named the Ed Mirvish Theatre) will help bring audiences back to the theatre safely and responsibly. In addition, it will continue to provide 56 million CAA/AAA Members across North America with exclusive perks and deals.

In 2021, Members saved approximately \$8.3 million through the rewards program and CAA Dollars alone.





2021 Membership and Emergency Roadside Service



Enhancing the Member Experience

New investments in technology were made to enhance CCG's roadside operations as well, further strengthening our ability to improve communication with Members and streamline the Member experience.

Replicant, a new self-serve automation tool, was launched to seamlessly assist Members with completing credit card transactions or requesting at-home services while providing comfortable human-like interactions using Artificial Intelligence (AI). In addition, a new feature called Textbot was launched, allowing Members to contact CAA by conveniently texting CAA247 (222247). Gen 2.0 continues to be our most critical tool that supports our best-in-class emergency roadside service. Multiple enhancements were made to help Dispatchers quickly detect and correct system issues enabling them to rescue Members more efficiently.

Adding More Value With CAA's Mobile Tire Change Program

CAA's Mobile Tire Change program continued to enable Members to get their tires changed safely from the convenience of their home driveway. CAA Members with an auto insurance policy received a \$30 discount as an added value. CAA certified technicians serviced approximately 5,000 Ontario and Manitoba residences while receiving highly positive Member feedback.



2021 Travel and Retail

Agile, Flexible and Solutions-oriented

Throughout 2021, more Canadians were eager to start travelling again. However, with many experiencing anxieties about travelling, we helped Members navigate a constantly changing environment with new and unexpected situations. As travel consultants became inundated with high call volumes from nervous travellers, it was vital for us to connect with Members more frequently than ever.

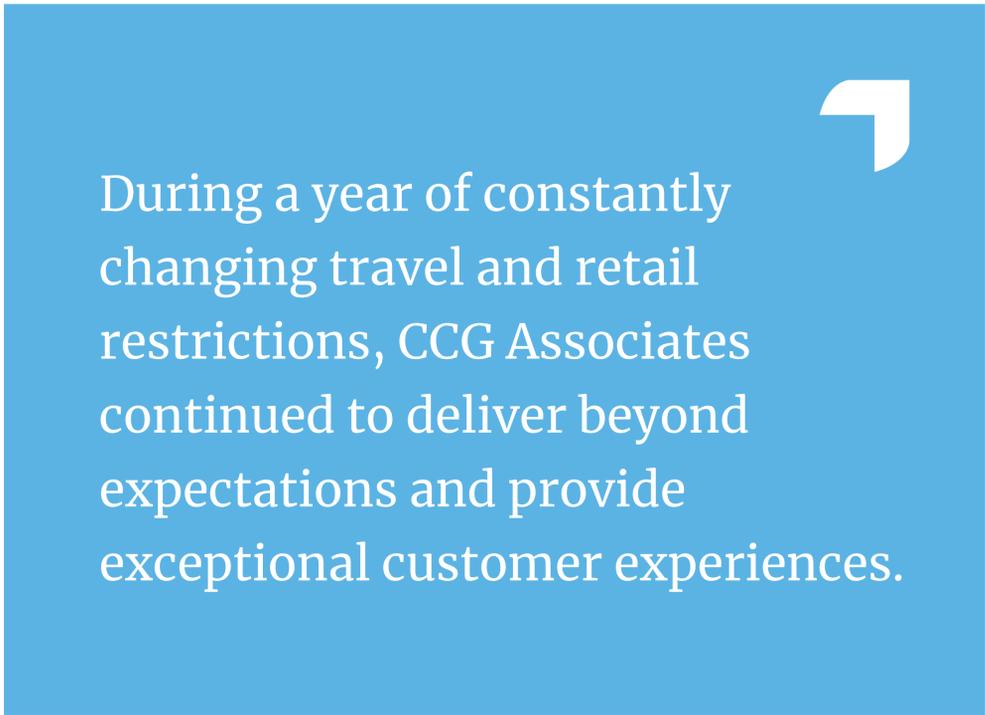
The team provided exceptional and caring service to support Members with various refunds, re-bookings and even helped rescue them from their destinations when needed.

Supporting Local

In 2020, CAA Stores started to expand merchandise selection to help support local businesses struggling due to the pandemic. Members responded enthusiastically to support this approach, so CAA continued to expand this merchandise selection to over 20 new locally sourced vendors in 2021. Again, Members responded with overwhelming support resulting in a 12% increase in web sales for local products, with average order quantities rising by 22%.

Inspiring Future Travel

While demand for new merchandise continued to grow, so did the anticipation to travel. To help Members plan their future travels, over 6,000 Members participated in CAA Travel's Virtual Visits. The visits featured industry experts and esteemed travel partners and showcased fantastic travel destinations from the comfort of Members' homes.



