

NOVEMBER 19, 2019

INVESTOR DAY

THE NEXT DECADE

Today's Agenda

9:05 am	10-year review & the decade ahead	Louis Marcotte & Charles Brindamour
9:15 am	Strengthening our leadership position in Canada	Anne Fortin
9:35 am	Building a North American Specialty leader	Mike Miller & Lynn O'Leary
9:55 am	BREAK	
10:15 am	Becoming the best insurance AI shop in the world	Christian Menkens & Jean-François Lessard
10:35 am	Going deeper into claims	Patrick Barbeau & France St-Louis
10:50 am	Capital enabling transformation	Carla Smith & Ken Anderson
11:05 am	Q&A – PART 1	
11:20 am	BREAK	
11:40 am	Board panel: strategy & governance	Frederic Cotnoir, Bill Young & Eileen Mercier
12:00 pm	Recap & perspective on current market conditions	Louis Marcotte & Darren Godfrey
12:15 pm	Concluding remarks	Charles Brindamour
12:25 pm	Q&A – PART 2	
12:45 pm	LUNCH	

Forward-looking statements

Certain of the statements included in this Presentation about the Company's 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", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements. Unless otherwise indicated, all forward-looking statements in this Presentation are made as at September 30, 2019, and are subject to change after that date. This Presentation contains forward-looking statements with respect to the acquisition (the "Acquisition") of The Guarantee of North America and Frank Cowan Company Limited. Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Many factors could cause the Company's 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:

- expected competition and regulatory processes and outcomes in connection with the Acquisition;
- the Company's ability to implement its strategy or operate its business as management currently expects;
- its ability to accurately assess the risks associated with the insurance policies that the Company writes;
- unfavourable capital market developments or other factors which may affect the Company's investments, floating rate securities and funding obligations under its pension plans;
- the cyclical nature of the P&C insurance industry;
- management's ability to accurately predict future claims frequency and severity, including in the personal auto line of business;
- government regulations designed to protect policyholders and creditors rather than investors;
- litigation and regulatory actions;
- periodic negative publicity regarding the insurance industry;
- intense competition;
- the Company's reliance on brokers and third parties to sell its products to clients and provide services to the Company;
- the Company's ability to successfully pursue its acquisition strategy;
- the Company's ability to execute its business strategy;
- the Company's ability to achieve synergies arising from successful integration plans relating to acquisitions;
- the terms and conditions of the Acquisitions;
- the Company's expectations in relation to synergies, future economic and business conditions and other factors in relation to the Acquisition and resulting impact on growth and accretion in various financial metrics;
- the Company's financing plans for the Acquisition, including the availability of equity and debt financing in the future;
- various other actions to be taken or requirements to be met in connection with the Acquisition and integration post-closing of the Acquisition;
- the Company's profitability following the acquisition of OneBeacon Insurance Group, Ltd. ("OB Acquisition") and the Acquisition;
- the Company's ability to improve its Combined Ratio in the United States in relation to the OB Acquisition and the Acquisition;
- the Company's ability to retain business and key employees in the United States in relation to the OB Acquisition and the Acquisition;
- undisclosed liabilities in relation to the OB Acquisition and the Acquisition;
- the Company's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools;
- terrorist attacks and ensuing events;
- the occurrence and frequency of catastrophe events, including a major earthquake;
- catastrophe losses caused by severe weather and other weather-related losses, as well as the impact of climate change;
- the Company's ability to maintain its financial strength and issuer credit ratings;
- the Company's access to debt and equity financing;
- the Company's ability to compete for large commercial business;
- the Company's ability to alleviate risk through reinsurance;
- the Company's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers);
- the Company's ability to contain fraud and/or abuse;
- the Company's reliance on information technology and telecommunications systems and potential failure of or disruption to those systems, including in the context of evolving cybersecurity risk;
- the impact of developments in technology and use of data on the Company's products and distribution;
- the Company's dependence on and ability to retain key employees;
- changes in laws or regulations;
- general economic, financial and political conditions;
- the Company's dependence on the results of operations of its subsidiaries and the ability of the Company's subsidiaries to pay dividends;
- the volatility of the stock market and other factors affecting the trading prices of the Company's securities (including the Subscription Receipts);
- the Company's ability to hedge exposures to fluctuations in foreign exchange rates;
- future sales of a substantial number of its common shares; and
- changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof.

All of the forward-looking statements included in this Presentation, the Q3-2019 MD&A and the quarterly earnings press release dated November 5, 2019 are qualified by these cautionary statements and those made in the section entitled Risk management (Sections 19-24) of our MD&A for the year ended December 31, 2018. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made herein. The Company and management 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.

Disclaimer

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The information contained in this Presentation concerning the Company does not purport to be all-inclusive or to contain all the information that a prospective purchaser or investor may desire to have in evaluating whether or not to make an investment in the Company. The information is qualified entirely by reference to the Company's publicly disclosed information.

No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its the directors, officers or employees as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the attendees with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation that may become apparent. The information and opinions contained in this Presentation are provided as at the date of this Presentation. The contents of this Presentation are not to be construed as legal, financial or tax advice. Each prospective purchaser should contact his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

The Company uses both International Financial Reporting Standards ("IFRS") and certain non-IFRS measures to assess performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are unlikely to be comparable to any similar measures presented by other companies. Management analyzes performance based on underwriting ratios such as combined, expense, loss and claims ratios, MCT, RBC and debt-to-total capital, as well as other non-IFRS financial measures, namely DPW, change or growth in constant currency, Underlying current year loss ratio, Underwriting income (loss), Underwriting expenses, NEP, NOI, NOIPS, OROE, ROE, AROE, Non-operating results, Net distribution income, Adjusted net income, AEPS, Total net claims, and Total capital margin. These measures and other insurance related terms are defined in the Company's glossary available on the Intact Financial Corporation website at www.intactfc.com in the "Investors" section. Additional information about the Company, including the Annual Information Form, may be found online on SEDAR at www.sedar.com.

Important notes:

- Effective in Q1-2019, we have improved the way we report the performance of our distribution channel and investment/other expenses, to better align our reporting with how management views the results of our business. We have reclassified comparative figures in order to ensure comparability and consistency with this new presentation. For further details, see Section 14 - Presentation changes of the Q3-2019 MD&A.
- Unless otherwise noted, DPW refer to DPW normalized for the effect of multi-year policies, excluding industry pools, fronting and exited lines (referred to as "DPW" in this Presentation). See Section 15 for details on exited lines and Table 24 for the reconciliation to DPW of the Q3-2019 MD&A, as reported under IFRS. All underwriting results and related ratios exclude the MYA and the results of our U.S. Commercial exited lines, unless otherwise noted. The expense and general expense ratios are presented herein net of other underwriting revenues.
- When relevant, we present changes in constant currency, which exclude the impact of fluctuations in foreign exchange rates from one period to the other, to enhance the analysis of our results with comparative periods. See Section 16 – Non-IFRS financial measures of the Q3-2019 MD&A.
- Regulatory Capital Ratios refer to MCT (as defined by OSFI and the AMF in Canada) and RBC (as defined by the NAIC in the U.S.). All references to "total capital margin" in this Presentation include the aggregate of capital in excess of company action levels in regulated entities (170% MCT, 200% RBC and other CALs in other jurisdictions) plus available cash in unregulated entities.
- Unless otherwise noted, market share and market related data for P&C Canada are based on the latest available data (Q2-2019) from MSA Research Inc. ("MSA") and excludes Lloyd's Underwriters Canada, Insurance Corporation of British Columbia, Saskatchewan Government Insurance, Saskatchewan Auto Fund, Genworth Financial Mortgage Insurance Company Canada and Canada Guaranty Mortgage Insurance Company. MSA data excludes certain Québec regulated entities. Market share and market positioning reflect the impact of announced or completed acquisitions and are therefore presented on a pro forma basis.
- Certain totals, subtotals and percentages may not agree due to rounding. Not meaningful (nm) is used to indicate that the current and prior year figures are not comparable, not meaningful, or if the percentage change exceeds 1,000%.

