

STRONGER TOGETHER

We're proud to belong to a network of mutual insurance companies that spans this province - and part of our strong commitment to each other means participating in the **Fire Mutuals Guarantee Fund (FMGF)**.



The FMGF forms the bedrock of the mutual insurance system in Ontario. Together, along with our fellow mutual insurers and our reinsurer (Farm Mutual Re), the Fund delivers a unique and extremely secure business model. **In fact, Hay Mutual belongs to one of the most financially secure networks in the world.**

From Premium Notes to a Sophisticated Funding Model

THE PREMIUM NOTE 1800s to 1970s

Policyholders may be assessed an additional amount on their premium if a Mutual's annual losses are high. Concern: cumbersome for the Mutual; uncertain for the policyholder.

FARM MUTUAL RE 1959

Farm Mutual Re is established to spread risk and create financial stability and underwriting capacity. Mutuals can now insure larger risks and grow with their policyholders.

FMGF 1976

The Mutuals establish a \$1,000,000 fund. Its purpose: to protect any Mutual policyholder in the event of any Mutual's insolvency. The premium note can now be eliminated.

SOLVENCY EXAMINATION 2000

The Mutuals and the regulator create an arms-length solvency self examination process. This proactive process provides a clear picture of solvency across the mutual system and strengthens policyholder protection.

Through the values of "strength in unity" and "neighbour helping neighbour," **the FMGF guarantees all policyholders' outstanding claims and unearned premiums in the event that any mutual cannot honour them.** This fund is backed by each of the mutuals and our reinsurer, thereby placing the surplus of all member mutuals behind any one. Policyholder protection is our foremost goal.

The underlying principles of the mutuals have not been of profit, but of cooperation and self-reliance. This theme has endured for well over 100 years and continues to this day.



A Proud Member of