During a year of constantly changing travel and retail restrictions, CCG Associates continued to deliver beyond expectations and provide exceptional customer experiences.

To give Members even more travel inspiration, new Digital TourBooks launched, giving Members instant access to trusted information about hotels, restaurants and attractions approved and recommended by CAA/AAA. With over 30 interactive TourBooks to explore, Members now have a more comprehensive selection of travel ideas to help plan their future getaways straight from their fingertips through a smartphone, tablet or desktop.

Innovating Technology

Innovating our technology to enhance the Member experience is always a priority at CCG.

A new travel search and booking system called Travel Systems Technology (TST) was implemented in 2021, offering Associates, Members and customers an enhanced and seamless travel booking experience. TST was already in place for Members in Manitoba. In early 2021, Manitoba implemented the travel consultant version. In SCO, the Member booking system was introduced in spring and the travel consultant version in the fall.

CAA also expanded the HERO pilot program in Ontario, assisting shoppers with product inquiries via text, chat or video. Introduced in Manitoba in 2020, this technology is now available in both provinces providing customers with the same exceptional Member experience in-store and at home.



2021 Advocacy



For over a century, CAA has been advocating on behalf of Members. With a mission to move people safely, we help make communities safer through education and awareness, thought leadership, public policy and strategic partnerships and collaborations on key road safety issues that are important to our Members.

In 2021, CCG's Government and Community Relations team continued to play an integral role in many organizational priorities, such as:

- Advocating for enhanced road safety measures that reflect people's changing mobility patterns.
- Supporting the implementation of the Provincial Tow Zone pilot on four sections of Ontario's busiest highway corridors, while securing the continuation of CAA's service to Members in these zones.
- Helping raise awareness of CAA Insurance's efforts to provide relief for customers and keep affordability and consumer protection at the forefront of public and government dialogue.
- Working with CAA National to educate the public on how to travel safely during the pandemic.

CAA Worst Roads

After a one-year hiatus, the CAA Worst Roads campaign returned in 2021, encouraging drivers, cyclists and pedestrians to nominate the roads they think are in most need of improvement. Canadians nominated more than 2,220 roads within the South Central Ontario region, and more than 420 roads were nominated in Manitoba. We use this information in our advocacy efforts to ensure infrastructure is top of mind for leaders and to

highlight which roadway improvements are essential to their constituents. In 2021, two municipalities made major funding announcements to immediately fix some of the roads in their community named on the Worst Roads list.

Advocacy Week

The government relations team hosted a virtual Advocacy Week to meet with Ontario elected officials and staff and discuss various important issues. Meetings were held with the leaders of all major Ontario political parties, the Solicitor General, the President of the Treasury Board, the Ministers of Transportation, Infrastructure and various Members of Provincial Parliament, and their senior government staff.

Provincial Towing Regulation

CAA continued advocating for provincial regulatory oversight of the Ontario towing industry, which will lead to better overall consumer protection and advancement of the industry. In June 2021, the provincial government passed the Towing and Storage Services Act (TSSEA) to regulate the industry. CAA has been a member of the provincial Technical Advisory Group to contribute to the development of the regulations that will oversee towing and storage service in Ontario. Additionally, we supported the launch of the Provincial Tow Zone pilot, a Ministry of Transportation (MTO) initiative to protect consumers from tow fraud while ensuring safe management of some of Ontario's busiest highway corridors.

Working with the government, CAA SCO played a key role in sharing CAA safety protocols and to ensure Members continue to experience safe towing services in the zones. In December 2021, only authorized

2021 Advocacy



towing companies had permission to rescue drivers within four restricted tow zones in certain sections of Ontario's provincial highways. CAA SCO was also authorized to continue rescuing Members in the tow zones in specific scenarios, recognizing our standards of excellence and best practices in rescuing Members from high-risk settings.

The Tow Zone pilot program was designed to reduce collision and vehicle breakdown congestion, address safety concerns, and mitigate "accident chasing" by some operators. In the first month of the launch, the program helped rescue 526 Members. We will continue to work with the government to uphold safety and Member expectations.

Stunt/Aggressive Driving

Stunt driving continued to increase in 2021 due to reduced traffic on the roads. As a result, we supported steeper fines and penalties around speeding and stunt driving. Through a grant from the Ministry of Transportation (MTO), we launched a multi-media education and awareness campaign, sharing the risks of stunt and aggressive driving and informing Ontarians of the province's new fines and penalties. Slow Down Please lawn signs continued to be distributed in neighbourhoods all over Ontario and Manitoba. Demand remains high as communities seek to reduce speeding in their neighbourhoods.

