

Policyholders Approve Amalgamation to Create Caradoc Townsend Mutual Insurance

The fusion of Townsend Mutual Insurance and Caradoc Delaware Mutual Insurance Creates a New Stronger Company within the Ontario Mutual Insurance system.

MOUNT BRYDGES, ON and WATERFORD, ON – June 30, 2017: Caradoc Delaware Mutual Insurance Company (“CDM”) and Townsend Mutual Insurance Company (“TMIC”) today announced that their policyholders have voted to approve the amalgamation of the two companies to create Caradoc Townsend Mutual Insurance Company (“Caradoc Townsend”).

At separate meetings on June 28, 2017, well over the required two-thirds of the voting mutual policyholders of both companies indicated their support for the amalgamation, originally announced in November 2016.

When the anticipated final approval is received from the Financial Services Commission of Ontario (FSCO), Caradoc Townsend will carry on the histories of CDM and TMIC as policyholder focused leaders in rural and small-town lifestyle insurance in southwest Ontario. With written premiums of \$12.5 million and surplus of approximately \$17 million, and backed by *Farm Mutual Re* and the *Fire Mutuals Guarantee Fund*, the new mutual insurance company is well positioned to act for the benefit of its current and future policyholders.

“By joining together, we are creating a much stronger mutual insurance company that will be able to provide the best solutions, products and services in a competitive industry. Caradoc Townsend will be able to invest in our people and in technology that aligns with where our agents, brokers, and policyholders are, and where they will be tomorrow” said Barry Woodley, Chair of TMIC.

Caradoc Townsend’s head office will be in Waterford Ontario, southwest of Hamilton, with CDM’s current office in Mount Brydges remaining open to serve the surrounding communities. Caradoc Townsend expects the amalgamation to unlock additional growth, leading to increased longer term staffing needs at both locations. Policyholders will continue to be served by their current agents or brokers.

“Discussions between the two companies began in the spring of 2016. As we carefully performed our due diligence analysis, we found that we were similar where it mattered, and different where it helped. The Directors unanimously determined that this path is good for our policyholder-members now and into the future,” said Debbie Van Meppelen Scheppink, Chair of CDM.

Neil Shay will be Caradoc Townsend’s President and Chief Executive Officer, positions he currently holds at TMIC. Mr. Shay noted that important steps in the integration of the operations are already under way and the teams at each company are working well together.

“We are excited to begin the next steps towards our January 1st, 2018 implementation date, building on the best from both predecessor companies. Caradoc Townsend now looks forward to continuing to earn our policyholders’ trust and loyalty. We have a skilled customer-focused team, and we are ready to provide more value to our members and enhance our distributor relationships,” he said.

About Caradoc Townsend Mutual Insurance

Subject to final approval by the Financial Services Commission of Ontario, Caradoc Townsend Mutual Insurance will offer farm, home, automobile and commercial insurance across southwest Ontario through its own agents and brokers. With offices in Waterford and Mount Brydges, Caradoc Townsend will be a leading provider of property and casualty insurance in its operating territory and a proud member of the *Ontario Mutual Insurance Association*. More information is available at www.townsendmutual.com and www.cdmins.com.

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