



ING Canada

1st Annual

Investor Day

September 12, 2005
Hilton Toronto



Forward Looking Statement Disclaimer

Certain of the statements contained in this presentation about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward looking statements. Forward looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances. Many factors could cause our actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward looking statements, including, without limitation, the following factors: our ability to implement our strategy or operate our business as we currently expect; our ability to accurately assess the risks associated with the insurance policies that we write; adverse capital market developments or other factors which may affect our investments; the cyclical nature of the P&C insurance industry; our ability to accurately predict future claims frequency; government regulations; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; our reliance on brokers and third parties to sell our products; our ability to successfully pursue our acquisition strategy; our ability to integrate the business of Allianz Canada; our ability to achieve cost savings anticipated from the acquisition of Allianz Canada; uncertainties associated with our acquisition of Allianz Canada; the substantial influence of ING Groep; our participation in the Facility Association (a mandatory pooling arrangement among all industry participants); terrorist attacks and ensuing events; the occurrence of catastrophic events; our ability to maintain our financial strength ratings; our ability to alleviate risk through reinsurance; our ability to successfully manage credit risk; our reliance on information technology and telecommunications systems; our dependence on key employees; general economic, financial and political conditions; our dependency on the results of operations of our subsidiaries; the volatility of the stock market and other factors affecting our share price; and future sales of a substantial number of our common shares. These factors should be considered carefully, and readers should not place undue reliance on our forward looking statements.

We have no intention and undertake no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.



Agenda

8:15 – 8:20 a.m.	Welcome/Housekeeping
8:20 – 8:45 a.m.	CEO Overview/Strategy
8:45 – 9:15 a.m.	Claims
9:15 – 10:15 a.m.	Reserves/Actuarial
10:15 – 10:30 a.m.	Coffee Break
10:30 – 11:15 a.m.	Government Relations/Marketing
11:15 – 12:00 p.m.	BELAIR <i>direct</i>
12:00 – 12:45 p.m.	Lunch Buffet
12:45 – 1:30 p.m.	Affiliated Distribution
1:30 – 1:45 p.m.	Wrap-up



CEO Overview/Strategy

Claude Dussault, *President and CEO*

Annual Investor Day

September 12, 2005

ING 





Claims

Ed Nolan, *Vice President Claims*

Annual Investor Day

September 12, 2005

ING 



Agenda

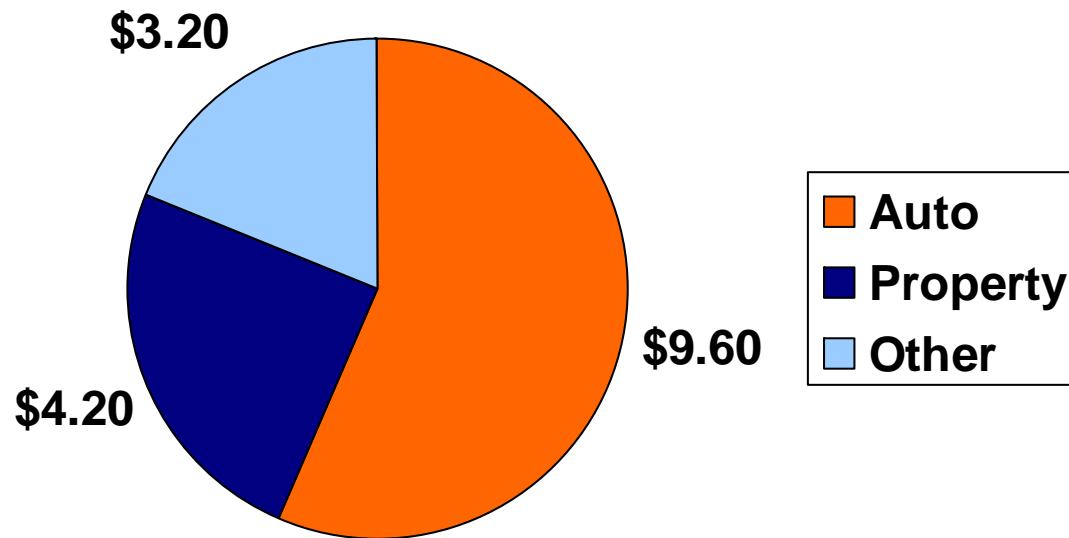
- The “Claims” Industry
- Overview of ING Claims Department
- Core Competencies
- Trends
- Q & A

The “Claims” Industry

Size

In 2004 the Canadian Property and Casualty industry paid and reserved \$17 billion for claims made by its policyholders

\$ billions



The “Claims” Industry

Breadth of Industry

In addition to the resources working directly to assist clients with their losses, the property and casualty insurance industry participates in a broad section of the economy:

Adjusting/processing	Reimbursements
✓ Staff resources	✓ Auto repairers (body shops), and car rentals
✓ Independent external resources	✓ Restoration contractors and construction specialists
✓ Lawyers (internal and external)	✓ Healthcare providers and medical practitioners
✓ Other experts (accountants, engineers etc.)	✓ Income replacement, medical and death benefits.
✓ Third party administrators (glass networks)	✓ Third party damages <ul style="list-style-type: none">- bodily injury- property damage- environmental clean-up

ING Claims Department

- 1750 employees located in eight provinces and 23 offices across Canada.
- We assist clients with approximately 350,000 claims per year.
- Financial responsibility for managing \$ 2.3 billion in expenditures annually.
 - \$2 billion in indemnity payments
 - \$190 million in internal adjustment expenses
 - \$110 million in external adjustment expenses

Our Mission

•Our mission is to help ING Canada maintain a competitive advantage by leveraging our scale of operations:

- Client service/satisfaction
- Preferred provider networks and procurement
- Indemnity control and expense management
- Technology

Client Service

- Assisting clients in time of need :
 - 24/7 assistance
 - ING call centres
 - Client Service Guarantee
 - Catastrophe response teams
- Service oriented employees and suppliers
- 50,000 customers randomly surveyed each year
- 94 % satisfaction rating
- Expand on our claim service promise
- Improve our speed of resolution

Preferred Providers

- Partnerships with selected providers help speed the process by providing priority service with preferred, volume based pricing.
- Supplier networks:
 - Rely Network of Auto repair shops (50% usage)
 - Rely Network of Contractors (2005 4th quarter launch)
 - Glass (45% usage)
 - Car rental (65% usage)
 - Carpet (50% usage)
 - Health (medical assessors, O.T.'s, physiotherapists)
 - Replacement Sources i.e. building materials, furniture, appliances, electronics.

