

INSURANCE



Insurance mutuals and co-ops were among the first co-operative businesses established in Canada. Several among them were incorporated even before Confederation.

With the exception of The Co-operators and Desjardins, co-operatives in the insurance sector are incorporated as mutuals (106). This business model is very similar to that of co-ops, with a few small differences in the link with members and the form of ownership. They are founded on the principles of co-operation and solidarity and are not profit-centered. A mutual is a collective company that insures policy holders against certain risks. By paying periodical dues, members are guaranteed equal advantages.

The insurance industry in Canada is incredibly competitive, making it difficult for mutual insurers in Canada to maintain their once dominant market position. However many mutual insurance providers continue to be successful, especially in some region, such as Manitoba, Ontario and Québec.

“DEMUTUALIZATION IS A CHALLENGE FACED BY MUTUALS AND CO-OPERATIVES

The challenge of insurance co-operatives and mutuals

Like several other countries, Canada saw an intense period of demutualization in the 1990s. Today, the sector is again threatened by a new wave of demutualization. However, the mutuals that were privatized in the first wave of demutualization demonstrate similar, but slower, growth in the last few years than those that continued with their mutualist business model.¹

Demutualization is a challenge faced by mutuals and co-operatives alike and there is much work to be done to inform members about retaining collective business assets that have accumulated over decades and in some cases centuries.



IN NUMBERS¹

\$102.8
billion
IN ASSETS

.....

\$25.4
billion
IN PREMIUMS
ISSUED

.....

OVER
27,000
EMPLOYEES

.....

20.5
million
POLICYHOLDERS
SERVED

Our members in this sector

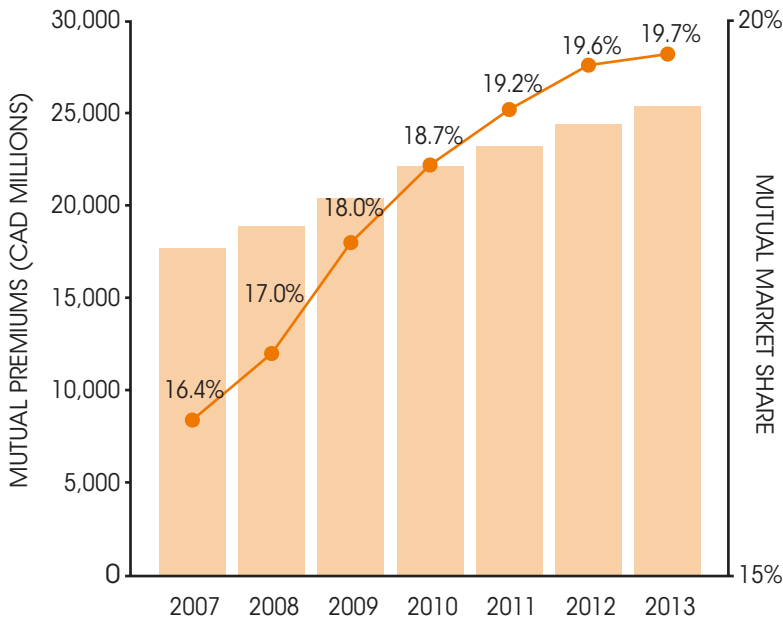
The **Canadian Association of Mutual Insurance Companies (CAMIC)** is a trade association of property and casualty mutual insurers. There are currently 91 companies who are members of CAMIC. Together, they hold a premium volume of \$5.3 billion or 12.7% of the Canadian private sector property and casualty insurance market.

The Co-operators Group Limited is a Canadian-owned co-operative with more than \$36 billion in assets under administration. Through its group of companies it offers home, auto, life, group, travel, commercial and farm insurance, as well as investment products. The Co-operators is well known for its community involvement and commitment to sustainability.

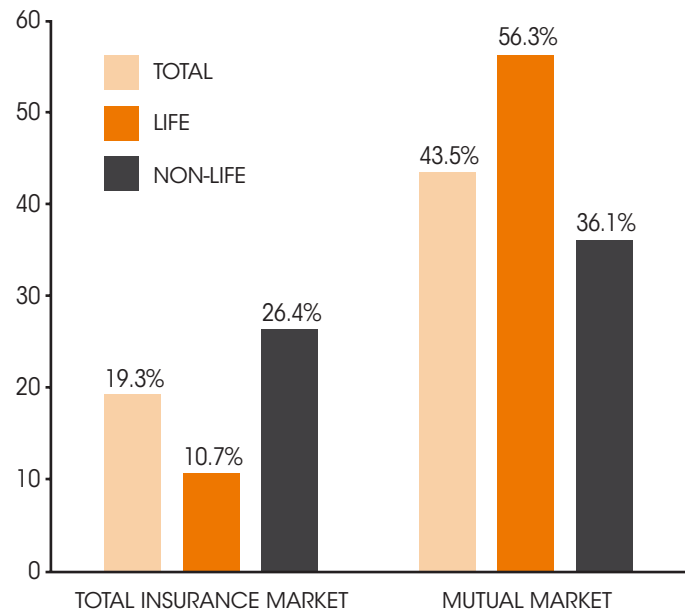
CUMIS Group Limited (CUMIS) partners with credit unions to deliver competitive insurance and financial solutions. In doing so, it creates financial security and promotes the growth and success of the credit union system in Canada. CUMIS' main companies are CUMIS Life Insurance Company and CUMIS General Insurance Company, and it has a 50 percent interest in Credential Financial Inc. CUMIS is jointly owned by Co-operators Life Insurance Company and Central 1 Credit Union.

A subsidiary of **Desjardins Group**, Desjardins General Insurance Group (DGIG) provides home and auto insurance products to consumers across the country and commercial insurance to businesses in Quebec through its brands. DGIG has 4,000 employees across Canada and a portfolio of \$2.1 billion in annual gross written premiums. DGIG will become the second largest property and casualty insurer in Canada on January 1, 2015, with annual gross written premiums approaching \$4 billion.

The Canadian mutual and cooperative insurance sector in 2013¹



Canadian remium growth 2007-2013¹



¹ International Cooperative and Mutual Insurance Federation (ICMIF), 2011-2012