

September 7, 2022

Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, ON
M2N 6S6

Dear FSRA Officials;

Re: 2022-008 PC0045APP – Insurance Prudential Supervisory Framework

Thank you for the opportunity to provide input on the Insurance Prudential Supervisory Framework that you have recently published.

Trillium Mutual is a regional Mutual Insurance Company servicing the insurance needs of the residents of Ontario with a specific focus in rural and agricultural communities. It is our vision to be the leading mutual insurer protecting and enhancing farm and community lifestyles.

I am writing in agreement with John Taylor's Submission on behalf of the Ontario Mutual Insurance Association and the Fire Mutuals Guarantee Fund. We agree that the draft Framework does not address the specific features of the Mutual Insurance system, and the unique protections provided by:

- the Guarantee Fund, which has been in place since the early 2000's monitoring and reporting on solvency
- access to reinsurance from Farm Mutual Re, and
- the aggregate strength of our system with access to joint resources provided by the Association, such as proactive feedback from the Financial Review Committee/Financial Examination Committee.

We also agree that the current Framework could add regulatory burden, resulting in additional consumer costs. In light of the protections already in place, it is unclear that the Framework will improve consumer protection in exchange for these increased costs.

John has explained these concerns in detail in his submission, as well as concerns arising from the relationship management process, risks associated with a principles-based approach, and the need for practicality.

As a member-owned values-based insurer, we have always maintained a direct focus on the needs of our insured member base. This is what sets us apart and allows us to serve and protect rural communities. It is hoped that compliance with required formalities and procedures never distracts us from that focus.

Thank you for the opportunity to provide this letter in support of the OMIA / FMGF submission on the Insurance Prudential Supervisory Framework.

Yours truly,

Trillium Mutual Insurance Company

A handwritten signature in black ink, appearing to read "T Mac".

Tracy MacDonald, B.A., F.C.I.P.
President & CEO

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Copy to John Taylor (jtaylor@omia.com)