"This report, and the analyses, models and predictions contained herein ("Information"), are based on data provided by Intact Financial Corporation and compiled using proprietary computer risk assessment technology of Risk Management Solutions, Inc. ("RMS"). The technology and data used in providing this Information is based on the scientific data, mathematical and empirical models, and encoded experience of scientists and specialists (including without limitation: earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists, geotechnical specialists and mathematicians). As with any model of physical systems, particularly those with low frequencies of occurrence and potentially high severity outcomes, the actual losses from catastrophic events may differ from the results of simulation analyses. Furthermore, the accuracy of predictions depends largely on the accuracy and quality of the data used by Intact Financial Corporation. The Information is provided under license to Intact Financial Corporation and is RMS' proprietary and confidential information and may not be shared with any third party without the prior written consent of both Intact Financial Corporation and RMS. Furthermore, this Information may only be used for the specific business purpose specified by Intact Financial Corporation and for no other purpose, and may not be used under any circumstances in the development or calibration of any product or service offering that competes with RMS.

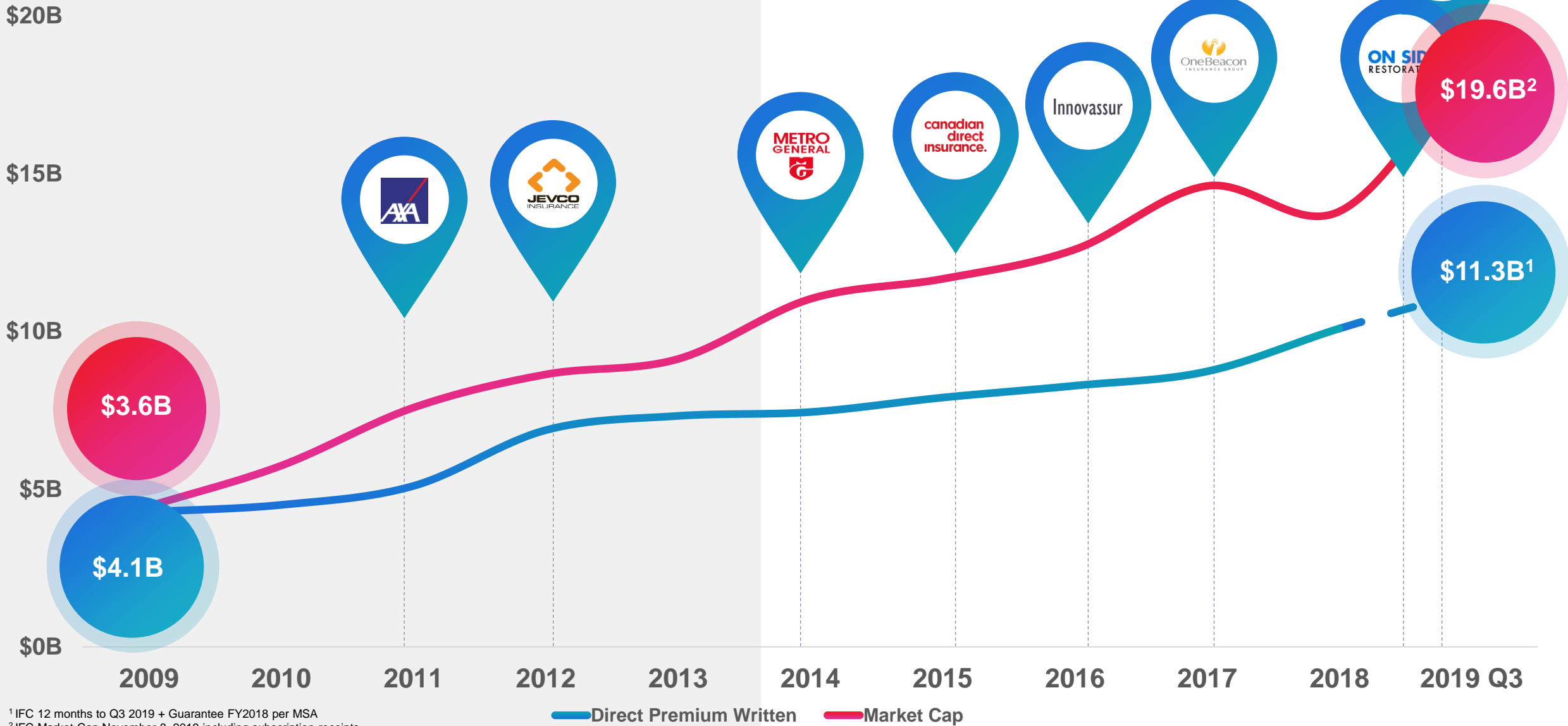
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Introduction: 10-YEAR REVIEW & THE DECADE AHEAD

Louis Marcotte & Charles Brindamour

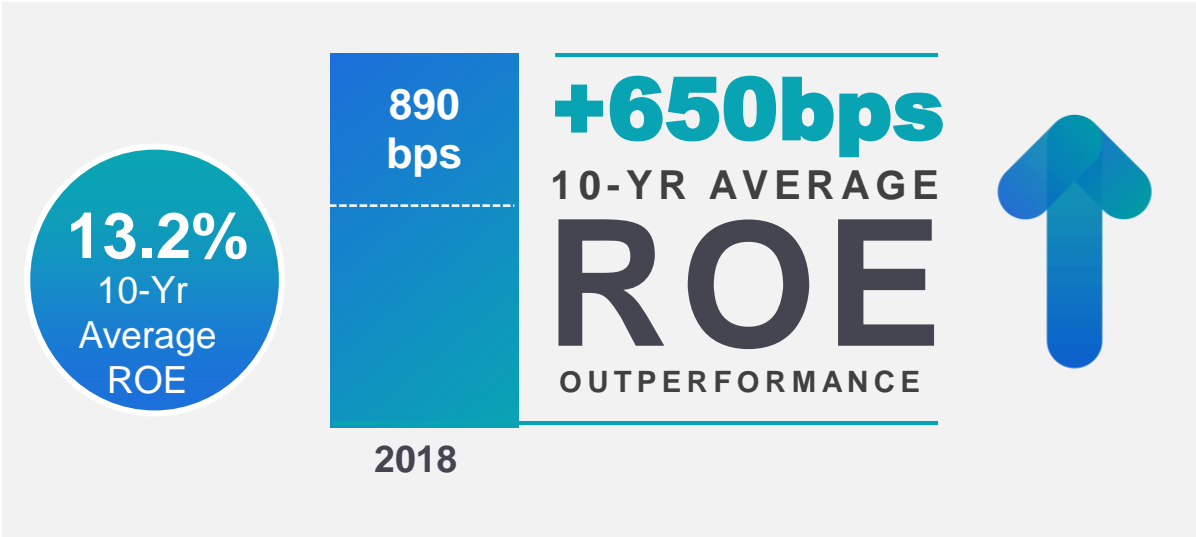
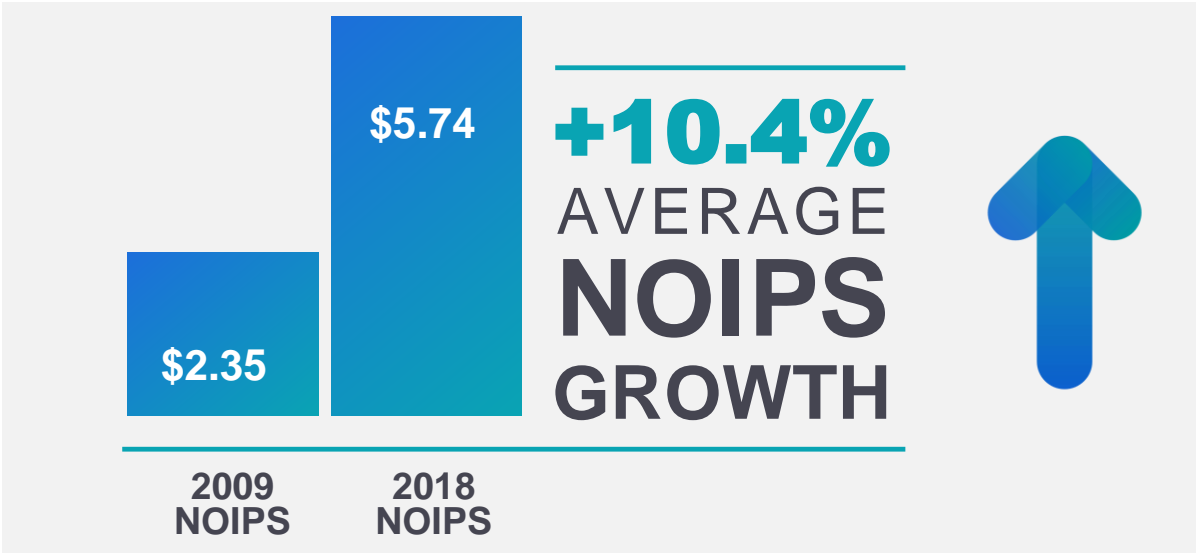