Indemnity Control and Expense Management

- Indemnity
 - experienced staff with strong technical skills
 - Special Investigations Unit (S.I.U.) to control fraud
 - best practices
 - closed file reviews to control leakage
- Expense
 - 97% of our claims are staff handled
 - in-house legal teams across Canada
 - 2004 Ward Study indicated our loss adjustment expense was \$318 lower per claim than our major competitors

Technology

- OPUS claims system
 - improved workflow efficiencies
 - productivity gains
 - online file reviews
 - consistency in claim handling
 - better vendor data
- Telephony
 - Duoline
 - call observation
 - call centre technology

Trends

- Continuing low frequencies on property damage claims
- Casualty claim frequencies down slightly
- Water related claims on the increase
- Severity trends show positive signs



Questions & Discussion





Reserves/Actuarial

Claude Désilets, *Senior Vice President & Chief Actuary*

Annual Investor Day

September 12, 2005

ING 



Outline

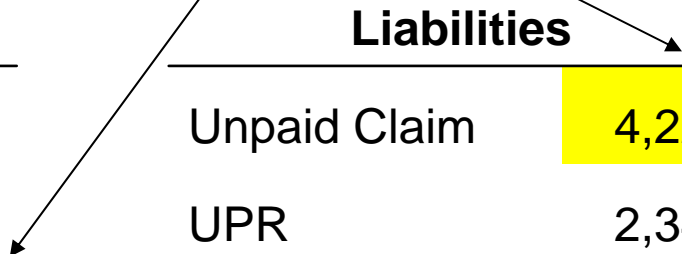
- Positioning in Financial Statements
 - Balance Sheet
 - Flow to Income Statement
- Premium Liabilities (UPR / DAC) testing
- Claim Liabilities testing
 - Components
 - Estimation methods
 - Chain ladder method
 - Other methods (BF, Loss Ratio)
 - Adjustments
- Impact of misestimations
- Discounting / Provision for Adverse Deviation
- Governance

Balance Sheet (December 2004)

(\$ millions)

Assets		Liabilities	
Cash & Investments	6,411	Unpaid Claim	4,223
Receivables	1,642	UPR	2,341
Ceded Unpaid Claim	687	Ceded DAC	10
Ceded UPR	78	Other	1,030
DAC	390	Total Liabilities	7,604
Other	455	Equity	2,060
Total	9,663	Total	9,663

**Net Unpaid Loss
3,536**



Income Statement (2004)

(\$ millions)

Revenues

Net Earned Premium	3,365	= NWP - Chg Net UPR
Investment Income	267	
Realized gains	132	
Comm. & adv. Fees	17	
	3,781	

Expenses

Claims	1,906	= Paid loss + Chg Net Unpaid Claim
Other expenses	1,007	= Paid expenses - Chg net DAC
	2,913	

Interest on debt 12

Pre-tax income 856

Income Tax 232

Net Income 625

*Reserves/Actuarial
Claude Désilets*

Premium Liabilities (UPR / DAC) Testing

- In the Financial Statements
 - UPR is calculated as the unexpired portion of the premium on the policies in force (eg: the UPR at December 31 for a \$1,200 annual policy effective November 1 is \$1,000)
 - DAC represents the pre-paid expenses (mainly commissions and taxes) corresponding to the unexpired portion of the term
- Actuarial Test
 - The UPR liability, net of the DAC asset, must be large enough to cover projected future costs to maintain the policies in force until they expire
 - Claim cost
 - Maintenance expenses
 - Other
- Adjustments to Financial Statements
 - If margin is positive, no action
 - If margin is negative
 - First reduce DAC
 - Then set a Premium Deficiency reserve

Components of Claim Liabilities

- Case Reserves
 - Claim reserves set by claim adjusters for each claim individually
- IBNR: “Incurred But Not Reported”
 - Claim reserves set in bulk by the actuary
 - Late reported claims (or “Pure” IBNR)
 - Development on open claims (or IBNER, Incurred But Not Enough Reported)
 - Re-open claims
- ULAE: “Unallocated Loss Adjustment Expenses”
 - Provision for internal expenses required to settle the claim liabilities
- Automobile pools
 - Reserves relating to the automobile residual markets (eg Facility Association)

Components of Claim Liabilities

(\$ millions)

Case Reserves	2,048	57.9%
IBNR	1,140	32.2%
ULAE	164	4.6%
Automobile Pools	184	5.2%
Total	3,536	100.0%

