

# Canada's Mutual Admiration Societies

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With all of the attention being paid to Economical Insurance Group and its dance with demutualization, we thought it would be a good time to take a closer look at the broader mutual insurance sector in Canada. Many people will be surprised to learn just how many property & casualty insurance organizations there are operating in Canada based on mutual principles. Getting to an exact number of companies can be difficult for a number of reasons. In the case of the farm mutuals in Ontario and the members of the Promutuel organization in Quebec, it seems that every year there are new mergers which reduce the number of companies licensed, but not necessarily their economic impact. In the case of the reciprocal insurance exchanges and captives, many do not publicize the results of their operations or even their existence. It can also be a challenge defining which companies to include. For this study, we have included only companies organized without share capital which includes pure mutual companies, reciprocal insurance exchanges and professional orders. Organizations which subscribe to co-operative principles such as Desjardins and Co-operators and branches of foreign mutual companies are excluded from this study. This will not be a completely comprehensive analysis as several provincially incorporated mutual companies have chosen to withhold their financial statements from the general public (the company names are included on the charts but noted as “data not available”).

The most common way to segment insurers in Canada is usually between those which write primarily personal insurance and those which write primarily in the commercial market. In this paper, we will take a different approach and segment the mutual sector partly by jurisdiction and partly by form of

**Chart 1**

<b>Canadian Organized Mutual Insurers</b>				
<b>December 31, 2014 Financial Information</b>				
	<b># of Companies</b>		<b>GWP</b>	
	<b>Financial Information Available*</b>	<b>No Financial Information Currently Available</b>	<b>Total</b>	
Wawanesa Mutual	1	0	1	2 573
Economical Mutual	1	0	1	1 845
All other federally incorporated	4	0	4	733
Ontario Farm Mutuals	35	6	41	573
Quebec Promutuel	22	1	23	404
Other Quebec	13	0	13	232
Other Provinces	11	5	16	213
Reciprocal Ins Exchanges	9	22	31	299
CMPA	1	0	1	404
	<b>97</b>	<b>34</b>	<b>131</b>	<b>7 276</b>

\* Publicly or via MSA Research Inc.

organization (incorporation, reciprocal, captive, etc.).

While the role of the farm mutual insurers in Canada is quite well publicized, there are several unique segments of the Canadian commercial insurance market which subscribe to mutual principles but fly largely under the radar. They do not sell to the commercial market in general but rather to specific groups of similarly focused enterprises. Most of these types of commercial mutual insurers write liability insurance though some also write property, auto and more unique coverages. These are most commonly organized as reciprocal insurance exchanges. There are also a group of insurers, mostly in Quebec, who insure members of professional orders (institutes) of professionals and also several who insure religious organizations under mutual principles.

Every insurer is a mutual of sorts, the differentiating factor being of course, who gets the residual gain or bears the residual loss of the operation. Many Canadian incorporated companies have share capital but claim to align their ultimate goals with their shareholder / policyholders. In addition to Co-operators and Desjardins, other examples are LawPro, Greenshield, the auto clubs, MAX Insurance, United General, and taken to the extreme, perhaps even the four big provincial auto insurers. Promutuel Re and Farm Mutual Reinsurance Plan (FMRP) should also be categorized in this group as they reinsure the mutual sector and declare refunds of excess premiums back to the cedants.

Canada's two big federal mutual insurers, Wawanesa and Economical, dwarf all of the other mutual insurance activity in the Canadian market, as shown in Chart 1 above. (chart does not reflect reinsurers). See Chart 2 for a list of the other federal mutual insurers.

