



A Company to Discover!

Presentation by Mr. Pierre Genest
Chairman of the Board

- SSQ Financial Group
 - An organization guided by mutualist values
 - Values that set us apart and add to our success

- An overview
 - What is the definition of co-operation?
 - What is the definition of mutualism?

● Definition

“An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

● Definition

“A form of voluntary insurance through the members of a group, in return for the payment of a contribution, providing social coverage for one another in the case of illness, maternity, disability, death, etc., and where they are guaranteed certain benefits.”

● Key organizations

- Conseil québécois de la coopération et de la mutualité (CQCM)
- Conseil canadien de la coopération et de la mutualité (CCCM)
- Canadian Co-operative Association (CCA)
- International Co-operative Alliance (ICA)
- International Co-operative and Mutual Insurance Federation (ICMIF)

- In Canada
 - Over 10,000 co-operatives, credit unions and mutuals
 - Total assets of \$275 billion
 - 160,000 jobs

- Parallels of cooperation and mutualism
 - Common values
 - ▶ Sharing
 - ▶ Democracy
 - ▶ Equality
 - ▶ Equity
 - ▶ Solidarity

- Recognized principles
 1. Voluntary open membership
 2. Democratic member control
 3. Education, training and information
 4. Concern for community
 5. Economic participation of members
 6. Autonomy and independence
 7. Cooperation among co-operatives

- Main difference
 - Decision-making power
 - ▶ Co-operative: Deliberative assembly
 - ▶ Mutual: Board

- Objectives
 - Mutual members
 - Co-operative members

- Funeral Co-operative?

● Dr. Jacques Tremblay



- Working class people were unable to afford medical treatment
- Absence of universal public plan
- Doctors awaited patients... who couldn't afford their medical services

- Coopérative de santé de Québec



First Head Office

- 11 members / 3 doctors
- Members charged a \$5 annual membership fee
- Monthly contribution of \$2.60 per family

- Issue of the first group insurance policy
- Collège de Lévis

Les Services de Santé du Québec,
(from which the acronym SSQ was coined)

- Loss of insurance for hospital fees
- Innovation
 - Private or semi-private hospital rooms
 - Surgical expenses
 - Extended coverage for medical visits

- Addition of Disability Insurance and enhancement of Health Insurance

- A private act broadened the powers of Les Services de Santé du Québec
 - Life insurance
 - Capital accumulation products

- Creation of public pension plans (Régie des rentes du Québec – Canada Pension Plan)
- SSQ innovated by launching supplemental pension plan products

- The introduction of the Health Insurance Act struck a hard blow to SSQ
- At the time, Health Insurance represented 71% of our total premiums

- Innovation resulted in 3 new types of coverage
 - Dental care
 - Vision care and chiropractic care
 - Other types of alternative medicine were included later (acupuncture, physiotherapy, etc.)

- 1982 ► Creation of SSQ Realty
- 1987 ► Creation of SSQ General Insurance
- 1990 ► New head office opened
at 2525 Laurier Blvd

- Les Coopérants ► Bankruptcy
- Confederation Life ► Bankruptcy
- Sovereign Life ► Bankruptcy
- Laurentienne ► Merger take over by Desjardins
- La Solidarité ► Merger take over by l'Industrielle

- Reasons: disability insurance and real estate holdings
- SSQ recorded losses of \$40 million on holdings of \$60 million
- Worst crisis in SSQ's history, threatening the renewal of our insurer's licence

- Solutions envisioned
 - Seek out a possible merge
 - Seek out more capital

Solution adopted

● Agreement with partners

- CSN ► Partner of SSQ, Mutual Management Corporation
- FSTQ ► Partner of SSQ, Life Insurance Company Inc.
- CSQ ► Renewal of contract

- Rapid growth
 - Group Insurance
 - Investment and Retirement
 - General Insurance
- High quality services for members
 - 1949 : The Board declares services to members to be a priority
- Good profitability

- Group Insurance
- Investment and Retirement
- Real Estate
- General Insurance
- Individual Insurance

- SSQ started out with Health Insurance
- Over \$1 billion in annual premiums
- Over 3,500 contracts
 - Clientele diversification (volume of premiums)
 - ▶ 55% from private sector
 - ▶ 45% from public sector
 - Geographic diversification
 - ▶ Toronto Office opened in 2002
 - ▶ 20% of the volume of premiums

- Established over 40 years ago
- Over 150 employees
- Offers a range of excellent financial products
 - Guaranteed Interest Accounts (GIAs)
 - ASTRA Funds
 - Life annuities
 - Individual pension plans
 - Group pension plans
 - Investments outside of retirement planning