We have come a long way since February 2009

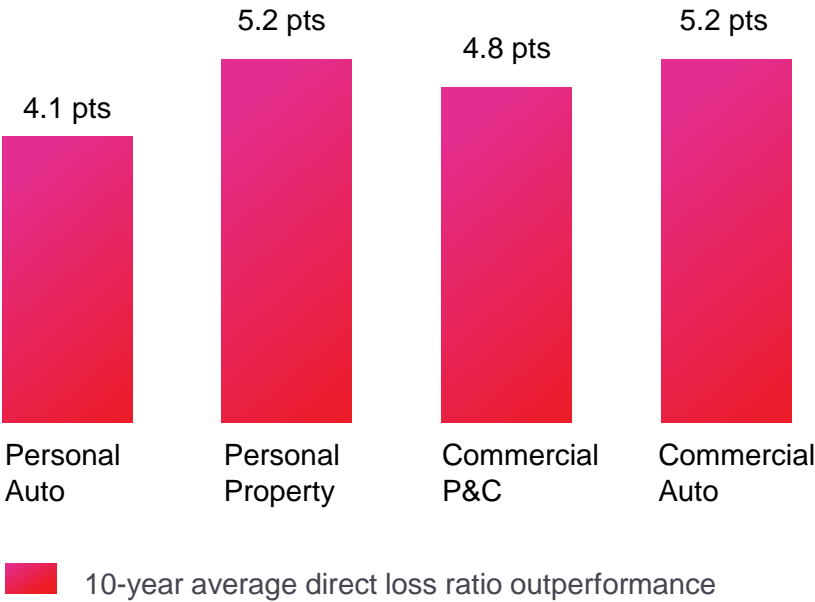


¹ IFC 12 months to Q3 2019 + Guarantee FY2018 per MSA
² IFC Market Cap November 8, 2019 including subscription receipts

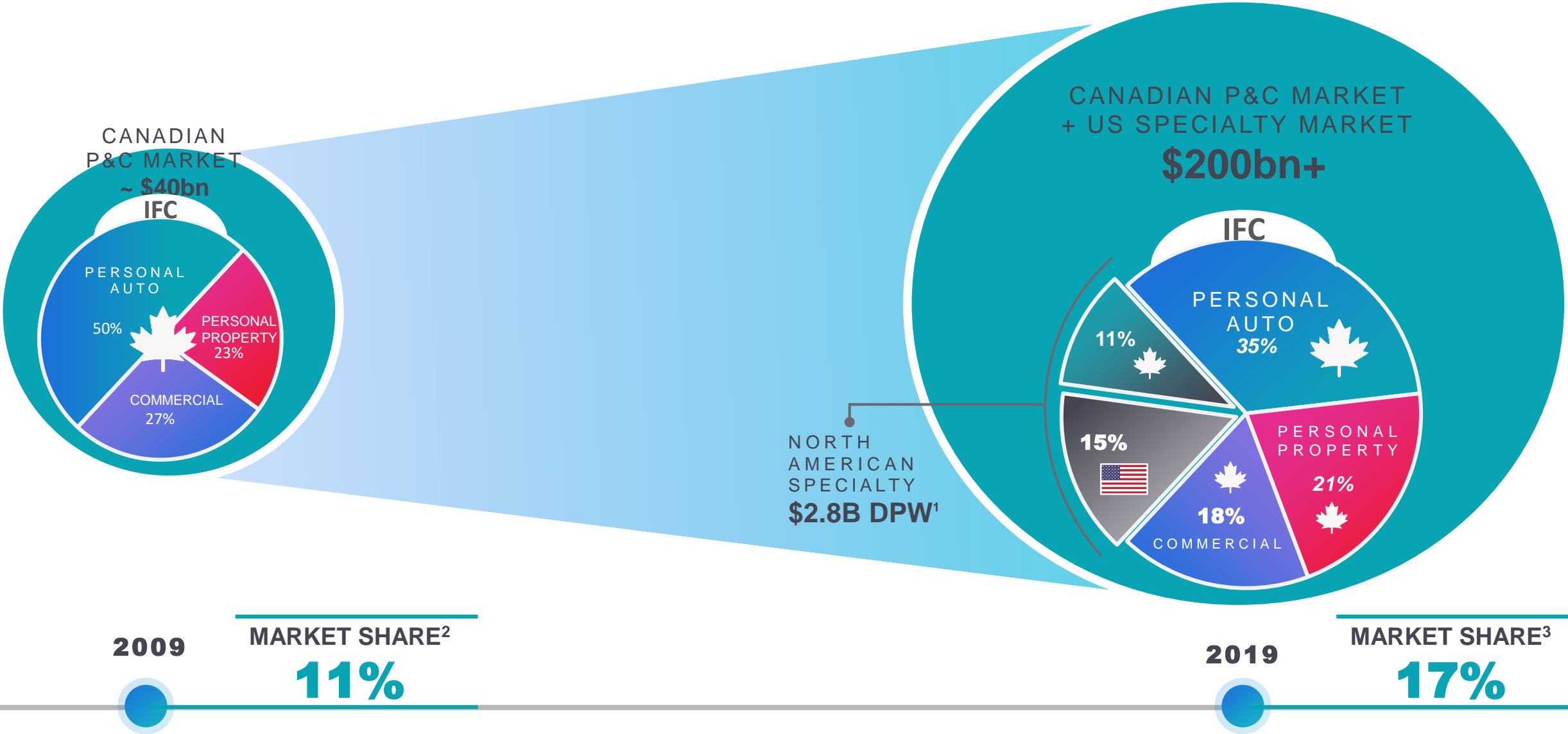
We have exceeded our financial objectives



Outperformance has been broad based...