**Chart 2**

<b>Federally Incorporated Mutual Insurers</b>									
<b>December 31, 2014 Financial Information</b>									
<b>Company</b>	<b>Notes</b>	<b>Assets</b>	<b>Surplus</b>	<b>Surplus to Assets Ratio</b>	<b>GPW</b>	<b>NEP</b>	<b>Exp (2)</b>	<b>Comp. Income</b>	
Economical Mutual Insurance Company		5 240 313	1 681 134	32%	1 963 043	1 845 282	602 445	108 018	
Gore Mutual Insurance Company		899 214	267 048	30%	363 024	322 427	108 907	31 896	
North Waterloo Farmers Mutual Insurance Co	(1)	200 015	60 978	30%	93 853	81 145	30 367	3 057	
Portage La Prairie Mutual Insurance Company		446 485	122 944	28%	212 853	193 621	74 369	-6 511	
Saskatchewan Mutual Insurance Company		121 428	36 024	30%	62 772	49 049	20 437	809	
Wawanesa Mutual Insurance Company		7 657 801	2 976 370	39%	2 573 105	2 420 500	614 604	216 111	
		14 565 256	5 144 498	35%	5 268 650	4 912 024	1 451 129	353 380	

(1) North Waterloo Farmers Mutual and Oxford Mutual merged in 2015 creating Heartland Farm Mutual Insurance Inc.  
 (2) Exp includes acquisition and administrative expenses

In the US, there are also several large and successful mutual insurers, including Nationwide, State Farm, Liberty Mutual, USAA and the Factory Mutuals. In France, two huge mutuals also have large market shares - Covéa and Groupama.

## **Regulation and Governance**

As measured by number of licensed entities, most mutual activity in Canada is regulated at the provincial level. The chart above indicates that there are currently only six federal mutuals and 125 provincially supervised entities. The Canadian Council of Insurance Regulators has outlined, at a high level, how these and other provincially licensed companies are regulated (March 2013 Report On Provincially Chartered Insurers and Provincial Solvency Supervision Frameworks, Solvency Forum Committee, Canadian Council of Insurance Regulators). It is a tricky balance for the regulators. Given the strong solvency base of most mutuals, their important role in local communities, the guarantee funds, self regulation and reinsurance arrangements in place, the regulators have historically granted the sector slightly more autonomy and flexibility than a typical federally licensed insurer.

Provincial regulation has also meant that many mutuals have been slower to have to comply with the many new governance rules introduced for federal companies in recent years. A concern occasionally expressed in the past about mutual insurers related to the independence of their boards of directors which often have very close relationships with management, past and present.

## **Marketing and Distribution**

Traditionally a farm mutual had a very limited geographic footprint, as indicated by the township and county names which many of them still bear. The relationship between the company and a local broker was often very close. This is changing for many mutuals as they engage brokers beyond their traditional territory and complete mergers with other mutuals which may not necessarily occupy contiguous areas. The websites of several Ontario and Quebec mutuals show long lists of broker partners. Most have also moved far beyond their original property (fire) insurance specialty and now insure many lines of insurance.

In both Quebec and Ontario the mutual company associations provide significant province-wide initiatives to promote the sector.

## **Administration**

Many of the smaller mutuals have overcome some of the scale disadvantages which their smaller size implies by forming strong associations which provide a second level of “mutual” support. They have also established their own guaranty funds, reinsurance companies and specialty insurers. Examples are:

- Canadian Association of Mutual Insurance Companies (CAMIC)
- Ontario Mutual Insurance Association (OMIA)
- Farm Mutual Reinsurance Plan (FMRP)
- Fire Mutuals Guarantee Fund (Ontario)
- Promutuel Group and Promutuel Reassurance
- Maritime Association of Mutual Insurance Companies (MAMIC)
- New Brunswick Mutual Insurance Association (NBMIA)
- United General Insurance Company
- Canadian Association of Insurance Reciprocal (CAIR)

There are also various service providers who specialize in serving the common needs of the smaller mutuals. We will now look a little closer at each of the different groups of mutual insurers.

