

Application for Voting Member or Associate Status

Organization Name: The CUMIS Group Limited

Representative's Name and Title: Colleen Hyslop Senior Manager, Corporate & Board Relations and
Assistant Corporate Secretary

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Parent Company: The Co-operators Group Limited

Asset Size of Corporate Family: \$35.5 billion

Membership Classification & Fees:

I. VOTING

☐ \$47,000

☒ \$23,500

Financial organizations involved in the business of insurance in Canada are eligible to apply for Voting Member status. Voting Members are entitled to a single vote on Association decisions, regardless of corporate size. Dues are \$47,000 per annum for companies with consolidated corporate family assets of \$75 billion CAD or greater, and \$23,500 per annum for companies with consolidated corporate family assets below that threshold. Dues are payable in equal semi-annual instalments.

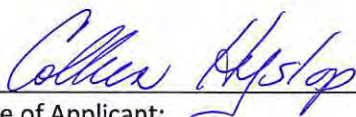
II. ASSOCIATE (non-voting status)

☐ \$4,800

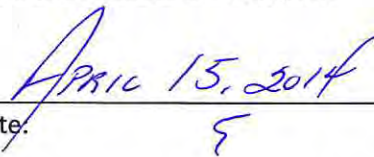
Organizations that are business partners of CAFII members or otherwise support the Association's goals are eligible to apply for Associate status. Associates receive periodic CAFII communications and invitations to CAFII events. Associate dues are \$4,800 per annum payable in one instalment.

*CAFII Voting Member or
Associate Status is valid from
January 1 to December 31 each year.*

Signature of Applicant:



Date:



As a signing authority, I hereby acknowledge that as an applicant for Voting Member or Associate status in CAFII, my organization supports the Association's mission, objectives, and policy positions.

News Releases

Co-operators Life Insurance Company and Central 1 Credit Union to acquire TheCUMIS Group Limited

Sep 17, 2009
1:58pm

BURLINGTON, ON, Sept. 17 /CNW/ - Co-operators Life Insurance Company (Co-operators Life) and Central 1 Credit Union (Central 1) today announced an agreement to acquire The CUMIS Group Limited (CUMIS), subject to regulatory, shareholder and court approvals and other standard closing conditions. This transaction would result in a strong, Canadian-owned supplier of insurance products and services to Canadian credit unions and their members.

Based on December 31, 2008 consolidated financial statements, the purchase price will be approximately C\$232 million. The final purchase price will be determined based on closing audited financial statements for 2009 subject to final closing adjustments.

CUMIS provides a full range of personal insurance, including credit and mortgage protection; life; disability and critical illness; home; auto; travel and employee benefits. It also provides business, liability and property insurance to credit unions themselves, as well as wealth management services and products, including credit union group retirement plans. All existing CUMIS insurance policies remain in effect with no changes.

Co-operators Life is a wholly-owned subsidiary of The Co-operators Group Limited (The Co-operators). For 23 years, The Co-operators and CUMIS have had a joint insurance business venture, through which CUMIS provides insurance products and services to approximately 450 Canadian credit unions and caisses populaires, and their more than five million members.

Co-operators Life, based in Regina, Saskatchewan, and Central 1, headquartered in Vancouver, B.C., intend to acquire 100 per cent of the issued and outstanding shares of CUMIS, pending required approvals. CUNA Mutual Group, based in Madison, Wisconsin, currently holds 87.4 per cent of the shares of CUMIS, and fully supports this transaction. The transaction is expected to close on or about December 31, 2009. Upon completion of the transaction and execution of agreements between The Co-operators and Central 1, The Co-operators will own approximately 63.8 per cent to 73 per cent of CUMIS and Central 1 will own approximately 23.6 per cent to 27 per cent of CUMIS.

"Our longstanding relationships with both CUMIS and Central 1, together with our shared commitment to the co-operative and credit union sector, make this a natural fit for The Co-operators," said Kathy Bardswick, President and CEO of The Co-operators. "As a Canadian-owned co-operative, we welcome the opportunity to forge even closer relationships with, and to provide quality insurance-related services to, credit unions and their members."