Diversified business mix to sustain our future ambitions



¹ Q3-2019 trailing twelve month DPW for IFC North American Specialty plus 2018 specialty premiums of The Guarantee Company of North America.
² Refer to Q4-2009 MD&A, Section 1
³ Proforma FY 2018 IFC + GCNA

Outperformance grounded in **solid values**

Integrity
Respect
Customer Driven
Excellence
Generosity



– 1st place –

Board Shareholder Confidence
Index 2018



– 2nd place –

Board Games 2018

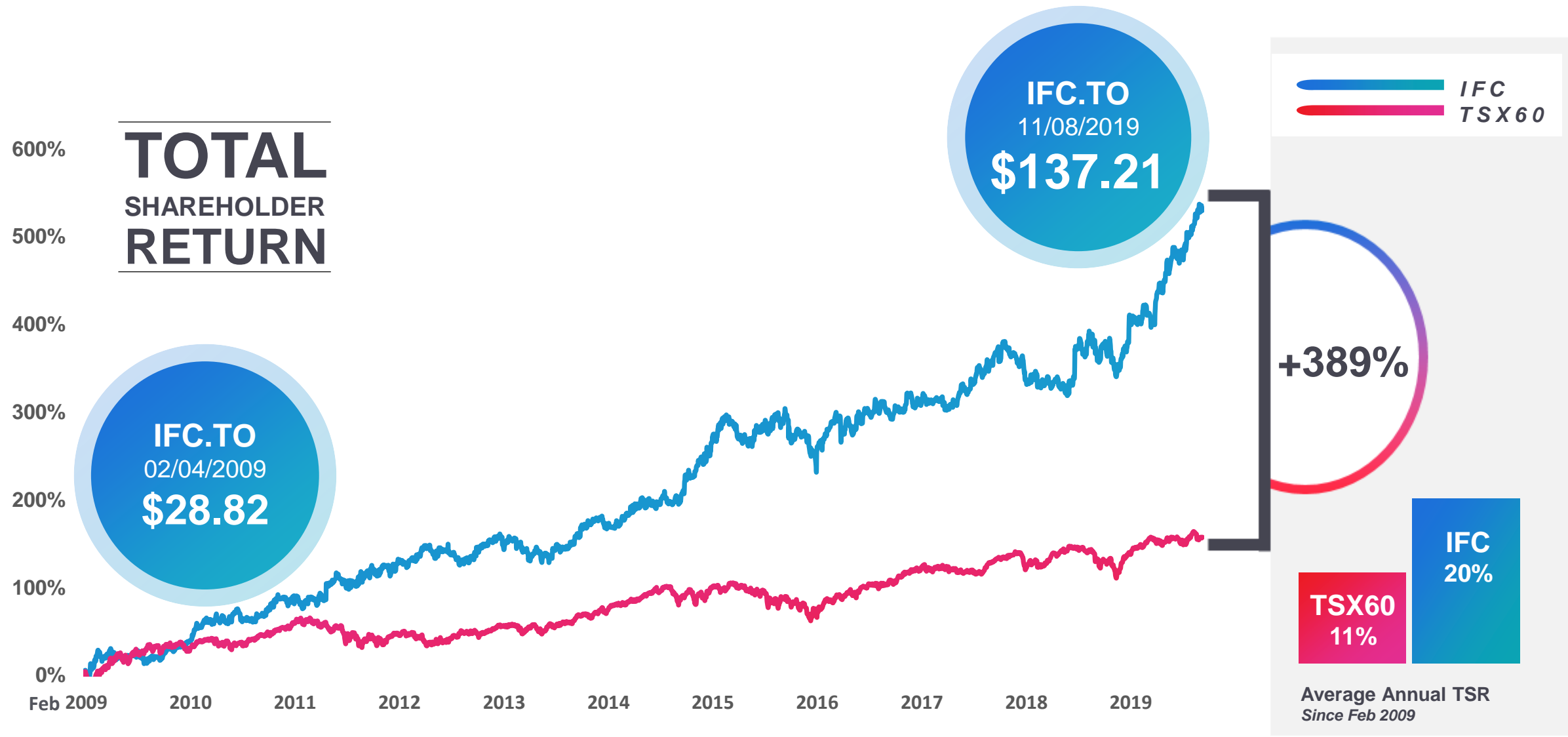


– 2018 Global TopGun –

for transparency
and financial reporting



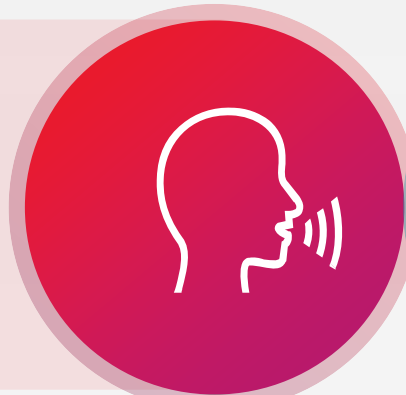
And we have delivered excellent returns for our shareholders



What we are aiming to **achieve**

Our customers are our **advocates**

- **3 out of 4** customers are our advocates
- **3 out of 4** customers actively engage with us digitally



Our **people** are engaged

- Be a **best employer**
- Be a destination for **top talent and experts**



Our Specialty Solutions business is a **Leader** in N.A.

- **Achieve combined ratio** in the low 90s
- Generate **\$3 billion** in annual DPW



Our company is one of the **most respected**

- Exceed industry ROE **by 5 points**
- Grow NOIPS **10% yearly over time**



Our Strategic Roadmap for the next decade





THE NEXT DECADE: STRENGTHENING OUR LEADERSHIP POSITION IN CANADA

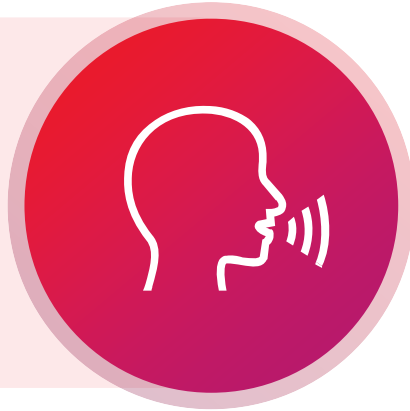
Anne Fortin



What we are aiming to achieve

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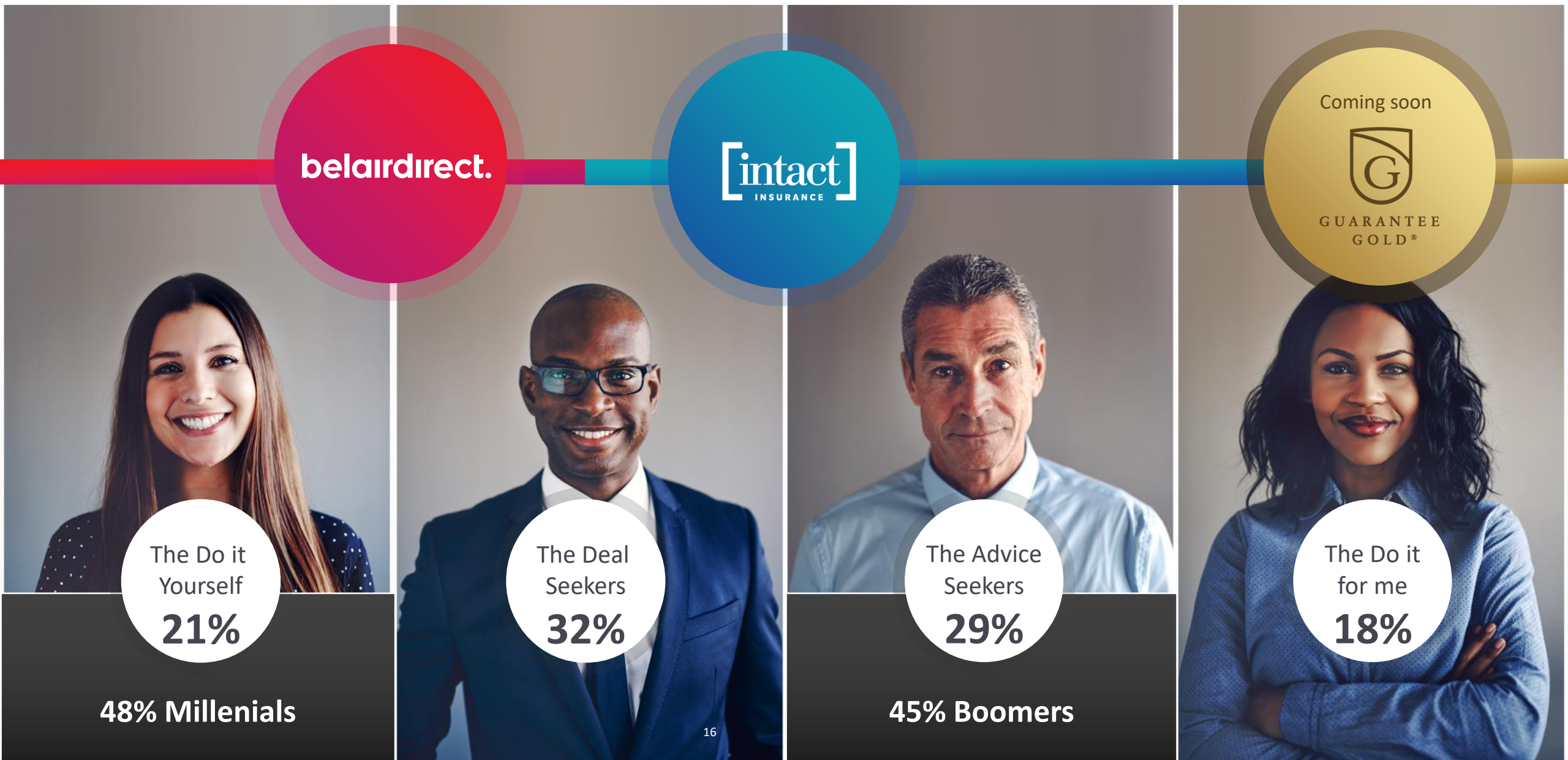


