



A Company to Discover!

Presentation by Mr. Pierre Genest
Chairman of the Board



A Company to Discover!

● **SSQ Financial Group**

- An organization guided by mutualist values
- These values set us apart and add to our success

● **An overview:**

- What is cooperation?
- What is 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)*
- International Co-operative Alliance (ICA)
- Canadian Co-operative Association (CCA)
- *Conseil canadien de la coopération (CCC)*
- International Co-operative and Mutual Insurance Federation (ICMIF)

In Canada

- Over 10,000 co-operatives, credit unions and mutuals
- Total assets of \$225 billion
- 155,000 jobs

● **Parallels of cooperation and mutualism**

- Shared values:
 - Mutual self-help and self-responsibility
 - Democracy
 - Equality
 - Equity
 - Solidarity

 **Recognized principles**

1. Voluntary open membership
2. Democratic Member Control
3. Education, Training and Information
4. Concern for Community
5. Member Economic Participation
6. Autonomy and Independence
7. Cooperation Among Co-operatives

● Differences

- Ministerial responsibility, regulatory authorities, legislation
- Decision-making power
 - Co-operative: Deliberative assembly
 - Mutual: Board

 **Objectives**

- Mutual members
- Co-operative members

A medical co-operative was born:
Coopérative de santé de Québec

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

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

- 1st 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
 - Services were improved for other types of coverage
 - 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

1992 - Major financial crisis across Canada

- *Coopérants* Bankruptcy
- Confederation Life Bankruptcy
- Sovereign Life Bankruptcy
- Laurentian Merger take over by Desjardins
- *Solidarité* Merger take over by Industrial Alliance

- 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 merger
- Seek out more capital

Solution adopted:

- Agreement with new partners
 - CSN Partner of SSQ, Mutual Management Corporation
 - FSTQ Partner of SSQ, Life Insurance Company Inc.
 - CEQ Renewal of contract

- Rapid growth
 - Group Insurance
 - Investment & Retirement
 - General Insurance

- High quality services to members

- Good profitability

- Group Insurance
- Investment & Retirement
- General Insurance
- Real Estate

- SSQ started out with Health Insurance
- Over \$1 billion in annual premiums
- Over 3,500 groups insured
 - Clientele diversification (volume of premiums)
 - 50% from private sector
 - 50% from public sector
 - Geographic diversification
 - Toronto Office opened in 2002

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

- Established 20 years ago
- Home and auto insurance
- Over 350 employees
- Over \$120 million in annual premiums
- 185,000 policies
- Ranked 13th in Quebec (187 Quebec insurers)
- 17% average growth in business volume

- Established 25 years ago
- Manages SSQ properties
- Offers property management services