"This investment fits well with our vision and we are pleased to partner with The Co-operators in this business opportunity," said Don Rolfe, President and CEO of Central 1. "This acquisition will allow us to ensure credit unions and their members receive efficient service and affordable insurance products. It also diversifies our revenue sources."

"As the leading provider of insurance-related products and services to the Canadian credit union system outside Quebec, CUMIS has been focused on helping credit unions protect themselves and their members for more than 70 years," said Kenn Lalonde, President and CEO of CUMIS.

"The Co-operators, Central 1 and CUMIS share strong co-operative values along with a commitment to community and to the credit union system. This deal can only enhance our ability to continue to meet and exceed our customers' expectations."

"The time is right for all of the organizations involved to make this move," said Jeff Post, President and CEO of CUNA Mutual. "For CUNA Mutual, it improves our flexibility to diversify and pursue new avenues for growth. For the Canadian companies involved, it joins three organizations with like-minded values and a long-time commitment to the Canadian credit union system."

In addition to her role as President and CEO of The Co-operators Group, Kathy Bardswick will become CEO of CUMIS on closing of this deal.

About Co-operators Life:

Co-operators Life Insurance Company, with its head office in Regina, is a part of The Co-operators - a group of Canadian companies offering home, auto, life, group, travel, commercial and farm insurance, as well as investment products. The Co-operators Group Limited is a 100 per cent Canadian-owned co-operative with assets of more than CDN \$7 billion. It is owned by a group of Canadian co-operators, credit union centrals and like-minded organizations. The Co-operators is well known for its community involvement, and is listed among the 50 Best Employers in Canada.

About Central 1:

With CDN \$9.5 billion in assets, Central 1 Credit Union is the central liquidity management facility and trade association for its nearly 200 member credit unions in B.C. and Ontario. From offices in Vancouver, B.C., and Mississauga, Ont., more than 500 employees provide a wide range of services, including liquidity management, payments settlement, Internet financial services and trade association functions. More information about Central 1 is available at www.sedar.com.

About CUMIS:

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. Its principal companies are CUMIS Life Insurance Company and CUMIS General Insurance Company. CUMIS also has a 50 per cent interest in CUIS Brokerage Services Limited and Credential Financial Inc. CUMIS has management responsibility for its joint insurance business venture with The Co-operators, which offers an integrated portfolio of both organizations' insurance products and related services to credit unions under the banner of "CUMIS Insurance in partnership with The Co-operators."

About CUNA Mutual:

CUNA Mutual Group is a leading provider of financial services to credit unions, their members and valued customers worldwide. With more than 70 years of commitment to credit unions, CUNA Mutual's vision is unwavering: to be a trusted partner who delivers service excellence and customer-focused, best-in-class products and market-driven innovation. More information on the company is available on the company's Web site at www.cunamutual.com.

For further information: Leonard Sharman, The Co-operators, 1-877-795-7272, ext. 2707, leonard_sharman@cooperators.ca; Art Chamberlain, Central 1 Credit Union, (905) 282-8534, achamberlain@central1.com; Rick Uhlmann, CUNA Mutual Group, (608) 231-8940, rick.uhlmann@cunamutual.com; Colleen Vecsi, CUMIS, (905) 631-4892, colleen.vecsi@cumis.com

FINANCIAL DATA BY LEGAL ENTITY*(in millions of dollars except return on equity and loss ratio)*