Claim Liabilities Estimation Methods

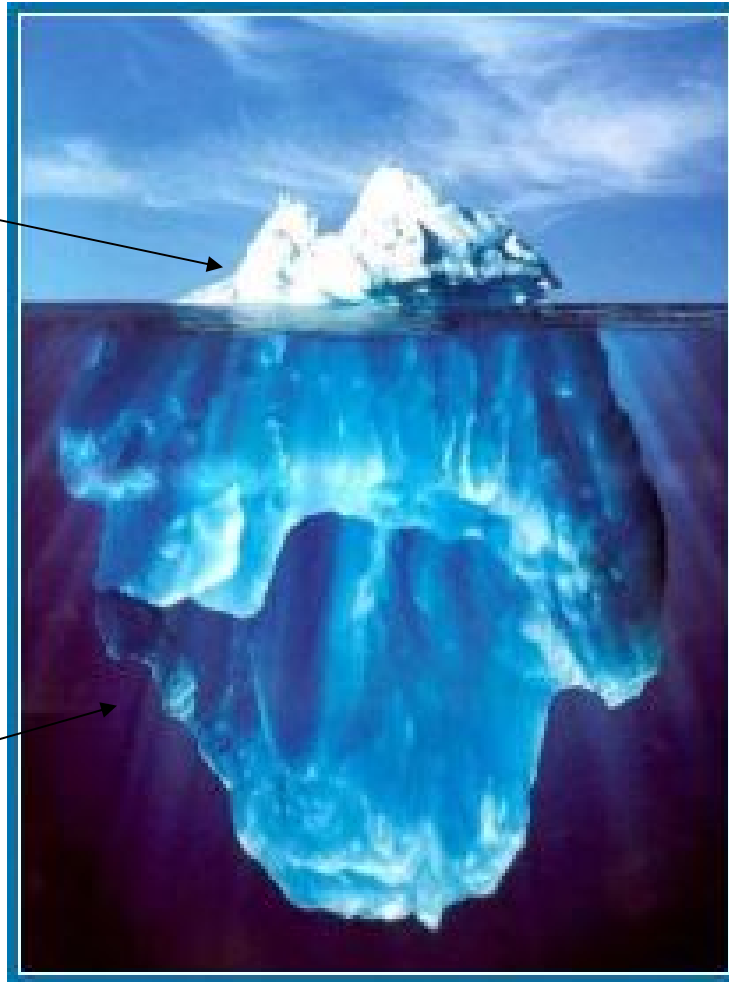
- Main Methods
 - Chain Ladder (equivalent to Iceberg method)
 - Bornhuetter-Ferguson
 - Loss Ratio
- Other Methods
 - Adjustment for reserve strengthening / weakening
 - Paid Methods
 - Marker & Mohl
- Data used
 - Paid Loss
 - Case Reserve
 - Case Incurred (Paid Loss + Case Reserve)
 - Expected Loss
 - Number of claims (reported, closed, pending)

Claim Liabilities – Main Methods

- Chain Ladder Incurred Method
 - Future development relates to what already emerged
 - Ultimate loss & IBNR derived by a factor applied to reported incurred loss
- Bornhuetter-Ferguson Method
 - Future development relates to expected loss
 - Ultimate loss derived by adding expected IBNR to reported incurred loss
- Loss Ratio Method
 - Ultimate loss derived from expected loss
 - IBNR is calculated by subtracting reported incurred loss from ultimate loss

Iceberg Method (Equivalent of Chain Ladder)

**Emerged
(Reported)**

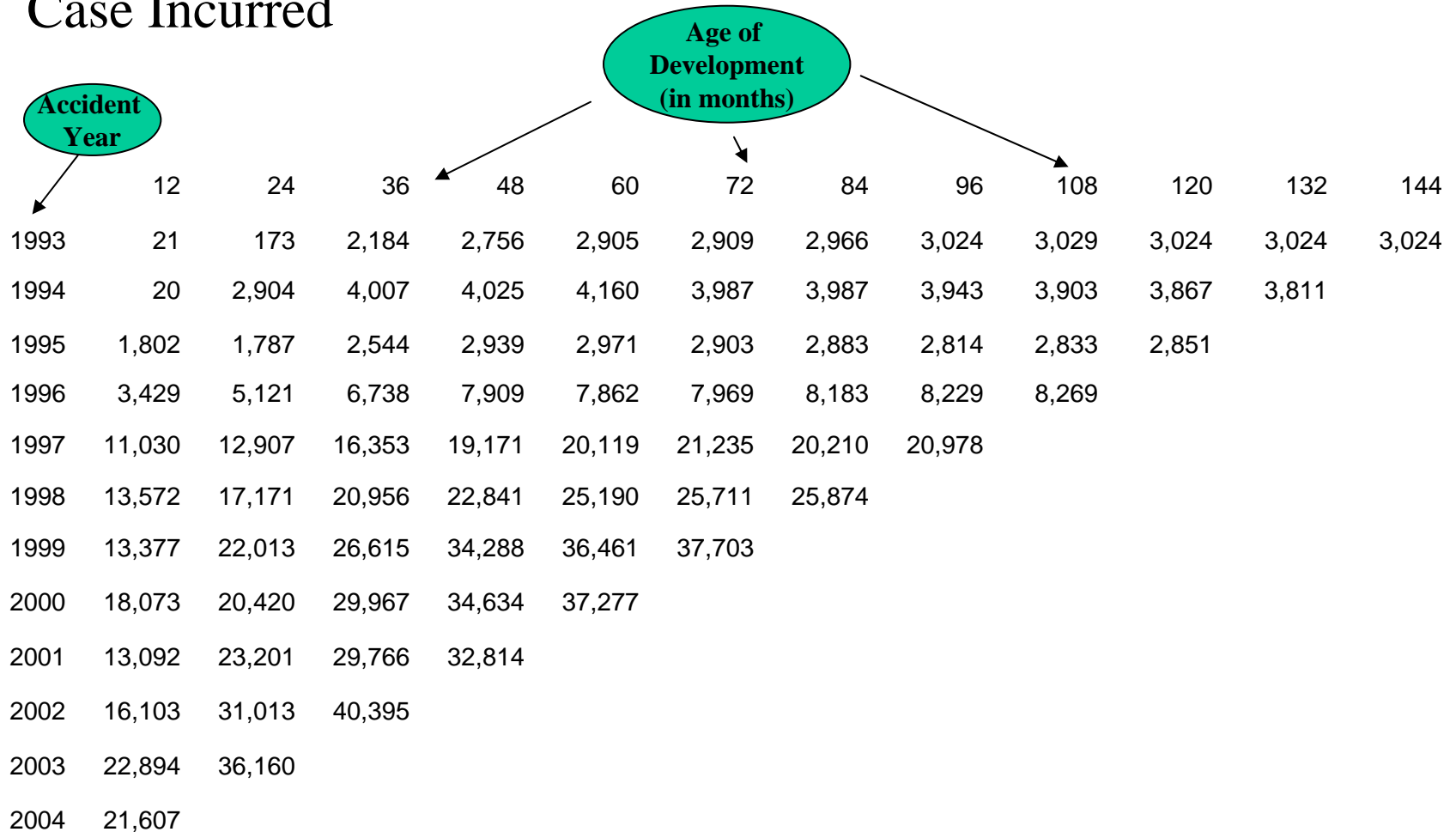


**Unknown
(IBNR)**

Ultimate

Chain Ladder – Exhibit 1

Case Incurred



Chain Ladder – Exhibit 2

Loss Development Factors (LDF)