Road Safety

With people driving less and walking/cycling more, CAA focused road safety efforts on the mobility reality in local communities, including reduced car usage and increased outdoor activity for exercise, commuting and socializing. Cycling and pedestrian

safety was at the forefront of our efforts and many municipalities closed off streets for cycling and pedestrian use only. Some municipalities also built new temporary and permanent bike lanes as demand for bicycles soared. In addition, CAA and our road safety partners distributed over 30,000 Watch for Bikes decals and 6,300 reflector tags to educate and encourage drivers, pedestrians and cyclists to share the road safely. Supporting our Members, no matter what mode of transportation they use to move around, is a key priority for CAA.

CAA School Safety Patrol Program

The CAA School Safety Patrol (SSP) team hosted its first-ever cross-Canada bilingual CAA Patroller Festival/Brigadier inviting CAA School Safety Patrollers to celebrate their hard work. The hour-long virtual event was attended by 1,200 Patrollers and offered a variety of activities in English and French, including dance classes, informative safety videos, contests and more. Guests included TikTok star Spencer West, musicians Teagan and Sara, Olympian Hayley Wickenheiser, the Manitoba Moose hockey team and Quebec film star Pier-Luc Funk.

Pandemic Support

As the need for COVID-19 vaccinations grew, we helped convert the CAA Centre in Brampton into a pop-up vaccine clinic and donated \$10,000 to ensure enough vaccines were available. We also helped arrange an emergency supply of personal protective equipment and other equipment to Kashechewan Cree First Nation, Ontario, to support a community in desperate need of supplies due to an outbreak.



2021 Environment, Social and Corporate Governance



Environment

CCG is dedicated to reducing the environmental impact of operations while also contributing to community-based initiatives that help protect the planet. The development of innovative technology solutions and the ongoing improvement of building operations are at the core of CCG's work to reduce its greenhouse gas (GHG) emissions.

Social

We are a socially responsible company committed to keeping people safe. We serve all of our Members and communities. We are committed to providing a healthy, respectful and safe workspace where Associates can thrive and where everyone feels welcomed and accepted to do their best work. As a result, Associates are empowered to make a difference every day while embodying the organization's core values of collaboration, innovation, being care-driven and leading by example.

Community

In 2021, CCG split its corporate contribution evenly among the seven Associate-selected charities, with each charity receiving over \$21,000:

- SickKids Foundation
- Canadian Cancer Society
- Ontario Society for the Prevention of Cruelty to Animals (OSPCA)
- Harvest Manitoba
- Bear Clan Patrol
- Winnipeg Humane Society
- Black Youth Helpline

Associates also came together to help raise \$20,000 for the CAMH Sunrise Challenge. Our corporate team raised over \$10,000 and CCG matched every dollar collected, contributing another \$10,000.





2021 Environment, Social and Corporate Governance



The CAA Graduate Scholarship

The CAA Graduate Scholarship in Transportation Engineering continues to support dedicated student researchers from the University of Toronto (U of T) working on advancing travel complexities. Each year, CAA awards \$5,000 scholarships to two post-graduate students funding innovative transportation engineering projects as part of their thesis and the recipients are invited to present their research to CAA's Board of Directors.

Initially established in 2011 as a five-year program and renewed in 2019, the scholarship program marked its fourth year in 2021. We continue to be impressed by the research U of T students are conducting. By supporting their efforts, we can look to the future of mobility and ensure it will be safe and efficient for all users.