## Ontario Farm Mutuals

Most of the Ontario farm mutuals are provincially incorporated with the most significant exception being Heartland Farm Mutual Insurance Inc. (former North Waterloo Farmers Mutual Insurance Company) which is federally registered and now writes close to \$100 million of GWP after its most

Chart 3

Ontario Farm Mutuals									
December 31, 2014 Financial Information									
Company	Notes	Assets	Surplus		GPW	NEP	Exp (4)	Policy Refund	Comp. Income
			Surplus	Ratio					
Algoma Mutual Insurance Company		20 788	6 847	33%	8 916	6 494	3 057	0	517
Amherst Island Mutual Insurance Company	2								
Ayr Farmers Mutual Insurance Company		79 972	44 834	56%	24 746	22 453	7 246	1 167	3 554
Bay of Quinte Mutual Insurance Co.		55 612	32 925	59%	22 878	19 130	7 461	0	3 494
Bertie and Clinton Mutual Insurance Company		70 811	38 951	55%	12 650	11 159	3 246	2 369	3 179
Brant Mutual Insurance Company		16 884	6 919	41%	6 075	4 767	2 474	0	-32
Caradoc Delaware Mutual Fire Insurance Company		9 355	7 327	78%	2 019	1 586	761	0	382
Cayuga Mutual Insurance Company		28 665	16 708	58%	8 850	6 680	2 885	0	1 518
Commonwell Mutual Insurance Group (The)		393 339	181 817	46%	126 539	115 841	44 870	0	12 831
Dufferin Mutual Insurance Company		19 354	6 999	36%	5 628	3 902	2 561	0	881
Dumfries Mutual Insurance Company		59 651	32 732	55%	13 723	11 680	3 646		2 907
Edge Mutual Insurance Company	3	69 409	22 808	33%	22 062	17 961	7 374	0	784
Erie Mutual Fire Insurance Company	2								
Germania Mutual Insurance Company		48 322	21 911	45%	18 027	15 430	6 861	0	1 874
Grenville Mutual Insurance Company		67 722	38 457	57%	21 346	18 298	8 152	0	1 806
Halwell Mutual Insurance Company	2								
Hamilton Township Mutual Insurance Company		72 129	26 998	37%	22 394	17 619	7 657	0	2 724
Hay Mutual Insurance Company		47 532	33 136	70%	9 306	7 841	2 718	1 340	1 771
Howard Mutual Insurance Company		48 992	31 315	64%	10 725	8 721	3 001	654	2 061
Howick Mutual Insurance Company		39 889	15 114	38%	17 859	14 288	5 788	0	976
Kent & Essex Mutual Insurance Company	2								
L&A Mutual Insurance Company		20 754	7 330	35%	9 140	7 170	2 691	0	193
Lambton Mutual Insurance Company		65 265	31 874	49%	19 031	16 229	6 001	0	2 991
McKillop Mutual Insurance Company		24 950	14 033	56%	8 946	6 907	2 387	459	2 052
Middlesex Mutual Insurance Company	2								
Norfolk Mutual Insurance Company		21 532	12 072	56%	7 181	5 432	2 887	0	1 085
North Blenheim Mutual Insurance Company		30 350	19 216	63%	9 345	7 379	3 135	230	1 359
North Kent Mutual Fire Insurance Company		35 517	22 541	63%	7 989	6 904	3 119	583	1 765
Oxford Mutual Insurance Company		31 752	17 826	56%	11 260	9 499	4 566	0	1 925
Peel Mutual Insurance Company	2								
South Esthopte Mutual Insurance Company		58 170	32 691	56%	14 652	12 619	3 757	1 645	3 874
Town & Country Mutual Insurance Company		43 299	18 851	44%	12 102	9 554	3 527	0	1 240
Townsend Farmers' Mutual Fire Insurance Company		21 827	9 979	46%	7 777	6 067	2 560	0	310
Tradition Mutual Insurance Company		42 296	21 995	52%	13 061	10 712	5 900	0	2 926
Trillium Mutual Insurance Company		106 574	50 990	48%	40 542	35 950	14 122	0	2 419
Usborne and Hibbert Mutual Fire Insurance Company		14 208	32 992	232%	6 227	4 739	2 615	0	1 012
Wabisa Mutual Insurance Company		23 680	9 003	38%	7 093	4 332	2 806	0	595
West Elgin Mutual Insurance Company		45 084	24 298	54%	11 589	9 874	3 504	0	1 493
West Wawanosh Mutual Insurance Company		49 815	27 432	55%	15 360	13 387	5 601	0	2 855
Westminster Mutual Insurance Company		21 492	8 195	38%	8 777	5 468	1 966	0	145
Yarmouth Mutual Insurance Company		24 571	11 282	46%	8 828	6 433	2 790	0	-536
	2	1 829 562	938 398	51%	572 643	482 505	193 692	8 447	68 930
Farm Mutual Reinsurance Plan Inc		806 726	332 154	41%	167 545	133 175	20 594		49 295

