

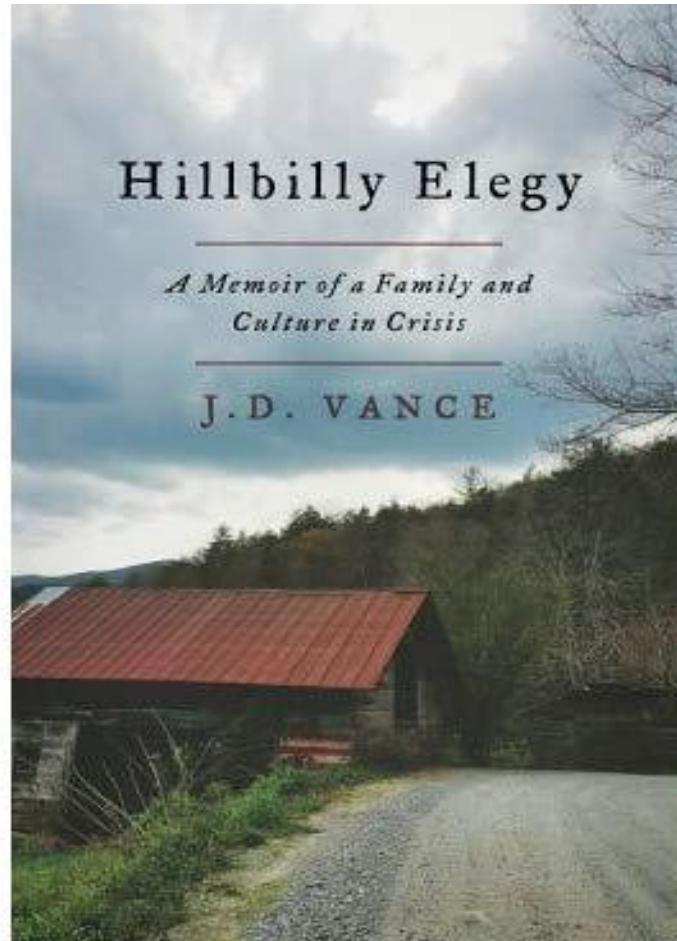
CAMIC & MEDIA

22 March 2019

Trump & Mutual Insurance



Acknowledge the anger



Mutual insurance in the news



CFO Leaves Economical Mutual

31 January, 2011

Globe and Mail

A battle over Economical Insurance Group has taken an unusual twist, with the insurer's chief financial officer leaving the company amid allegations he secretly helped Westaim Corp. plot a takeover attempt.

Mutual insurance in the news

WATERLOO REGION
RECORD

Fired executives launch suits against Economical

4 June, 2011

After successfully fighting off a challenge to its board of directors by dissident policyholders, the Economical Mutual Insurance Co. is facing lawsuits from two fired senior executives and the owner of an insurance brokerage it severed ties with.

Mutual insurance in the news



How Economical plans to remain independent after demutualization

9 May, 2018

- ▶ If Economical Mutual becomes publicly-traded on the stock exchange, it could eventually be acquired, but company officials have no intention of making Economical an easy acquisition target.

Mutual insurance on the news



Windfall shrinks at Economical Insurance IPO

18 FEBRUARY, 2019

For a handful of its clients, the planned public-market debut of Economical Mutual Insurance Co. is a long-promised lottery win that keeps shrinking in size. An expected \$1-million prize is now just \$300,000.

Verbatim comments on Economical

- ▶ “I think this IPO is one big rip off. I smell a rat.”
- ▶ “Economical charity foundation is a slush fund for executives, so they can throw around cash and be big shots in Waterloo.”
- ▶ “Retired Economical CEO owns four participating policies.”
- ▶ “Insiders at Economical and insurance brokers own majority of the participating policies, game is rigged.”
- ▶ “Independent advisors were bought off.”
- ▶ “Follow the money!”
- ▶ “Top brokers were quietly awarded mutual policies”

Cast of Economical IPO

- ▶ Banks: Bank of Montreal, Royal Bank of Canada
- ▶ Law firms: McCarthy Tetrault, TGF, Blake Cassels & Graydon
- ▶ Actuaries: RSM Canada, Eckler, Baron Insurance Services
- ▶ Accountant: PwC
- ▶ Financial advisors: Alexander Capital, Morrison Park

- ▶ Cost of IPO advisors: \$20-million & counting

Takeaways for CAMIC

- ▶ Recognize most stakeholders have no appreciation for mutual insurance roots
- ▶ Assume disruption is coming. Hope is not a strategy
- ▶ Trust can only be earned through transparency
- ▶ Reputations ride on the actions of every employee
- ▶ Large organizations - banks, regulators, accounting firms - can evoke negative sentiment
- ▶ Marketing & PR must include robust social media campaigns