	CGIC ^{1,2}			Sovereign			L'Union Canadienne ³			COSECO		
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
Direct written premium	1,608.2	1,565.6	1,548.4	288.7	284.6	280.6	-	-	-	209.7	199.8	205.9
Net income from continuing operations	155.2	75.8	33.5	28.6	26.0	17.7	-	-	-	28.4	48.7	11.5
Net income from discontinued operations	-	-	-	-	-	-	45.5	(0.2)	10.0	-	-	-
Net income (loss)	155.2	75.8	33.5	28.6	26.0	17.7	45.5	(0.2)	10.0	28.4	48.7	11.5
Total assets	3,664.8	3,554.6	3,447.3	679.2	666.4	640.8	-	466.9	458.4	558.7	604.9	588.6
Shareholders' equity	1,093.4	1,013.4	944.4	209.1	201.3	172.8	-	125.0	126.4	137.6	184.5	142.6
Return on equity	16.3%	8.6%	4.1%	15.0%	14.9%	11.7%	n/a	(0.2%)	7.7%	19.4%	32.6%	9.2%
Loss ratio (excludes MYA) ⁴	61.3%	65.7%	71.2%	53.8%	49.6%	54.7%	68.4%	71.2%	62.0%	68.7%	51.2%	78.6%

¹ Net income from continuing operations, total assets and shareholders' equity amounts are net of inter-company adjustments² CGIC includes subsidiary L'Equitable, Compagnie d'assurances Générale for all periods presented³ L'Union Canadienne is presented as discontinued operations. Refer to *Sale of L'Union Canadienne* section of the MD&A for a breakdown of net income (loss) from discontinued operations. Net income (loss) from discontinued operations is net of inter-company adjustments and includes the gain after tax on sale of discontinued operations⁴ Loss ratio for L'Union Canadienne includes 9 months of operations, prior to sale on October 1, 2012

CGIC provides home, automobile, farm and commercial insurance to individuals and businesses through a dedicated financial advisor network with 2,513 licensed insurance representatives throughout Canada. DWP grew by \$42.6 million or 2.7% compared with 2011. Growth was attributed to policy, vehicle and client growth across all product lines except the farm line of business. CGIC's loss ratio, excluding the MYA, decreased to 61.3%, or by 4.4 percentage points due to fewer major events and reduced accident year claims which offset lower favourable claims development compared to 2011. Net investment income and gains improved during the year as less impairment losses were recognized. All of these factors contributed to a net income of \$155.2 million compared to \$75.8 million in 2011.

Sovereign writes complex commercial, marine and special risk insurance through independent brokers across Canada. It also offers personal insurance products in select regions of the country. DWP was \$4.1 million above prior year which is attributable to growth in our commercial energy product line, certain specialty products and commercial auto policies. This growth offset the soft market pressures affecting certain commercial business. The loss ratio, excluding MYA, has increased by 4.2 percentage points as a result of commercial losses which occurred in the first quarter of 2012, and an increased severity of commercial auto losses. Sovereign's underwriting gain and improved net realized investment gains contributed to net income of \$28.6 million, compared to \$26.0 million in 2011.

COSECO provides home and auto insurance to employer, association and affinity groups across Canada. COSECO's DWP increased in the year by \$9.9 million or 5.0%. The online internet quoting initiative has produced positive DWP growth results. In addition, rate decreases in certain areas has resulted in increased retention rates. The loss ratio, excluding the MYA, increased by 17.5 percentage points, as a result of the combination of increased frequency and severity of claims in the home portfolio, more auto accident year claims and lower IBNR releases, compared to 2011. This has led to net income of \$28.4 million in 2012 compared to a net income of \$48.7 million in 2011.

BUSINESS DEVELOPMENTS AND OPERATING ENVIRONMENT**ONTARIO AUTO**

The Ontario auto reform, which commenced September 2010, is continuing to demonstrate effectiveness. Our loss ratio has experienced improvements since the reform. We recognize that the magnitude of bodily injury claims continues to be a risk that we are proactively managing. We are confident in the short term success of the reform and our risk management processes and have therefore implemented rate decreases for certain territories in the second and third quarters of 2012. Refer to *Emerging Legislation and Regulatory Events* for an update on the definition for catastrophic impairment and the dispute resolution backlog.

SALE OF L'UNION CANADIENNE

On June 6, 2012, CGIC announced that it had entered into an agreement to sell the shares of its wholly owned subsidiary, L'Union Canadienne to RSA Canada for cash consideration of \$150.0 million. The sale allows us to focus on the growth of both our direct distribution and specialty commercial businesses in the Quebec market. Following receipt of all regulatory approvals, the sale closed on