(1) All companies are members of OMIA and FMRP and are incorporated in Ontario

(2) Six companies have not made their financial statements available to the general public. Totals are therefore incomplete.

(3) Name change for former Peel Maryborough Mutual Insurance Company on September 1, 2015

(4) Exp includes acquisition and administrative expenses

recent merger with Oxford Farm Mutual. Legislation was first introduced in Ontario in 1836 permitting the establishment of mutual companies. Dumfries Mutual claims to be the oldest existing farm mutual [having been organized in 1856. They were followed by many more in the ensuing years. There have been well over a hundred over the years but only about 40 remain with mergers happening virtually every year. Most have very high surplus to gross written premium ratios as shown on Chart 3. Expense ratios tend to be high but are financed by surplus investment income. A number of them declare](#) periodic premium rebates when results are favourable. As noted earlier, Ontario mutuals have also established a Fire Mutuals Guarantee Fund and a reinsurer.

## Other Provinces' Mutuals

There are nine mutual insurers in the Maritimes who work closely with the Ontario mutuals. Most participate in the FMRP reinsurance programs.

In the western provinces there are seven more provincially incorporated mutual insurers, most of which operate relatively independently. See Chart 4.

Chart 4

Other Mutual Organizations Not Included in Other Charts										
December 31, 2014 Financial Information										
Prov.	Company	Notes	Assets	Surplus	Ratio	GPW	NEP	Exp (3)	Policy Refund	Comp. Income
AB	Mennonite Mutual Insurance Co. (Alberta) Ltd.		15 314	6 207	41%	9 232	7 040	3 305	0	1 015
BC	Mutual Fire Insurance Company of British Columbia		113 099	37 326	33%	69 768	47 746	21 564	0	1 896
BC	Pacific Coast Fishermen's Mutual Marine Insurance Company		14 659	7 366	50%		5 652	957	4 330	211
MB	Hutterian Brethren Mutual Insurance Company	1								
MB	Red River Valley Mutual Insurance Company		148 837	60 865	41%	84 518	71 308	31 025	0	3 388
NB	Carleton Mutual Insurance Company	1								
NB	Fundy Mutual Insurance Company		16 487	13 710	83%	3 464	2 368	2 104	0	825
NB	SouthEastern Mutual Insurance Company		20 075	15 211	76%	7 165	5 770	3 166	0	907
NB	Stanley Mutual Insurance Company	1								
NS	Antigonish Farmers' Mutual Insurance Company		17 586	12 589	72%	5 951	4 472	4 980	0	340
NS	Clare Mutual Insurance Company		4 589	1 990	43%	2 933	1 850	1 231	0	292
NS	Kings Mutual Insurance Company (The)		39 127	32 011	82%	8 475	7 189	4 529	445	1 426
NS	Pictou County Farmers' Mutual Fire Insurance Company		8 564	7 444	87%	1 607	1 188	1 118	43	228
PEI	Prince Edward Island Mutual Ins Co.		63 848	44 239	69%	19 728	17 021	6 029	0	1 756
SK	Germania Mutual Insurance Company	1								
SK	Mennonite Mutual Fire Insurance Company of Saskatchewan	1								
			462 185	238 958	52%	212 841	171 604	80 008	4 818	12 284
n/a	Canadian Medical Protective Association	3	3 234 924	-360 376	-11%	404 198	404 198	63 179		-14 219