How will we get to 3 out of 4 customers as our advocates?



AI | Behavioural Science | Software Engineering | Design Thinking

Who are the insurance market customers?



belairdirect.

[intact]
INSURANCE

Coming soon



GUARANTEE
GOLD®

The Do it
Yourself
21%

The Deal
Seekers
32%

The Advice
Seekers
29%

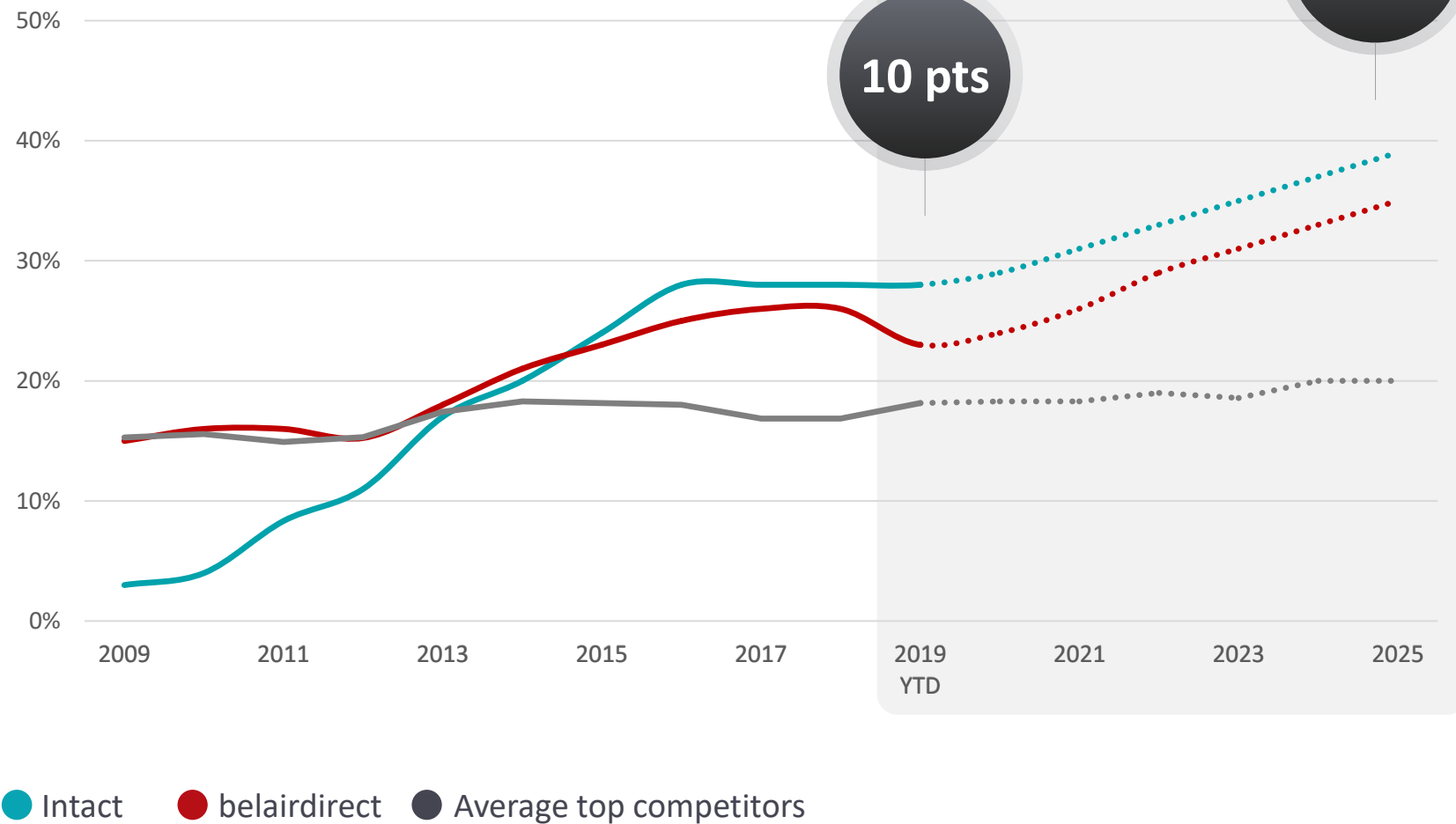
The Do it
for me