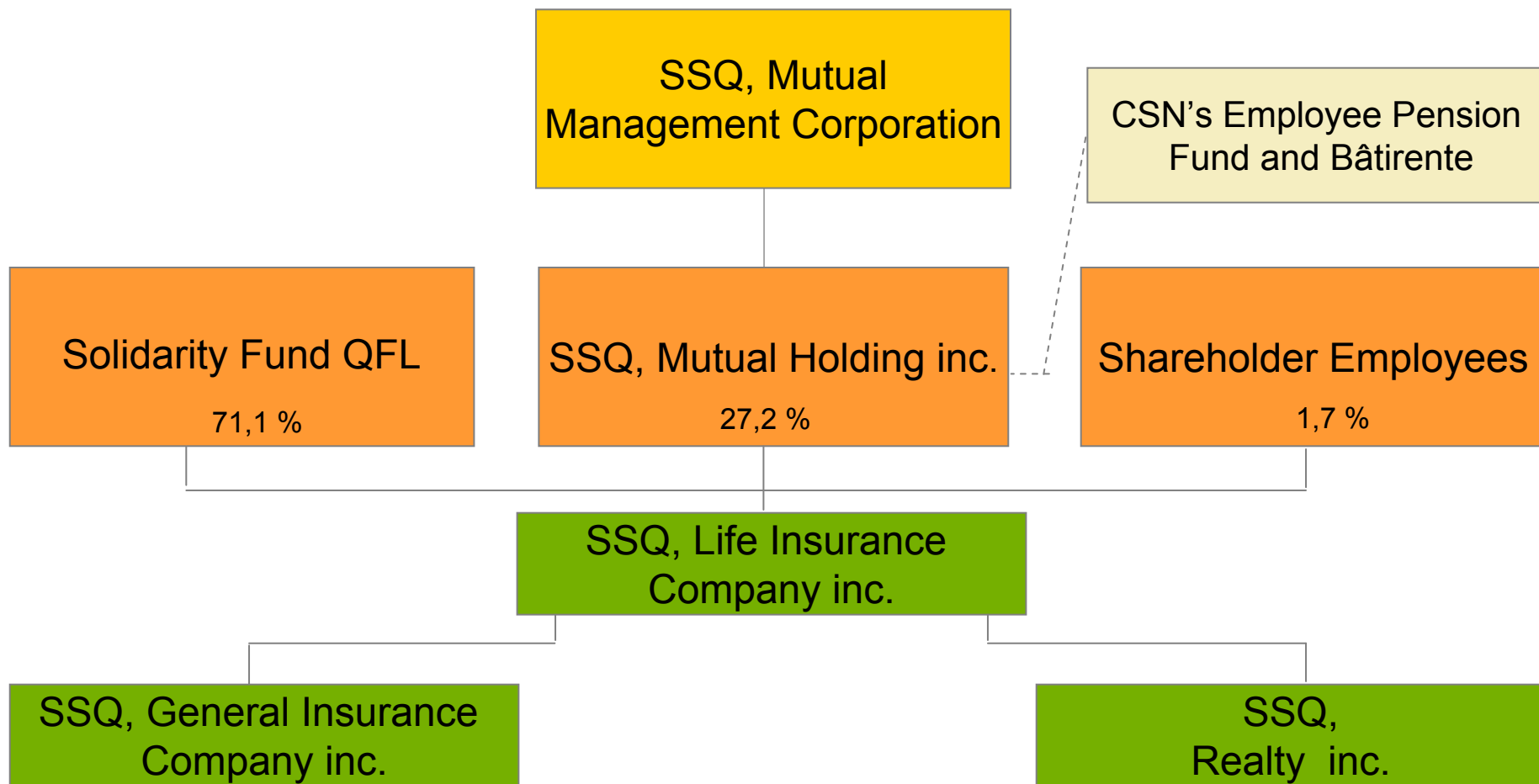
- Established over 25 years ago
- Manages SSQ properties
- Investment property management

- Established over 20 years ago
- Home and auto insurance
- Over 450 employees
- Over \$150 million in annual premiums
- 223,000 policies
- Ranked 10th in Quebec (193 Quebec insurers)

- Demonstrates good corporate citizenship through
 - Socially conscious employees
 - Donation policy
 - SSQ Foundation
 - Sponsorship program
 - Partnerships (e.g.: international missions)

● SSQ Financial Group

- One of the largest insurers in Canada
- Over 1 million clients
- Over 1,600 employees
- Assets under management: \$4.7 billion
- Volume of annual premiums: \$2 billion



Representation of members of the Board of Directors

All persons holding a contract with
SSQ, Life Insurance Company Inc.
automatically become members of
SSQ, Mutual Management Corporation

From members of
SSQ, Mutual Management Corporation



Delegates
They represent members at the
Annual General Meeting

- Regional representation
- Participation in democratic process
- Training and information

- Attend the AGM
- Receive the Report from the Board of SSQ, Mutual Management Corporation
- Receive the financial statements
- Receive information about the activities of the Company

- Right to vote
 - To elect directors to the Board
 - To appoint auditors
 - On any other matter brought forward by the Board

Method of designating delegates

- Groups > 700 ▶ Designated by their group
- Groups < 700 ▶ Groups selected by draw
- Individual members ▶ Selected by draw from among those interested

Examples

Number of members in group	Number of delegates
● 700 to 3 000	1
● 15,001 to 21 000	5
● 55,001 to 66 000	10
● 120,001 to 136 000	15

- Groups of 700 or more members
 - 102/166 delegates (61.5%)

- Groups of less than 700 members
 - 23/37 delegates (62.2%)

- Partner groups
 - Fondation and Bâtirente
 - 16/18 delegates (89%)

- Individual members
 - 12/12 delegates (100%)

- SSQ employees and retirees
 - 3/3 delegates (100%)

AGM	2010	2009	2008	2007
Number of designated delegates	156	135	122	116
Quebec	127	116	103	106
Other provinces	29	19	19	10
Partners	16	13	12	12
Individuals	12	11	10	11



Question period

Thank you!