(1) Financial information not available. Totals exclude these 5 companies.  
(2) Exp includes acquisition and administrative expenses  
(3) Unincorporated entity provides liability protection for Canadian doctors

## Promutuel Assurance

Promutuel Assurance claims on its website to write \$660 million of insurance and to have been in business in Quebec for 160 years. It now has 22 members after a series of recent mergers (see Chart 5) and oversight is provided by the Group Promutuel fédération de sociétés mutuelles d'assurance générale. The level of shared services provided within Promutuel Assurance greatly exceeds that available to the Ontario or other farm mutual systems. This includes marketing, reinsurance, actuarial, systems and auditing assistance among other functions. The Promutuels purchase proportional reinsurance from Promutuel Reassurance and receive reinsurance commissions to offset their administrative and acquisition expenses.

Chart 5

Promutuel Group - Quebec									
December 31, 2014 Financial Information									
Company	Notes	Assets	Surplus to Assets			GPW	NEP	Exp (6)	Comp. Income
			Surplus	Ratio					
Promutuel Appalaches - St-François, Société mutuelle d'assurance générale		30 536	9 413	31%	26 990	19 911	7 405	-431	
Promutuel Bagot, Société mutuelle d'assurance générale		39 052	25 281	65%	15 911	9 794	3 365	1 058	
Promutuel Beauce-Etchemins, Société mutuelle d'assurance générale		48 807	12 082	25%	38 841	28 471	9 603	-2 432	
Promutuel Bellechasse-Lévis, Société mutuelle d'assurance générale		43 056	21 014	49%	24 952	17 237	5 564	691	
Promutuel Bois-Francis, Société mutuelle d'assurance générale		25 857	8 381	32%	18 416	12 253	4 629	-145	
Promutuel Boréale, Société mutuelle d'assurance générale	1	65 003	17 273	27%	40 105	30 748	10 272	-696	
Promutuel Coaticook-Sherbrooke, Société mutuelle d'assurance générale		28 693	11 572	40%	20 958	14 062	5 211	-300	
Promutuel de l'Estuaire, Société mutuelle d'assurance générale		86 932	33 423	38%	57 673	46 513	15 866	-3 419	
Promutuel Deux-Montagnes, Société mutuelle d'assurance générale		38 525	14 286	37%	26 006	18 857	6 228	2 606	
Promutuel Drummond, Société mutuelle d'assurance générale		21 789	12 659	58%	11 998	8 283	4 393	1 495	
Promutuel du Lac au Fjord, Société mutuelle d'assurance générale		45 056	14 543	32%	33 336	25 617	8 825	2 395	
Promutuel Lanaudière, Société mutuelle d'assurance générale		47 943	14 010	29%	40 904	29 249	10 114	1 269	
Promutuel du Littoral, Société mutuelle d'assurance générale		55 056	26 677	48%	32 664	24 453	8 500	-398	
Promutuel Lotbinière, Société mutuelle d'assurance générale		47 989	21 488	45%	26 850	17 603	6 563	-799	
Promutuel Montmagny - L'Islet, Société mutuelle d'assurance générale		44 987	29 542	66%	18 411	14 240	4 818	247	
Promutuel Monts et Rives, Société mutuelle d'assurance générale		24 332	12 775	53%	12 596	9 350	3 318	1 225	
Promutuel L'Outaouais, Société mutuelle d'assurance générale		34 672	11 281	33%	26 311	19 517	7 302	-565	
Promutuel Portneuf - Champlain, Société mutuelle d'assurance générale		75 855	29 799	39%	49 123	37 624	12 089	1 521	
Promutuel Rivière-du-Loup, Société mutuelle d'assurance générale	4	23 407	9 769	42%	11 572			-1 079	
Promutuel La Vallée, Société mutuelle d'assurance générale	4	18 811	5 862	31%	14 275			678	
Promutuel Vallée du St-Laurent, Société mutuelle d'assurance générale	2	88 307	27 653	31%	62 034	43 137	15 397	347	
Promutuel Vaudreuil - Soulanges, Société mutuelle d'assurance générale	4	33 958	17 598	52%	19 690	14 495	6 275	1 073	
Promutuel Vercheres - Les Forges, Société mutuelle d'assurance générale	3								
- Promutuel Lac St-Pierre - Les Forges		69 444	18 161	26%	24 371	17 048	5 668	1 071	
- Promutuel Vercheres	5								
		<u>1 038 067</u>	<u>404 542</u>	<u>39%</u>	<u>653 987</u>			<u>5 412</u>	
Promutuel Reassurance		<u>303 134</u>	<u>108 880</u>	<u>36%</u>	<u>183 255</u>	<u>147 579</u>	<u>46 631</u>	<u>11 646</u>	