18%

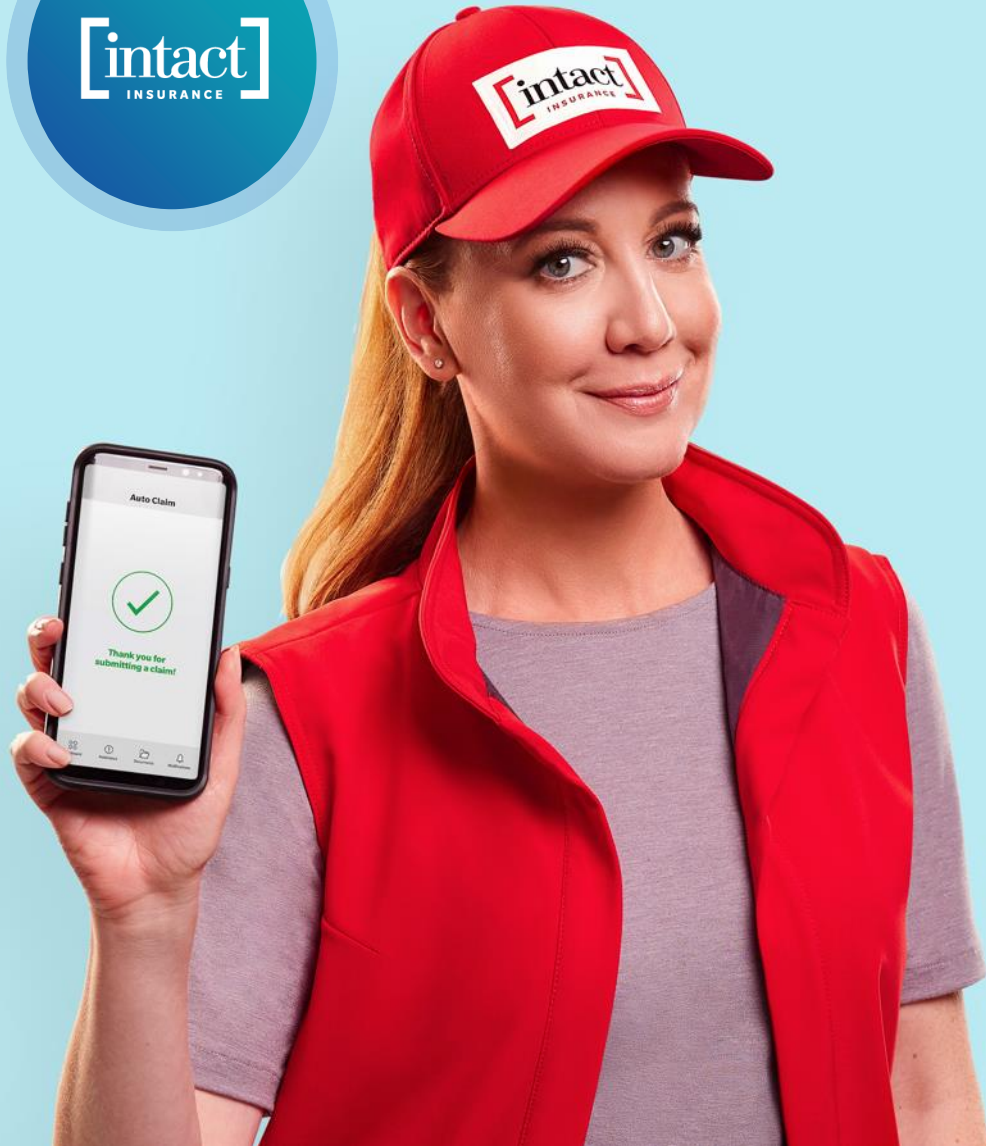
48% Millennials

45% Boomers

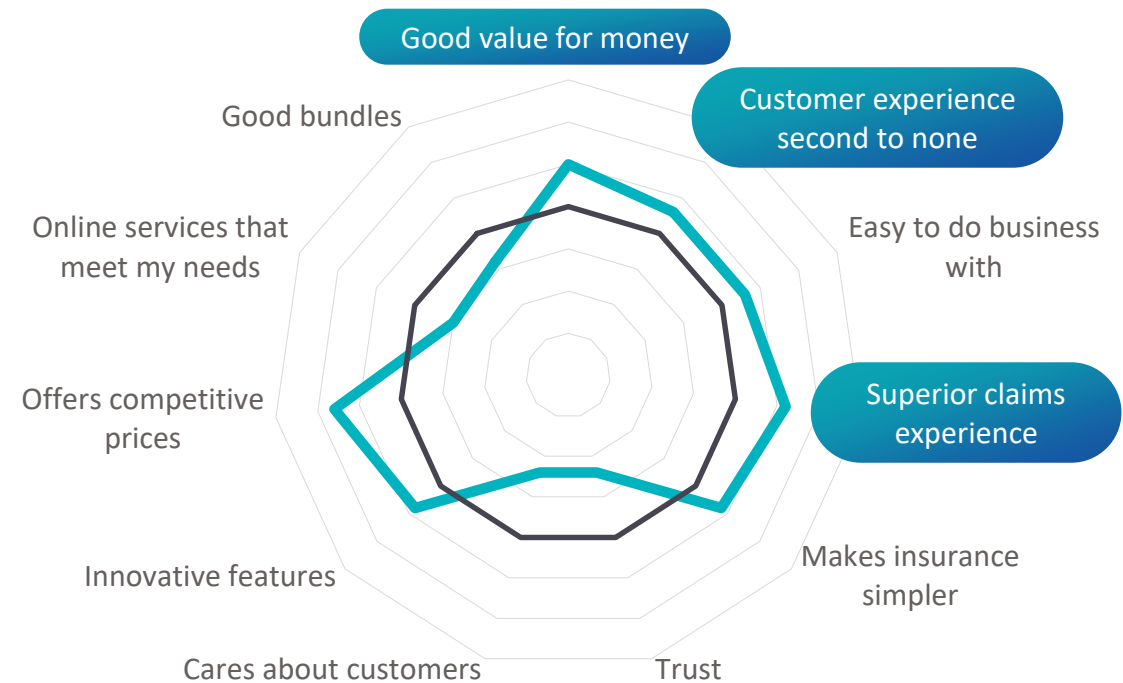


Being known...



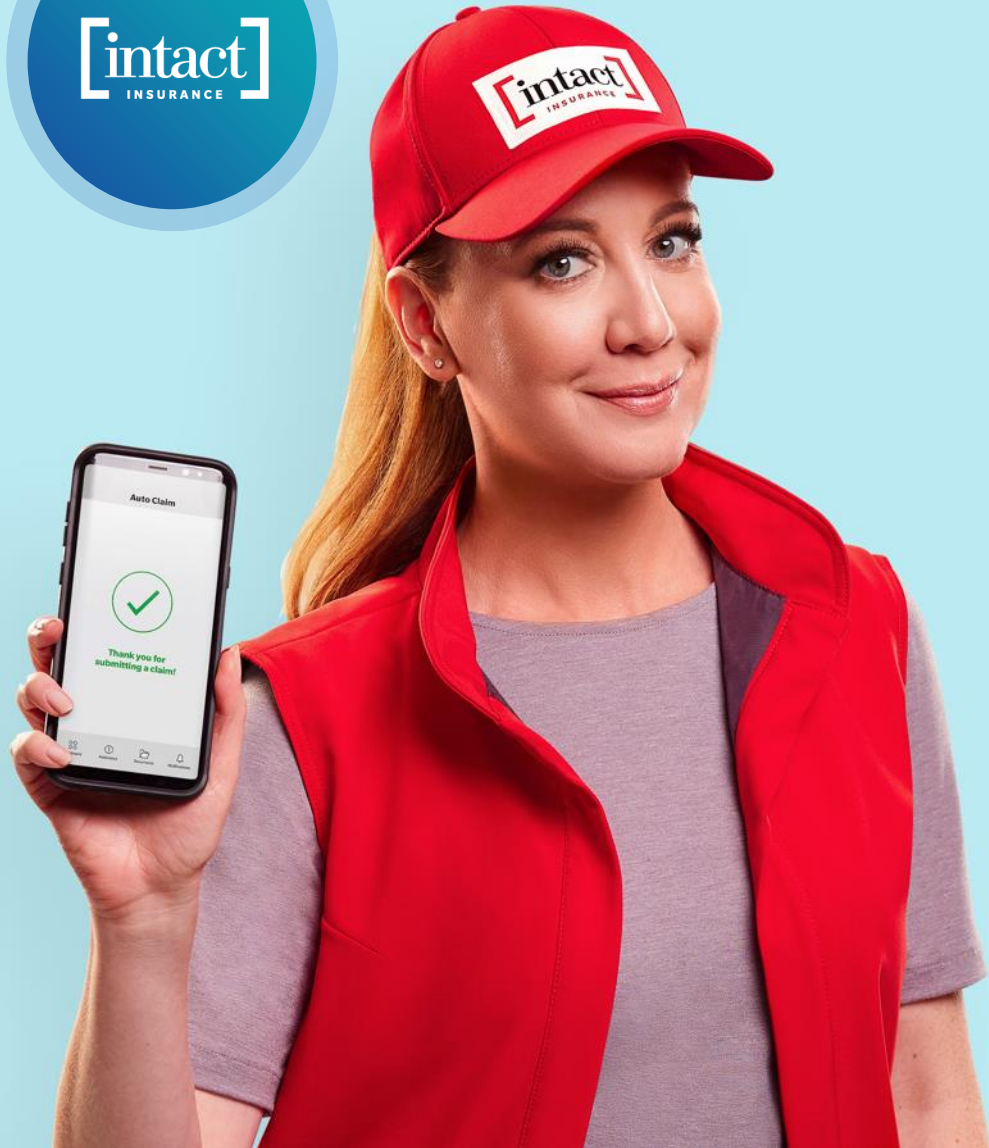


Being known for something people care about



● Intact ● Average top competitors

*Overindex of 105 + on average. | Source: Ipsos, Brand Tracking, 2016-Q3-2019 & Ipsos, BVC, 2017.