Ratio of 2
Consecutive Periods

	12/24	24/36	36/48	48/60	60/72	72/84	84/96	96/108	108/120	120/132	132/144
1993	8.238	12.624	1.262	1.054	1.001	1.020	1.020	1.002	0.998	1.000	1.000
1994	145.200	1.380	1.004	1.034	0.958	1.000	0.989	0.990	0.991	0.986	
1995	0.992	1.424	1.155	1.011	0.977	0.993	0.976	1.007	1.006		
1996	1.493	1.316	1.174	0.994	1.014	1.027	1.006	1.005			
1997	1.170	1.267	1.172	1.049	1.055	0.952	1.038				
1998	1.265	1.220	1.090	1.103	1.021	1.006					
1999	1.646	1.209	1.288	1.063	1.034						
2000	1.130	1.468	1.156	1.076							
2001	1.772	1.283	1.102								
2002	1.926	1.303									
2003	1.579										
2004											

Chain Ladder – Exhibit 2

Loss Development Factors (LDF)

	12/24	24/36	36/48	48/60	60/72	72/84	84/96	96/108	108/120	120/132	132/144
1993	8.238	12.624	1.262	1.054	1.001	1.020	1.020	1.002	0.998	1.000	1.000
1994	145.200	1.380	1.004	1.034	0.958	1.000	0.989	0.990	0.991	0.986	
1995	0.992	1.424	1.155	1.011	0.977	0.993	0.976	1.007	1.006		
1996	1.493	1.316	1.174	0.994	1.014	1.027	1.006	1.005			
1997	1.170	1.267	1.172	1.049	1.055	0.952	1.038				
1998	1.265	1.220	1.090	1.103	1.021	1.006					
1999	1.646	1.209	1.288	1.063	1.034						
2000	1.130	1.468	1.156	1.076							
2001	1.772	1.283	1.102								
2002	1.926	1.303									
2003	1.579										
Mean	15.128	2.449	1.156	1.048	1.009	1.000	1.006	1.001	0.998	0.993	1.000
3 Year Mean	1.759	1.351	1.182	1.081	1.037	0.995	1.007	1.000	0.998	0.993	1.000
Weighted Average	2.721	1.338	1.156	1.064	1.026	0.994	1.015	1.003	1.001	0.988	1.000
Truncated Average	2.247	1.332	1.159	1.048	1.009	1.005	1.005	1.003	0.998		Tail
Selected	1.759	1.332	1.159	1.081	1.037	1.005	1.005	1.001	1.000	1.000	1.000
Cumulative	3.075	1.748	1.312	1.132	1.047	1.010	1.005	1.001	1.000	1.000	1.000

Highest

Lowest

Selected

From age 36 to Ultimate

Reserves/Actuarial
Claude Désilets



Chain Ladder – Exhibit 3

IBNR Calculation

ACC YR	AGE	Paid Loss & ALAE	Last Diagonal Case Reserve	Incurred Loss & ALAE	Cumulative LDF	Projected Ultimate Incurred	Required Reserve	Ultimate – Incurred Required IBNR
1993	144	2,981	43	3,024	1.000	3,024	43	0
1994	132	3,811	0	3,811	1.000	3,811	0	0
1995	120	2,826	25	2,851	1.000	2,851	25	0
1996	108	7,899	370	8,269	1.000	8,269	370	0
1997	96	19,953	1,025	20,978	1.001	20,994	1,041	16
1998	84	21,443	4,431	25,874	1.005	26,016	4,573	142
1999	72	28,842	8,861	37,703	1.010	38,091	9,249	388
2000	60	25,129	12,148	37,277	1.047	39,044	13,915	1,767
2001	48	16,886	15,928	32,814	1.132	37,148	20,262	4,334
2002	36	9,997	30,398	40,395	1.312	52,991	42,994	12,596
2003	24	3,184	32,976	36,160	1.748	63,205	60,021	27,045
2004	12	411	21,196	21,607	3.075	66,440	66,029	44,833
TOTAL			127,401				218,522	91,121

Change in Pattern

Chain Ladder Method - Stable Pattern

	12	24	36	48	IBNR
2000	100	125	140	140	0
2001	110	138	154	154	0
2002	121	151	169	169	0
2003	133	166	186	186	20
2004	146	183	205	205	59
					79

	12/24	24/36	36/48
2000	1.250	1.120	1.000
2001	1.250	1.120	1.000
2002	1.250	1.120	1.000
2003	1.250	1.120	1.000

**Projected
(Square the
Triangle)**

Change in Pattern

Chain Ladder Method - Modified Pattern

		12	24	36	48	IBNR
2000	100	125	140	140		0
2001	110	138	154	154		0
2002	121	151	174	174		0
2003	133	173	196	196		22
2004	160	202	228	228		68
						91

**25
More**

**37
More**

**12
More**

		12/24	24/36	36/48
2000	1.250	1.120	1.000	
2001	1.250	1.120	1.000	
2002	1.250	1.150	1.000	
2003	1.300	1.130	1.000	

Change in Pattern

Same Ultimate (Loss Ratio Method)

	12	24	36	48	IBNR
2000	100	125	140	140	0
2001	110	138	154	154	0
2002	121	151	174	169	-5
2003	133	173	186	186	13
2004	160	183	205	205	45
					54

