

BUSINESS

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ACU buys stake in insurance brokerage

*Will allow credit union
to sell product to members*

By Martin Cash

ASSINIBOINE Credit Union is getting into the insurance game, buying 50 per cent of local insurance brokerage firm, Winnipeg Insurance Brokers (WIB).

Tony and Cathy Rollo, who have owned the 40-year-old firm since 1994, will retain a 50 per cent stake in WIB and will continue to run the day-to-day operations.

The company has two locations and 11 employees.

Credit unions, like banks, are not permitted to sell insurance in their branches, but they are permitted to own insurance brokerage firms. Several other Manitoba credit unions own or have interests in the insurance business.

Gerry Campbell, ACU's executive vice-president of sales and services, said owning an insurance operation adds another income stream for the member-owned credit union.

"This is a somewhat complementary line of business for us," Campbell said. "We have many members who have mortgages with us and they would all need home insurance as well."

Winnipeg Insurance Brokers has had a long-standing relationship with credit unions dating back to Decibel Credit Union, which merged with Vantis, which subsequently merged with ACU. Tony Rollo said it has appreciated its connection with credit unions and having ACU as its partner made sense.

"Assiniboine Credit Union wanted to add another product line and we both believe this is a good fit," Rollo said.

While ACU cannot cross-sell insurance, it can refer its members to Winnipeg Insurance Brokers, which can quote prices on insurance coverage. ACU members would be free to seek quotes from any insurance brokers they chose.

Winnipeg Insurance offers a wide variety of vehicle, home, travel and commercial insurance through various insurance companies, including ACU's longtime insurance partner CUMIS (Credit Union Member Insurance Services).

"This is an opportunity for us to dip our feet in the insurance business," Campbell said. "We'll see how it turns out and maybe we will consider further developments."

The business will continue operating as Winnipeg Insurance Brokers at its current locations. At the end of 2008, ACU had assets totalling \$2.4 billion, 105,000 members and 500 employees.

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