Being known for something people care about

Superior claims experience

Good value for money

Customer experience second to none



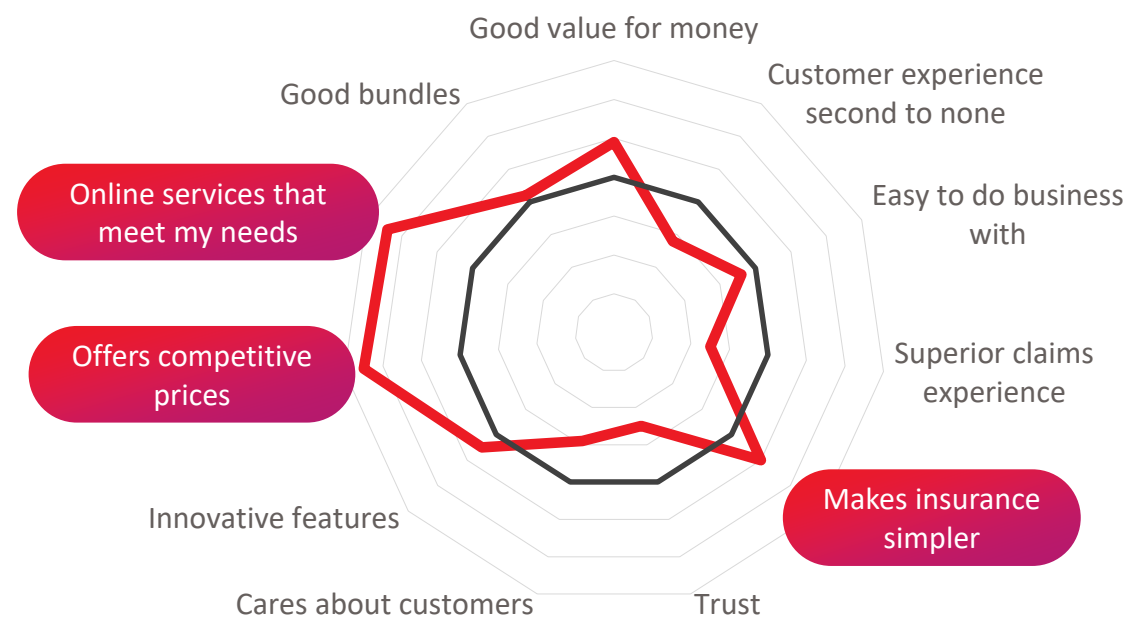
● Intact ● Average top competitors

*Overindex of 105 + on average. | Source: Ipsos, Brand Tracking, 2016-Q3-2019 & Ipsos, BVC, 2017.

belairdirect.



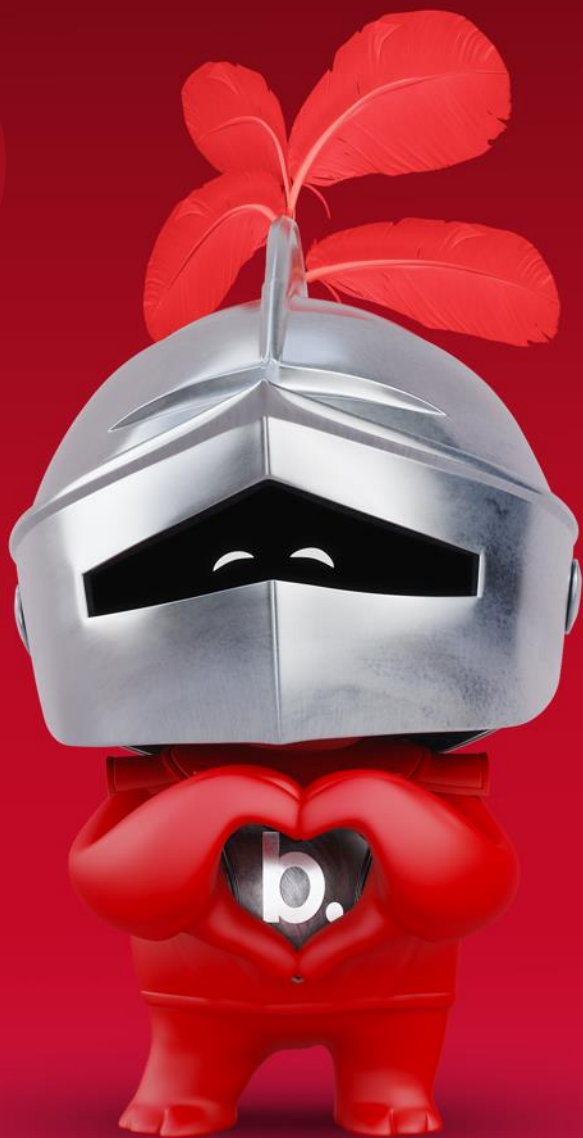
Being known for **something** people care about



● belairdirect ● Average top competitors

*Overindex of 105 + on average. | Source: Ipsos, Brand Tracking, 2016-Q3-2019 & Ipsos, BVC, 2017.

belairdirect.