	12/24	24/36	36/48
2000	1.250	1.120	1.000
2001	1.250	1.120	1.000
2002	1.250	1.150	0.974
2003	1.300	1.077	1.000

25 More

Same

25 Less

Change in Pattern

Same IBNR (Bornhuetter-Ferguson Method)

	12	24	36	48	IBNR
2000	100	125	140	140	0
2001	110	138	154	154	0
2002	121	151	174	174	0
2003	133	173	193	193	20
2004	160	196	218	218	59
					79

25 More

	12/24	24/36	36/48
2000	1.250	1.120	1.000
2001	1.250	1.120	1.000
2002	1.250	1.150	1.000
2003	1.300	1.115	1.000

25 More

Same

Claim Liabilities – Other Methods

- Adjustment for strengthening / weakening
 - Restating the historical part of the triangle to bring it to the current reserving strength
- Paid methods
 - Chain ladder applied to paid losses (instead of case incurred)
 - Adjustment for change in settlement pattern by looking at developments at similar closing ratios (as opposed to similar age in months)
- Marker & Mohl Method
 - IBNR is calculated by applying factors to the reported case reserves

Impact of Misestimation

	Base Case			5% Redundancy		
	Cal Yr	Curr Yr	Prior Yrs	Cal Yr	Curr Yr	Prior Yrs
Net Earned Premium	100.00	100.00		100.00	100.00	
Beginning Claim Liability	95.00	0.00	95.00	99.75	0.00	99.75
Paid Loss	55.00	35.00	20.00	55.00	35.00	20.00
Ending Claim Liability	105.00	30.00	75.00	110.25	34.50	75.75
Incurred Loss	65.00	65.00	0.00	65.50	69.50	-4.00



Discounting of Claim Liabilities

- Discounting based on projected payment patterns
 - Average duration: 2.2 years
- Discount rate
 - Based on projected yields by asset class
 - Riskier asset classes are assigned to surplus
 - December 2004: average discount rate approximately 4.8%
- As part of the calculation for the Provision For Adverse Deviation (PFAD), a margin of 50 basis points was used

Provision For Adverse Deviation: 3 Components

- Claims Development
 - Between 2.5% and 15.0% of net claim reserves
- Reinsurance Recovery
 - Between 0.0% and 15.0% of ceded claim reserves
- Interest Rate
 - Between 10bp and 200bp (50bp used)

Discounting of Claim Liabilities

(\$ millions)

Undiscounted	3,485	98.6%
Discount	-360	-10.2%
Provision For Adverse Deviation	+411	+11.6%
Discounted	3,536	100.0%

Governance

- Strong internal actuarial team
- Internal peer review
- Canadian Institute of Actuaries Standards of Practice
- Audit review
 - Internal
 - External – E&Y
- External actuarial review – E&Y
- Regulator (mainly OSFI) review



Questions & Discussion

Reserves/Actuarial
Claude Désilets





ING Canada

1st Annual

Investor

Day

September 12, 2005
Hilton Toronto





Government Relations/Marketing

*Alister Campbell, Senior Vice President Marketing,
Communications & Government Relations*

Annual Investor Day

September 12, 2005

ING 



Issues and Opportunities – Government Relations

ING Canada – facing the challenges of negative industry perception

- Canadian consumers (like insurance consumers around the world) begrudge the premiums they pay. Why?
 - No one expects to claim
 - Product is mandatory or non-discretionary
 - Price is perceived to be high
 - Determination of price is not understood
 - Scope of coverage is not understood
 - Fears of making a claim (process and consequences) are high
 - The fear of not receiving proper compensation for loss is high

Influencing Public Perception

Industry and company initiatives

- ING Canada is well positioned to lead reforms in the Insurance Bureau of Canada (IBC)
- Priority is to make our industry trade association more effective in communications with consumers and regulators
 - CEO is Deputy Chair of IBC and Chair of Strategy Committee
 - EVP is Chair IBC Quebec
 - COOs on Regional Committees in Alberta and Atlantic

Influencing Public Perception

Industry and company initiatives

- ING Canada is better positioned to speak out on industry issues separately and receive a better hearing due to our higher brand favourables – when we choose to do so
 - Polling confirms superior brand value
 - External consultants retained to assist in development of Public Relations strategies and Key Messages
 - Increased internal resources to support media relations and charitable activities

Influencing Public Policy

Government Relations an Imperative

- Industry has faced extraordinary levels of political and regulatory scrutiny in last 3 years:
 - Rate levels
 - Compensation practices
 - ROE
 - Rating variables

Influencing Public Policy

Government Relations an Imperative

- While political temperature is lowering with rates in decline and availability restored, key issues remain in play:
 - Rate approval processes and limits on pricing segmentation in auto insurance
 - Broker Compensation models

Influencing Public Policy

Government Relations Strategy now in Place

- ING Canada has dramatically increased efforts in this area over last 18 months
- Objective has been to become the “go-to” company for politicians and regulators in all key jurisdictions
- Initiatives focussed on supplementing IBC efforts rather than conflicting with them
- Active participation in all public consultations
- External government relations consultants now on retainer in all key jurisdictions (English Canada)
- Increasingly effective efforts to assist regulators and politicians in coming to rational public policy decisions

Issues and Opportunities - Marketing

ING Canada is in a unique position to win

ING Canada has a unique opportunity to:

- Exploit ING's brand power and multi-channel strategies to achieve true differentiation in the Canadian P&C marketplace
- Leverage our market leadership position and brand favourables to influence consumer perceptions regarding our industry and our position within it

Differentiation and Organic Growth

Brand and channel strategies

- ING Canada is well positioned to serve customers regardless of how they choose to purchase
- Our ING “Delivers on its Promises” brand positioning will help drive growth in the broker channel
- Our BELAIR*direct* “Customer Advocacy” positioning and web strategy will help drive even faster growth in the self-directed channel
- Our Grey Power “Enjoy the Power of 50+” positioning will help drive faster growth in the fastest growing Canadian demographic
- Our CanadaBrokerlink network gives us the opportunity to continue to innovate in channel and brand positioning