(1) Merger of Promutuel l'Abitibiienne and Promutuel Rouyn-Noranda - Témiscamingue  
(2) June 30, 2014 merger of Promutuel Prairie-Valmont and Promutuel Haut St-Laurent  
(3) October 1, 2015 merger of Promutuel Vaudreuil - Soulanges and Promutuel Lac St-Pierre - Les Forges  
(4) Data per IGIF website. All other data per publicly available financial statements.  
(5) Financial information not readily available  
(6) Exp includes acquisition and administrative expenses

## Other Quebec Mutual Organizations

Quebec has a unique set of licensed liability insurance organizations for their professional “orders” such as dentists, notaries, pharmacists, architects and real estate agents. In many other provinces these types of professionals contribute to unregulated funds to obtain the same type of protection. Likewise the churches in Quebec have three insurance companies which allow them to share property risks on a mutual basis. See Chart 6 below.

Chart 6

Quebec Based Mutuals (other than Promutuel)										
December 31, 2014 Financial Information										
Category	Company	Note	Assets	Surplus	Surplus to Assets Ratio	GPW	NEP	Exp	Exp Ratio	Comp. Income
Fonds d'assurance responsabilité professionnelle										
	du Barreau du Québec		122 019	63 352	52%	17 489	16 954	2 079	12%	7 230
	de la Chambre des notaires du Québec	1	78 865	34 431	44%	9 980				2 160
	de l'Ordre des architectes du Québec		72 060	13 394	19%	13 073	11 608	1 554	13%	-962
	de l'Ordre des dentistes du Québec		29 035	8 317	29%	6 289	5 649	1 278	23%	225
	de l'Ordre des évaluateurs agréés du Québec	1	6 256	2 676	43%	1 730				251
	de l'Ordre des pharmaciens du Québec		19 565	14 446	74%	3 620	3 301	852	26%	2 676
	d'autoréglementation du courtage immobilier du Québec	1	55 025	37 890	69%	6 743	6 533	1 338	20%	4 082
Church organizations:										
	L'Assurance mutuelle de l'Inter-Ouest	1	5 589	5 121	92%	640				-103
	L'Assurance mutuelle des Fabriques de Montréal	1	53 665	47 072	88%	7 087				485
	L'Assurance mutuelle des Fabriques de Québec	1	85 003	75 921	89%	9 128				85
Other										
	Le Groupe Estrie-Richelieu, Compagnie d'assurance		136 847	91 784	67%	46 594	32 953	11 627	35%	5 905
	Groupe Ledor inc, Mutuelle d'assurance	1	126 448	42 765	34%	73 815				-1 280
	La Mutuelle des municipalités du Québec	1	81 360	24 315	30%	36 175				1 784
			<u>871 737</u>	<u>461 484</u>	<u>53%</u>	<u>232 363</u>				<u>22 538</u>

(1) Data for this company is from IGIF website and is highly summarized

## **Reciprocal Insurance Exchanges**

Provincial legislation has been in place for many years allowing groups to organize reciprocal insurance exchanges. It was not until the liability insurance crisis of the mid 1980's that this legislation was actively utilized. A whole series of mostly public sector organizations established reciprocals as a reaction to being unable to obtain liability coverage at reasonable, and in some cases, any rates.