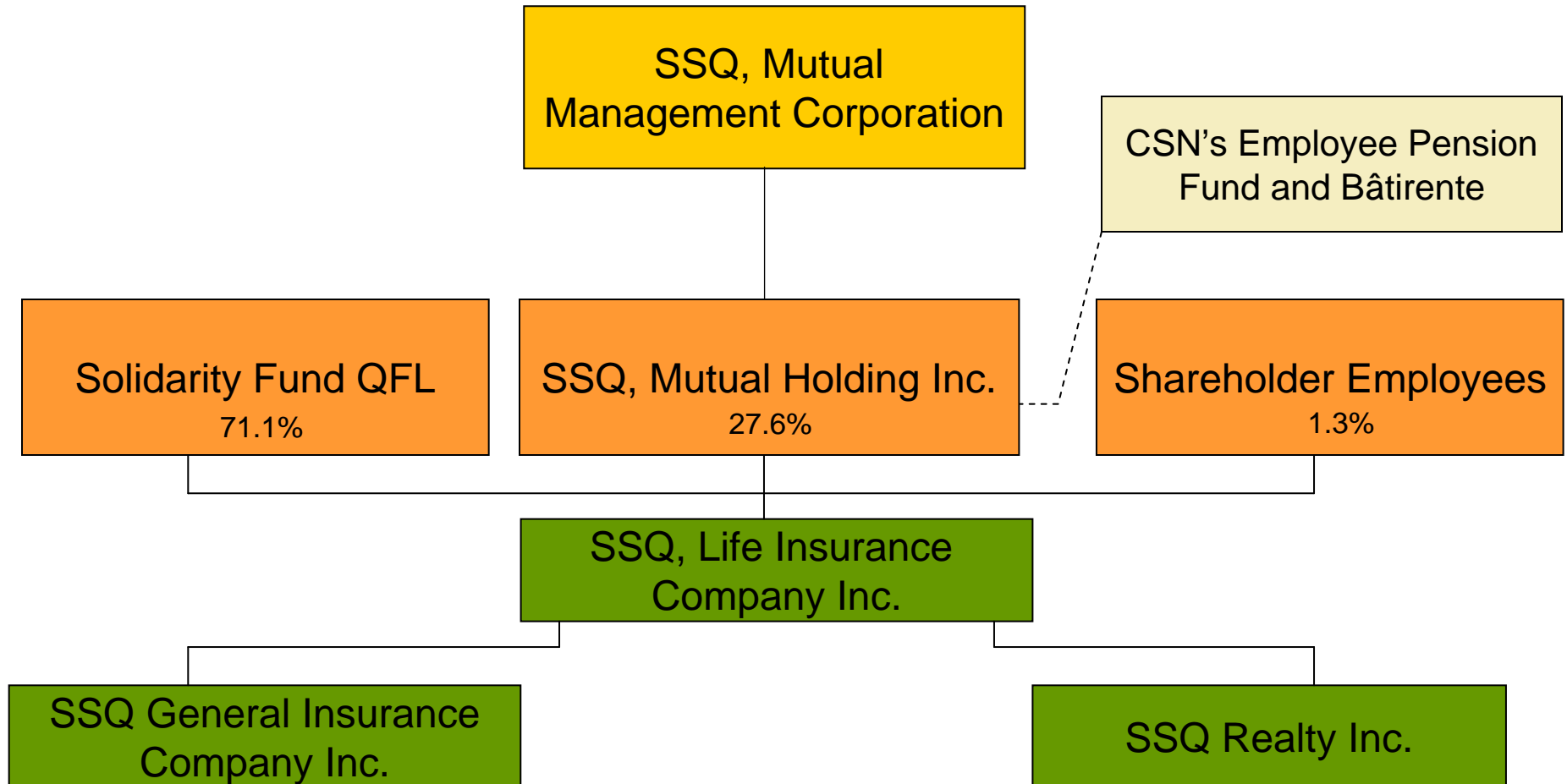
● **Demonstrates good corporate citizenship**

through:

- Socially conscious employees
- Donations
- SSQ Foundation
- Sponsorships
- Partnerships (e.g.: international missions)

● **SSQ Financial Group**

- One of the largest insurers in Canada
- Over 1 million clients
- Over 1,300 employees
- Assets under management: \$4 billion
- Volume of annual premiums: \$1.7 billion





Our Members

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:**

- 87/132 delegates (66%)
 - Public and parapublic sectors: 64 delegates
 - Private sector: 23 delegates

• Groups of less than 700 members:

- 8/35 delegates (22.9%)

• **Partner groups:**

- 12/17 delegates (70.6%)

• Individual members:

- 10/11 delegates
 - Individual Insurance: 4 delegates
 - Investment & Retirement: 6 delegates

• **SSQ employees and retirees:**

- 3/3 delegates

	2008	2007
Number of designated delegates	122	116
Quebec	103	106
Other provinces	19	10
Partners	12	12
Individuals	10	11
Retirees	13	12

	2008	2007
Ontario		
Toronto	5	2
Ottawa	1	1
North York	1	2
Niagara Falls	1	1
Hamilton	0	1
Burlington	1	0

	2008	2007
Alberta		
Calgary	5	0
Edmonton	1	0
Manitoba		
Winnipeg	4	3