Differentiation and Organic Growth

Brand and channel strategies

- ING is the only broker distribution company in Canada with brand recognition and high favourables (due primarily to ING Direct marketing efforts)
- Leveraging this high recognition will increase closing rates when we are recommended by a broker...which will encourage our brokers to recommend us more often
- Extensive market research has enabled us to identify key areas of potential differentiation aligned with our brand and channel power

Differentiation and Organic Growth

Brand and channel strategies

- Key brand differentiators in our developing value propositions include
 - **Client Service Guarantee** – Customer who report a claim 24/7 will be called back by a qualified adjuster within 30 minutes...or we refund the premium (up to \$1,000)
 - **Responsible Driver Guarantee** – First at-fault accident will have no impact on premium at renewal (New this summer)
 - **BELAIR*direct* Crash Proof Policy** – First at-fault accident will have no impact on premium at renewal (Sept. 12)

The ING Responsible Driver Guarantee



Government Relations/Marketing
Alister Campbell

One you won't see...yet



The Crash-Proof Policy.



www.belairdirect.com

Government Relations/Marketing
Alister Campbell





Questions & Discussion

Government Relations/Marketing
Alister Campbell





The Growth Opportunity in the Direct Channel

Denis Guertin, *Chief Operating Officer BELAIRdirect*

Annual Investor Day

September 12, 2005

BELAIR *direct*

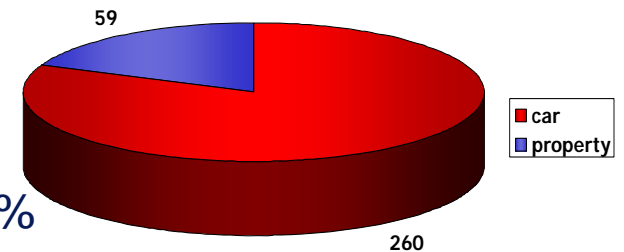
ING 



We've Been Selling Car Insurance For Over 50 Years!

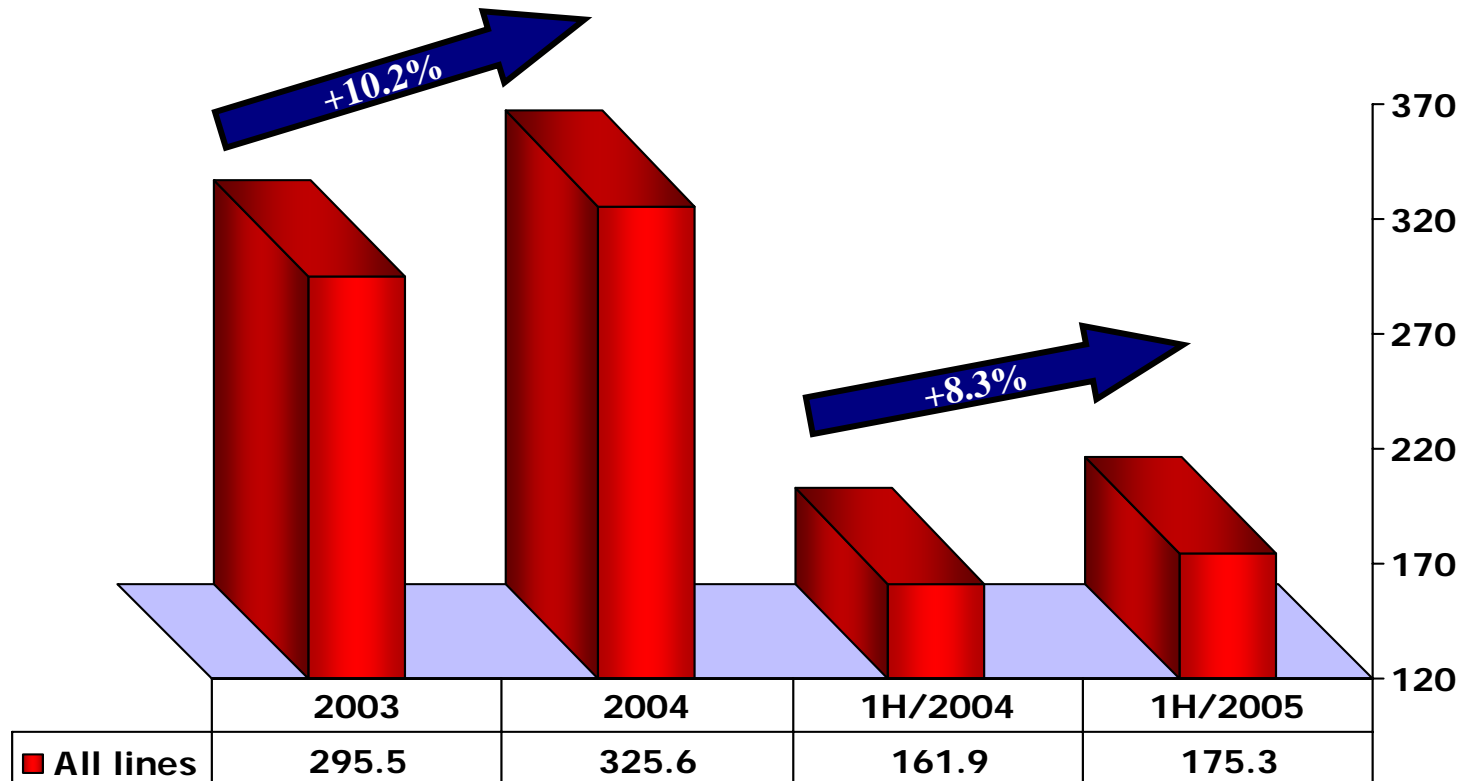
- We (almost) exclusively sell personal car and property insurance in Quebec and Ontario
- Our overall contribution to ING Canada Direct Written Premiums was 9.5% in 2004, but we contributed:
 - 30.5% in Quebec for the lines of business that we are in
 - ... and 13.3% in Ontario

2004 Direct Written Premium (\$MM)



We're Good at It, Growing ... Profitably

Direct Written Premiums – All Lines (\$ 000 000)



We Are the #3 Direct Response Player in Quebec ...