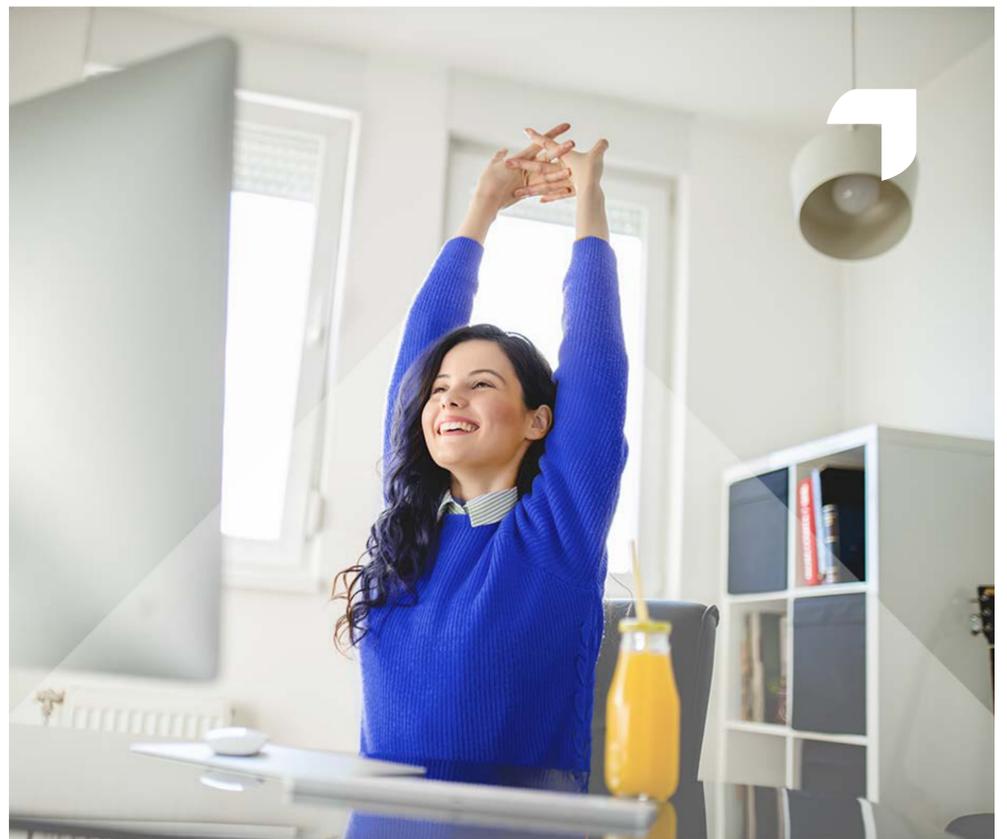
Jay Woo and CAA Scholarship

In December of 2020, the CCG Board of Directors announced the establishment of the Jay Woo and CAA Scholarship at Carleton University in recognition of the numerous contributions made by Jay Woo, president and CEO of CCG, who is also an alumnus of Carleton University. This scholarship will help secure the future for aspiring leaders so they too can make a lasting impact in the fields they pursue.

The Prestige Scholarship will be one of Carleton University's highest academic awards and is available to new students entering Carleton University from secondary school who demonstrate academic excellence and community service.



2021 Environment, Social and Corporate Governance



Associate Wellness

Wellness remains a top priority for CCG as we invest in supporting our Associates.

In 2021, CCG launched a Wellness Leadership Series to support the mental health of our Leaders and their teams. This series provided Leaders with the tools and resources to recognize when Associates need help, how they can best support their team and how to be resilient in their mental health.

We continued promoting our virtual wellness services and fitness classes to Associates. In 2021, we successfully launched Maple telemedicine and our Wellness App to Echelon Associates.

We also continued encouraging Associates to take care of their mental and physical health using our robust lineup of wellness resources, including:

- **Maple telemedicine:** Associates were able to get 24/7 access to Canadian-licensed doctors from their mobile devices.
- **AbilitiCBT:** This free, virtual, self-guided cognitive behavioural program helps Associates and their families with pandemic-related issues, grief and loss, anxiety, etc.

- **PocketPills:** Associates were able to arrange for their prescriptions, vitamins and pharmaceutical supplies delivered right to your doorstep without leaving the house.
- **LifeWorks, our Employee Family Assistance Program (EFAP):** Highly trained and experienced counsellors were able to give 24/7 support for various issues, including stress and anxiety, parenting, personal and emotional support.

A series of webinars supporting Associates' financial, physical and mental health were also rolled out including:

- Willful estate planning and wills information sessions
- Cancer Prevention and Screening Webinar
- Canadian Chiropractic Association Injury Prevention webinar
- Mobileyez webinar (eye health)
- AbilitiCBT Mental Health webinar

To contribute to financial wellness, all Associates were given the opportunity to purchase significantly discounted wills for themselves and their families. We care about our people and their families, and we are committed to finding ways to support their emotional, physical and financial well-being.

2021 Awards Snapshot



Best Wellness & Psychological
Canada's Safest Employers Award



Greater Toronto Area (GTA)
Canada's Top 100 Employers



Top Insurance Employers
Insurance Business Canada



Best Reward and
Recognition Strategy
Canadian HR Awards



International Association of Business Communicators (IABC)
2021 OVATION Awards of Excellence and Awards of Merit: Digital
Communication & Communication for the Web



2021 Corporate Governance

CCG is committed to a high standard of corporate governance, done on behalf of its Members to ensure continued financial viability, a commitment to CCG's constitution and the fulfillment of CCG's Mission/Vision.

The Board oversees the organization's strategy, key performance indicators and risk appetite framework. This work emphasizes strategic leadership and encourage diversity of viewpoints that reflect corporate social responsibility, acts in the organization's long-term interests and future viability and upholds the highest ethical conduct.

For more information about the Board of Directors, including biographies on each member, please visit caasco.com/About-Us/Corporate-Information.



Marianne Bridge



Brian Chu



Reta Coburn



Jean Desgagné



Rehana Doobay



Bill Furlong



Paul Jacuzzi



Sheila Kingston



Janet Lafortune



Heather Reichert



Brenda Rideout



Anthony Salerno



Ethel J. Taylor

CCG CAA CLUB GROUP

