



August 24, 2016

Kevin Wepler
Director of Finance
County of Grey
595 Ninth Ave E. County Building
Owen Sound, ON N4K 3E3

Dear Kevin,

The County of Grey was a member of Ontario Municipal Insurance Exchange for the period between 2004 and 2008. It has been our pleasure to serve you and the team at the County.

Please find attached the press release issued on Thursday, August 11th, 2016 which is self-explanatory.

While OMEX will not be writing new business for the coming year, the team at OMEX will continue to serve you and all existing subscribers and former members as always, and will be available to respond to any inquiries you might have.

The Board of Directors have made the courageous decision to suspend the underwriting operations of OMEX at a time when OMEX is in a strong financial position. The leadership is totally committed to the concept of “sharing” Municipal exposures. In the next few months, the OMEX team will work on developing a “new and improved” product which serves municipalities.

We look forward to working with you again with a suite of products and services which will better suit municipal exposures and needs.

Sincerely,

Nahla Hanna
President & Attorney in Fact

Attachment

Ontario Municipal Insurance Exchange (OMEX) suspends underwriting operations

August 11, 2016 by **Canadian Underwriter**



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The Ontario Municipal Insurance Exchange (OMEX) announced on Thursday that it will suspend Reciprocal underwriting operations effective immediately “to allow it time to fully assess the needs of Ontario municipalities with a view to redesigning its products to better service the needs of its future members.”

As a result of this decision, OMEX will immediately cease to write renewal business for the remainder of 2016, and will not pursue new business, OMEX said in a press release. Existing members are being advised to seek coverage from alternate insurers.

All “in-force” policies will continue until their natural expiry, and OMEX will continue to serve all existing and former members “as well as responding to all existing claims, and all new claims as appropriate,” the release said.

OMEX said that the decision is part of a strategy to redesign the Municipal Reciprocal to more effectively address the emerging needs of its future members.

“While it is regrettable that OMEX has had to take this step in its evolution, management is committed to invest the time and energy required to remodel the Reciprocal, with the full support of its board of directors,” the release said. “It has also taken this strategic step at a time when the





finances of OMEX are very strong, enabling it to discharge all financial obligations as they arise. Other than the fact that OMEX will have no new or renewal premium for the next year, it will be ‘business as usual.’”

While OMEX remains committed to the original concept of sharing risk and expertise between members of the Reciprocal, it has struggled in recent years to grow in an extremely soft insurance market and a highly competitive business environment, the insurer reported. “This low pricing environment, combined with the

impact of joint & several liability on municipal claim settlements has made it difficult to offer sustainable pricing while still addressing the municipalities’ concern about retro assessments.”

OMEX will work with its reinsurers during the underwriting hiatus to address these issues in all future potential product offerings.

OMEX is a not-for-profit insurer dedicated solely to providing insurance to Ontario municipalities since 1989. It is a member-governed alternative to the conventional insurance market.