Car insurance market share of 5%

Automobile Written Premiums⁽¹⁾ Quebec (\$000)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Growth 5 Years</u>
Direct Channel							
BELAIR <i>direct</i>	87 438	95 442	105 387	120 313	136 489	151 723	73.5%
sub-total	845 782	982 859	1 099 906	1 247 101	1 365 888	1 466 026	73.3%
market share (industry)	40.5%	42.5%	44.5%	47.0%	48.4%	49.5%	
Broker Channel							
sub-total	1 242 158	1 332 180	1 374 115	1 403 835	1 455 490	1 494 261	20.3%
market share (industry)	59.5%	57.5%	55.5%	53.0%	51.6%	50.5%	
Total	2 087 940	2 315 039	2 474 021	2 650 936	2 821 378	2 960 287	41.8%

⁽¹⁾ Data extracted from 2004 Trac Report (with adjustments to annualize premiums for 2-year policies)

BELAIR*direct*
Denis Guertin

BELAIR *direct*

...But We're Taking a Closer Aim at Ontario, a Much Bigger Market!

Car insurance
market share
of 1%

Automobile Written Premiums⁽¹⁾

Ontario
(\$000)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Growth 5 Years</u>
Direct Channel							
BELAIR <i>direct</i>	117 311	109 413	100 126	101 458	114 301	118 012	0.6%
sub-total	2 001 494	2 000 067	2 203 630	2 723 035	3 423 726	3 577 189	78.7%
market share (industry)	37.5%	35.3%	35.4%	37.0%	37.5%	38.4%	
Broker Channel							
sub-total	3 336 443	3 664 162	4 015 537	4 627 229	5 695 630	5 742 245	72.1%
market share (industry)	62.5%	64.7%	64.6%	63.0%	62.5%	61.6%	
Total	5 337 937	5 664 229	6 219 167	7 350 264	9 119 356	9 319 434	74.6%

⁽¹⁾ Data extracted from 2004 Trac Report

BELAIR*direct*
Denis Guertin

BELAIR *direct*

Things Are Changing, We Have to Adapt to Take Advantage

1 market segmentation
to become the provider of choice for targeted consumers

- Financial discipline
- Hi-speed Home access to internet
- Lifetime value

2 response marketing
to grow our database of targeted prospects

- Mass advertising
- Direct and Web marketing
- Alliances

3 risk selection
to optimize our risk selection through marketing and operational filters

- Marketing filters
- Operational filters
- Scoring models

VALUE OPERATOR

4 integration of web and call-centres
to offer better value to our clients and enjoy increased efficiencies

- Day and night
- Ease of use
- Two ways
- All transactions

5 leadership in automobile insurance
to become the best-of-breed in delivering offers, products and services in automobile insurance

- Claims expertise
- Distinctive offers
- Distinctive service

6 protection of customers' interests
to differentiate ourselves with our clients of choice in being more customer-centric

- Simplicity
- Transparency
- Benevolence
- Trustworthiness

7 creation of moments of delight
to use exceptions handling, service recoveries and "going beyond" tools in our service delivery model

- Exception handling
- Service recoveries
- Going beyond

...And Leverage What We Are Already Doing Well!

- award winning customer care centres
- award winning internet site
- 450 sales & advice certified agents
- brand, database and campaigns management
- quality programs backed by digital recordings of calls
- selection of risks based on proprietary scoring models
- 24-hour claims service guarantee

We're Ultimately Aiming to Be the Integrated Web Insurer of Choice

- Multi-million investment in a high-performance end-to-end process management system integrating web and contact centers
- Best-of-breed in car insurance through innovative customer centric product offerings and service deliveries
- Advanced segmentation and marketing strategies to optimize contribution of mass, direct and one-on-one marketing
- Targeted market shares between 5% to 10%



