



---

## **Co-operators General Insurance Company**

To all Affiliate Clubs of the Manitoba Wildlife Federation:

Since 2015 it has been my sincere pleasure to have not only the Manitoba Wildlife Federation as a client, but also to work with their Affiliate clubs. I have travelled the province meeting with your boards, your members and gotten to know so many of you. I've given many hours of volunteer time to both the Federation and many clubs and in return I have thoroughly enjoyed attending your events, joining your shoots and all of the hospitality and friendship that comes with that. I believe in relationships, and that's how I do business with all of my clients. But the Federation, and all of the parts that make it tick, in large part the Affiliate Clubs, has over these years become very near and dear to my heart as have the people that I have been blessed to meet as a result.

Over those years, in addition to supporting your events through volunteer work and supporting your insurance needs and those of your members through presentations and an open door for questions and concerns, I have also contributed heavily financially to the organization and many of the affiliates through large annual donations to the Federation for things like BOW and other programming as well as many donations to clubs like rifles for your raffles and monetary support for your own programming.

It has come to my attention through a number of Clubs and the Federation that there is an organization that is prospecting Clubs to buy their insurance. And although I am well aware that competition will always exist and will always be a part of every client/ advisor relationship, I care a whole lot about this organization, it's Clubs and its Members, and I want to be certain that that decisions are being made respecting your insurance for which you have all of the appropriate information.

The first clarification I'd like to make is around WHO can sell you insurance. Legislation in Manitoba prevents an organization or an individual that is not licensed from holding themselves out as an Insurance provider, Agent or Broker. It is the licenses we carry in the Insurance sector that ensure we have the appropriate knowledge and education to ensure we understand both the needs of our client and the products we are authorized to sell. Under the current insurance program you have a direct line to me, licensed to sell and responsible for building the program that you have become accustomed to. You are able to contact me directly about the coverage provided to you by the Federation. You can send your members and prospective members to do the same. I wonder if a Broker based in BC will allow the same transparency and access to 14,000 members, 100 Clubs and the Federation itself? And I wonder if the organization that is actually approaching you to purchase this coverage is knowledgeable enough, or within current legislation, in their marketing of these products. If you are looking for information on the products, please be careful that you are talking to the insurance professionals at Capri and not the Coalition marketing it.

It may seem like a hard line to take if we come to you and say that a membership in the Manitoba Wildlife Federation is mandatory for all members of a Federation Affiliate Club. But the question has been recently raised and some clubs have been exploring the change to an optional membership structure whereby members can choose between the Federation and other organizations in order to belong to their club. This has been ruled out as acceptable by the Federation and I am afraid that from an insurance perspective it is simply not possible, and this is why. Let's suppose



## **Co-operators General Insurance Company**

100 people want to buy insurance against fire to their home and each one of those houses is \$100,000 to replace. That is a potential \$10,000,000 worth of risk. Lets' say the actuaries that determine our rates use their statistics and science

to determine that it is most likely that 3 of those 100 houses will suffer a total loss fire. This now means that \$300,000 needs to be collected in premium from those 100 people in order to replace those 3 homes. This would boil down to a per house premium of \$3,000, all things being equal. But what if all 100 people wanted insurance in case they had a fire, but 6 of them did not pay? How much money do we have now? We have only \$282,000 to replace x3 houses at \$100,000 each. The math doesn't work. This is the same under this program and although from an insurance perspective it raises several concerns, these are my top two.

- 1) Liability is provided free of charge to all Affiliate clubs that provides protection up to \$3M for all events and programs being hosted/ planned by the clubs. The premium for this risk is collected through membership fees. If a club has 100 members, and all are MWF members, that is collecting the correct amount of premium for that risk in the current model. The size of the club based on it's number of members is an indicator of the size, number and participation levels of all events and programming and therefore the rate per member has been determined by the insurer to reflect the total premium required for each group. If a club has 100 members and only 50 of them buy a membership with the Federation, the program as a whole is now collecting half the required premium to cover the risk of a club that size.
- 2) Board Members are also members. These board members make decisions that we are protecting them in making through the D & O coverage we provide; this is purchased at option by incorporated clubs and it is provided under the MWF's policy automatically for those not incorporated as those clubs cannot purchase their own. Again, even the coverage purchased by the clubs themselves, is heavily discounted because it is under the overall MWF Insurance Program. The premium for this is again collected through membership. If we look at this optional membership model, it would not make sense for The Co-operators to insure all the decisions of all of the board members of all of the boards, if those decision makers are not members of the MWF.

The Insurance provided under the current plan has come a long way from what it was before this program was tailored for the Federation and it's Clubs and Members. As Clubs, you are provided with the first \$3M of General Liability coverage for your Club Operations. You also are provided with Blanket Accident coverage to cover your board members and your volunteers with Accident coverage while they are acting on behalf of your Club. Your Members are afforded this same \$3M Liability and Blanket Accident coverage as Members of the Federation. The new plan that is being marketed to your clubs boasts Worldwide liability coverage; your current coverage is and has always been worldwide. It does not appear to provide any Accident coverage which is the most common place we have seen claims under the program to date. This coverage, at the Club and Member level, is provided to you by your Federation just for the cost of your membership fees. Without Affiliate status a Club is at ground zero where insurance is concerned, and the dollars required to get proper protection for your Club will look very different. If you wish to compare the coverage you have now to coverage elsewhere, please do me the courtesy of providing that comparison for you where my program is concerned. Things that appear similar are often not when it comes to Insurance.



---

**Co-operators General Insurance Company**

I will leave you with this. Ask your fellow board and club members this. If currently you have an Insurer and an Advisor that are both contributing to your organization through all sorts of channels with time and money through donations as well as providing you timely one on one advice, why would a better choice ever be to move over to an Insurance plan provided through a non- insurance related organization that is coming to you asking that you buy your insurance from them, in order to support THEIR cause through your insurance premiums? And if the goal is to collect just enough premium to be able to pay for the claims that arise, how is there money left from your premium dollars to support another organization this way? Please show your support for whatever organizations for which you are passionate. My passion for the Federation and your Clubs is why I support you. But please also make sure that the matter of the actual insurance is what you are focused on. Insurance is not and never will be suitable as a fundraiser.

Kindest Regards,



Tracey Malone  
Financial Advisor