Ontario school boards, municipalities, electric utilities, universities and hospitals all formed these mutual style organizations during this period. They have been followed by a wide variety of different organizations, including many outside of the public sector who have also had challenges obtaining affordable coverage. The exchanges have proven very effective for most of these groups. The reciprocals purchase excess reinsurance to protect against catastrophic loss, often accessing international markets. The Canadian Association of Insurance Reciprocals describes the role of the reciprocals as "to reduce and stabilize long-term insurance costs and ensure access to the coverage and service needed for critical member functions". Many have a strong focus on risk management education and procedures.

Most of the larger established reciprocals publish their annual financial statements on their websites, but many of the smaller ones do not currently make theirs publicly available.  
See Chart 7 (next page).



Chart 7

Reciprocal Insurance Exchanges													
December 31, 2014 Financial Information													
Company	Licenses	Notes	Type	CAIR Member?	Assets	Surplus	Surplus to Assets		GPW	NEP	Exp	Exp Ratio	Comp. Income
							Ratio	Ratio					
<b>Financial information available:</b>													
Genesis Reciprocal Insurance Exchange	AB	6	Municipalities	Y	31 836	11 219	35%	4 453	4 407	359	8%	1 027	
Jubilee Reciprocal Insurance Exchange	AB	6	Municipalities		15 521	5 010	32%	7 658	5 410	379	7%	-126	
Canadian Universities Reciprocal Insurance Exchange	BC, SK, ON		Education	Y	148 759	74 231	50%	24 455	23 231	3 503	15%	7 637	
Healthcare Insurance Reciprocal of Canada	BC, SK, ON		Healthcare	Y	1 219 975	452 353	37%	150 274	138 543	14 600	11%	101 973	
Municipal Electric Association Reciprocal Insurance Exchange	ON		Utility	Y	100 001	67 099	67%	12 777	7 736	2 177	28%	10 004	
Municipal Insurance Association of British Columbia	BC	5	Municipalities	Y	142 214	83 724	59%	12 880	9 922	4 263	43%	-149	
Ontario Municipal Insurance Exchange	ON		Municipalities	Y	216 275	28 274	13%	41 472	33 908	3 020	9%	18 779	
Ontario School Boards' Insurance Exchange	ON		Education	Y	242 663	96 649	40%	42 420	39 847	3 688	9%	21 301	
Poultry Ins. Exchange Reciprocal of Canada	BC, SK, ON		Poultry producers	Y	8 816	5 741	65%	2 761	2 104	309	15%	2 036	
					<b>2 126 060</b>	<b>824 300</b>	<b>39%</b>	<b>299 150</b>	<b>265 108</b>	<b>32 298</b>	<b>12%</b>	<b>162 482</b>	
<b>Financial information not available:</b>													
Alberta Lawyers Insurance Exchange	AB		Lawyers	Y									
Alberta Local Authorities Reciprocal Insurance Exchange	AB	2	Municipalities										
Alberta Municipal Insurance Exchange	AB		Municipalities	Y									
Alberta Roofing Contractors Reciprocal Insurance Exchange	AB		Roofers	Y									
Alberta School Boards Insurance Exchange	AB		Education										
Asset Protection Insurance Exchange	BC, SK		Church property										
Canadian Airports Reciprocal Ins. Exchange	BC, AB		Airports	Y									
Canadian Applicators Insurance Reciprocal	SK, MB		Crop sprayers										
Canadian Egg Industry Reciprocal Alliance	BC, AB		Egg producers	Y									
Canadian Lawyers Insurance Association	AB, SK		Lawyers	Y									
Canadian Lawyers Liability Assurance Society	BC, ON		Lawyers										
Community Newspapers Reciprocal Insurance Exchange	BC, SK, ON		Newspapers										
Energy Insurance Group	BC, AB		Energy comp	Y									
Fedgas Insurance Reciprocal Exchange	AB		Gas Coops										
Lumbermen's Underwriting Alliance	BC, SK	3	Timber										
Northern Communities Insurance Exchange	NT		Municipalities										
Nova Scotia Health Organizations Protective Association	NS	4	Health	Y									
Nova Scotia School Insurance Exchange	NS		Education	Y									
Nunavut Association of Municipalities Insurance Exchange	NU		Municipalities										
Provincial Health Authorities of Alberta Liab. and Prop. Ins.	AB		Health	Y									
Real Estate Insurance Reciprocal	AB, SK		R.E. Brokers										
SUMAssure Insurance Reciprocal	SK		Municipalities	Y									
Urban Schools Insurance Consortium	AB		Education										
Yukon Communities Insurance Association	YK		Municipalities										