Questions & Discussion





ING Canada

1st Annual

Investor Day

September 12, 2005
Hilton Toronto





Affiliated Distribution

**Roger Randall, *Senior Vice President Affiliated
Distribution Networks***

Annual Investor Day

September 12, 2005

ING 



Agenda

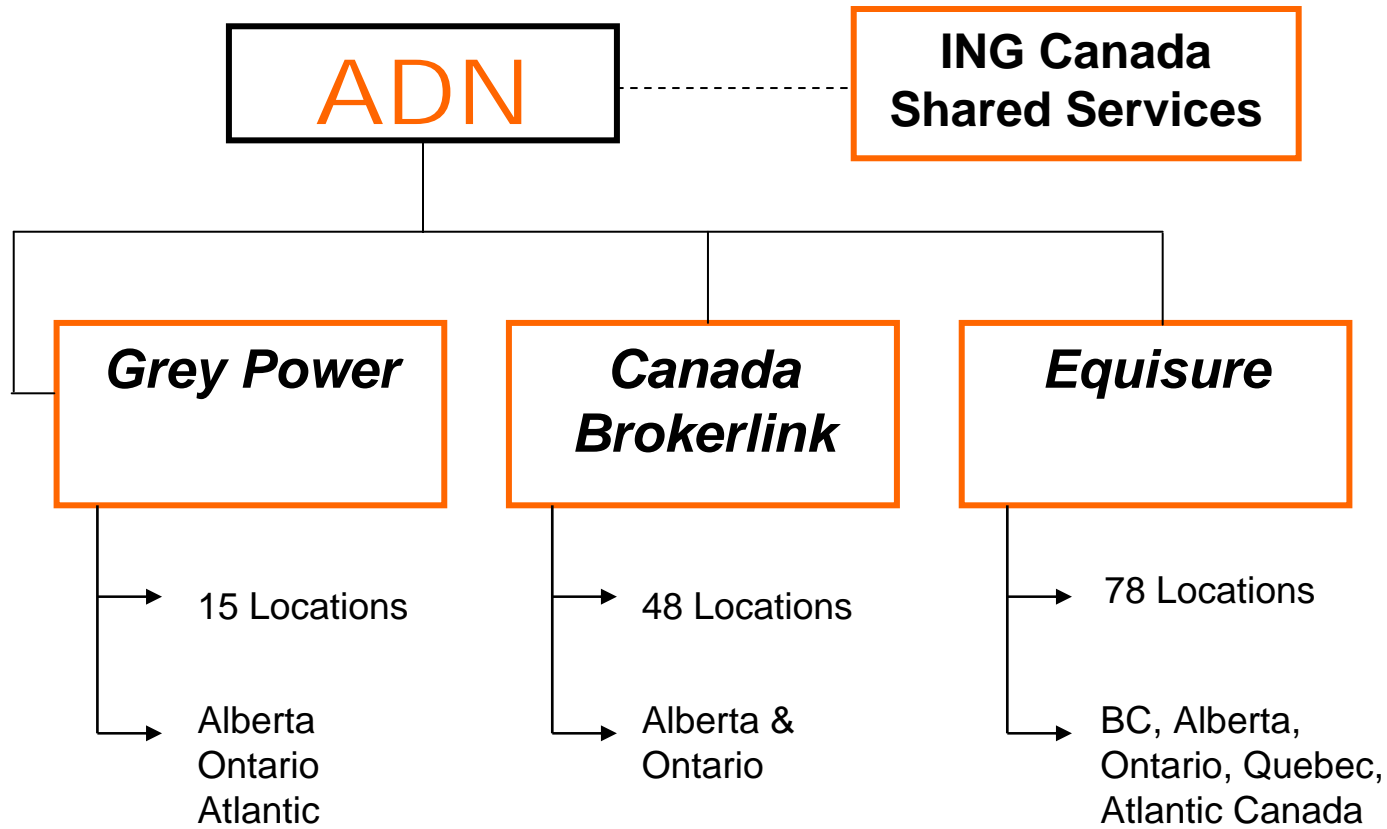
- Background
- Affiliated Distribution Networks (ADN) in ING Canada
- Opportunities for ING
- Questions & Discussion

Multi-Channel Distribution Model

- Direct Distribution
- **Affiliated Distribution**
- Independent Broker Distribution

Affiliated Distribution Networks are...

- Three distinct P&C retail networks operating in Canada
 - **Equisure** – acquired via take-over bid in December 2000
 - **Canada Brokerlink (CBL)** – part of the 2004 Allianz acquisition
 - **Grey Power Insurance Brokers** – part of the Allianz acquisition



Snapshot – As at June 2005

	Total # of Office Locations	Human Resources	P&C Commissions*	Premium with ING Today
Canada Brokerlink	48	491	\$43m	\$118m **
Grey Power Trafalgar	15	186	\$17m	\$116m
Equisure	78	1,022	\$90m	\$213m**
TOTAL	141	1,699	\$150m	\$441m

* ING share of commission income: CBL 100%, Grey Power 15%, Equisure up to 50%

** Pending portfolio transfers will increase share to \$200m (CBL) and \$250m (Equisure)

All numbers annualized as at June 2005

*Affiliated Distribution
Roger Randall*



Strategic Direction & Opportunities

*Affiliated Distribution
Roger Randall*

73

ING 



Canada Brokerlink

- In transition to new “hybrid” model
- Vertical integration of Personal Lines
 - ING Insurance as predominant personal lines market, supported by a selection of niche market insurers (e.g. Chubb)
- Multi-market brokerage in Commercial Lines
 - Select group of commercial markets, with ING as a core market
 - Focused on small and mid-sized businesses (the engine of the Canadian economy)

Canada Brokerlink Opportunities

- Hybrid distribution model
 - Blending the operational efficiencies and growth capabilities of direct distribution with the local market knowledge and “customer closeness” of community based brokerage
- Leveraging the combined scale and expertise of CBL and ING
 - One of the largest P&C brokerage networks in Canada
 - BELAIR*direct* experience and expertise in call center management and target marketing
- Immediate opportunity = \$80 million portfolio transfer
- Strategic opportunities
 - Organic growth capability of new personal lines model
 - Expansion to new markets where ING has substantial presence (Quebec)
 - Participant in brokerage consolidation across Canada
 - Solution for retiring/selling brokerage owners

Grey Power

- Franchise model
 - 3 ING owned (through CBL)
 - 5 independent
 - Unique: Branded products/services & marketing through exclusive insurance company (Trafalgar)
- Selling only 50+ demographic
 - Personal insurance
- High value proposition
 - Demographic focus and expertise: 100% of resources directed to meeting needs of 50+ clients
 - Special services (e.g. Grey Power Assistance)

Grey Power Opportunities

- Access to ING expertise & capacity
 - Direct marketing (BELAIR *direct*, ING Direct)
 - Manufacturing and actuarial knowledge
 - Capital for expansion & growth
- Competitors focus on price, not complete value chain (supplier, seller, price, product, marketing)
- Growth in southern Ontario
- Expansion of franchise network
 - Quebec and BC

Equisure

- Joint Venture model
 - Key management financially involved in individual brokerages
 - Generally 50/50 ownership with ING (in Quebec, Equisure indirectly owns up to 20% of P&C insurance brokerages)
- Each brokerage run independently by owner/partner
 - Individual annual business plans
 - Common back office functions (e.g. computer systems)
- Concentrated personal lines

Equisure Opportunities

- Additional portfolio acquisitions from brokerages still concentrating personal lines
- Sharing/synergy of CBL and Grey Power models
- Rationalization of existing Equisure portfolios



Questions & Discussion

Affiliated Distribution
Roger Randall





Wrap-up

Charles Brindamour, *Executive Vice President*

Annual Investor Day

September 12, 2005

ING 





Thanks for coming today



ING 