(1) Canadian Association of Insurance Reciprocal (CAIR)  
 (2) Discontinued  
 (3) Parent in receivership  
 (4) Reciprocal has been discontinued in 2015 and operations transferred to a non-regulated entity  
 (6) Financial information is 2013  
 (5) Expenses of this reciprocal include claim administration

## Captives

Another common form of mutual insurance involves the formation of captives. Many Canadian companies and organizations which share a common risk profile have established offshore captives in jurisdictions such as Barbados and Bermuda. In 1996, B.C. became the first Canadian jurisdiction to permit the establishment of domestic captives.

Chart 8 is a list of those who have registered in BC. Some of these Captives insure a single parent but many insure a group of organizations or agencies on a mutual basis.

**Chart 8**

<b>List of B.C. Captive Insurers (1)</b>	<b>CCIA (2) Member</b>
Abacam Risk Management Ltd	Y
Baycrest Captive Insurance Company Ltd	
British Columbia Veterinary Captive Insurance Company	Y
BCF Captive Insurance Company Ltd	Y
BCHPA Captive Insurance Company Ltd	Y
BMC Financial Inc.	Y
Canadian Blood Services Captive Inc Co. Ltd	Y
Canadian Shipowners Mutual	Y
CRNBC Captive Insurance Corp.	Y
CUPP Services Ltd	Y
Elgin Captive Insurance Company Inc.	Y
Ellis BC Captive Insurance Company Ltd.	Y
GLBH Captive Insurance Company Ltd	
Golden Eagle Assurance Limited	Y
Great Pacific Financial Services Ltd	Y
Hulbert Group Captive Insurance Inc.	
Hyundai Auto Canada Captive Insurance Inc.	Y
LSBC Captive Insurance Company Ltd	
Macdon Financial Inc.	Y
Monashee Captive Insurance Company Limited	Y
Penguins International Corp	Y
RCA Indemnity Corporation	Y
Roofing Contractors Association Indemnity Corporation	Y
Transportation Property and Casualty Insurance Inc.	Y
West Fraser Captive Inc.	
Westcoast Indemnity Company Limited	

(1) Non-CCIA members are as per March 2013 Report On Provincially Chartered Insurers and Provincial Solvency Supervision Frameworks, Solvency Forum Committee, Canadian Council of Insurance Regulators (may be out of date)

(2) Canadian Captive Insurance Association member per current December 2015 website listing

## Conclusion

The potential demutualization of Economical Insurance Group may put a dent in total Canadian mutual insurance premium volume, but an active sector is likely to continue to exist for years to come. Over 130 separate mutual insurance organizations and many more companies which share their operating philosophy still remain. Consolidation among these players will almost certainly continue as smaller players face expense and operating challenges. The roles of the industry associations in helping with these challenges will be very important to the ongoing success of the mutual sector. It is not obvious how many more will try to access the demutualization option. While the Department of Finance has released guidance for this process at the federal level, the provinces still have a long way to go before this option can be considered for the majority of Canadian mutual insurers. It is also likely that pressure for more modern governance and regulation will continue to evolve.