Being known for something people care about

Online services that meet my needs

100

124

Offers competitive prices

100

125

Makes insurance simpler

100

110

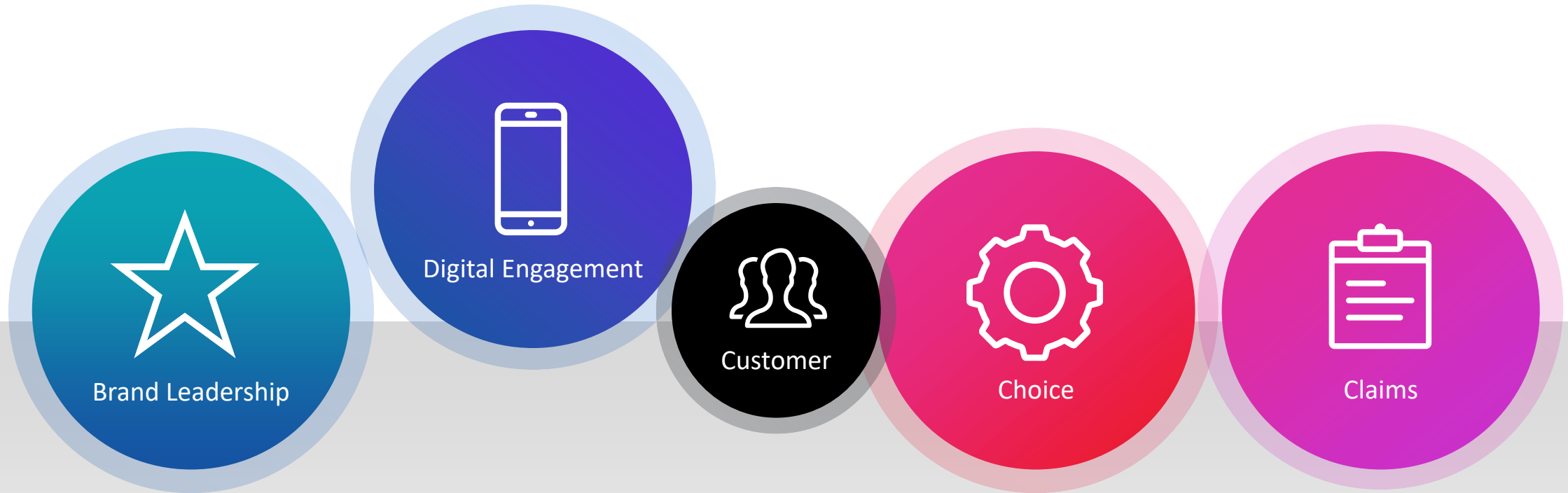


● belairdirect

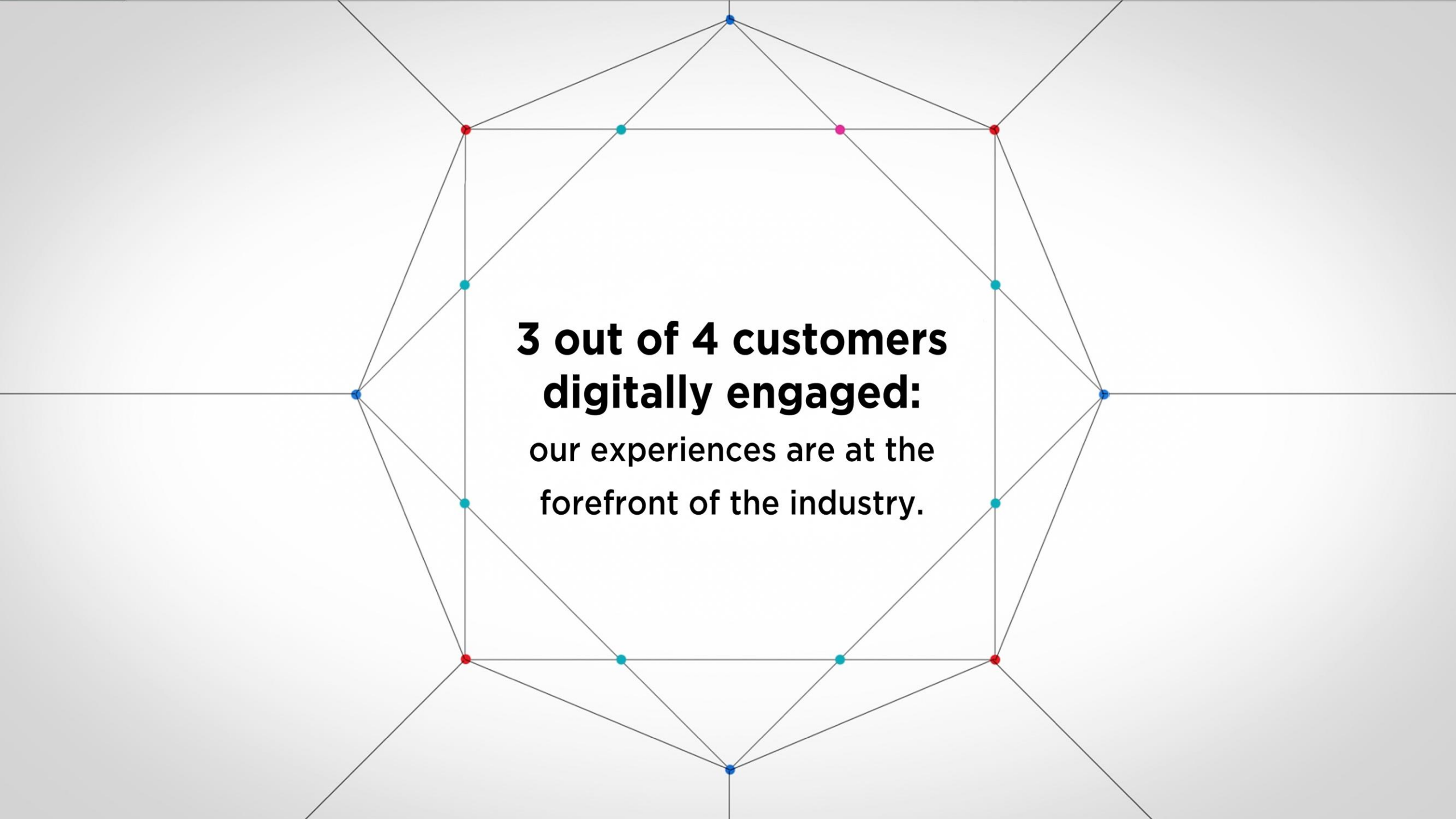
● Average top competitors

*Overindex of 105 + on average. | Source: Ipsos, Brand Tracking, 2016-Q3-2019 & Ipsos, BVC, 2017.

How will we get to 3 out of 4 customers as our advocates?

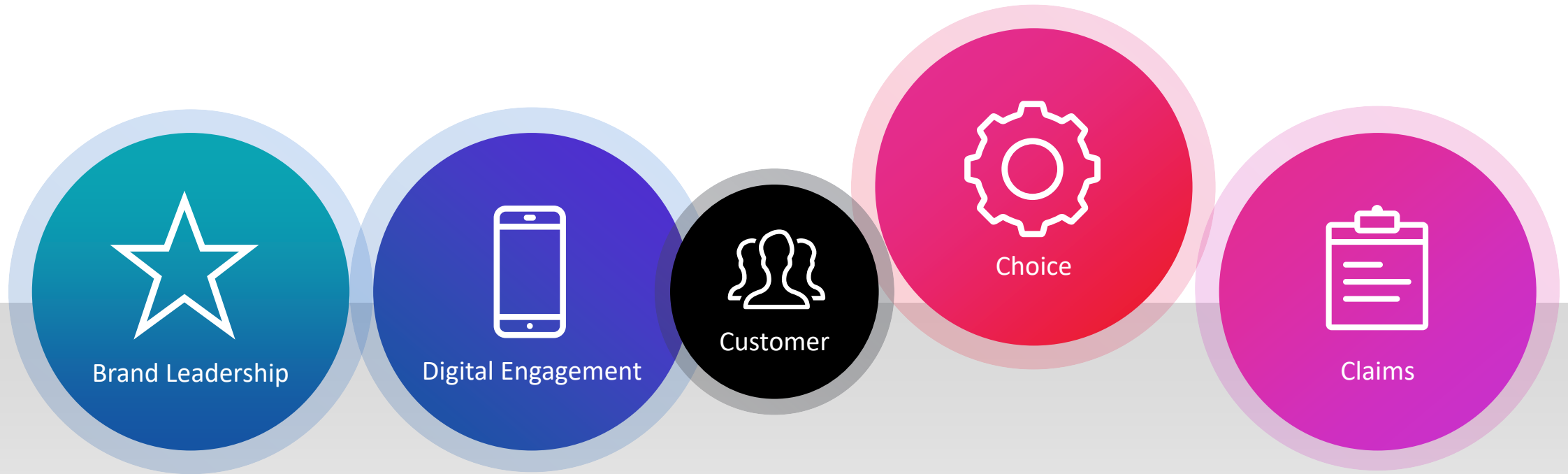


AI | Behavioural Science | Software Engineering | Design Thinking

A geometric diagram consisting of a central square with its sides and diagonals. This square is inscribed within a larger square, which is also inscribed within a third, even larger square. The vertices of these squares are marked with colored dots: blue at the outermost corners, red at the midpoints of the outer square's sides, and teal at the midpoints of the inner square's sides. The central text is positioned within the innermost square.

**3 out of 4 customers
digitally engaged:**
our experiences are at the
forefront of the industry.

How will we get to 3 out of 4 customers as our advocates?



AI | Behavioural Science | Software Engineering | Design Thinking

Build choice through people and digital

The Do it
for me

[intact]
INSURANCE

The
Advice
Seekers

The Deal
Seekers

belairdirect.

The Do it
Yourself



Strong local presence with **6,000 brokers** coast to coast.

Our digital ambition

\$1B
in 2025

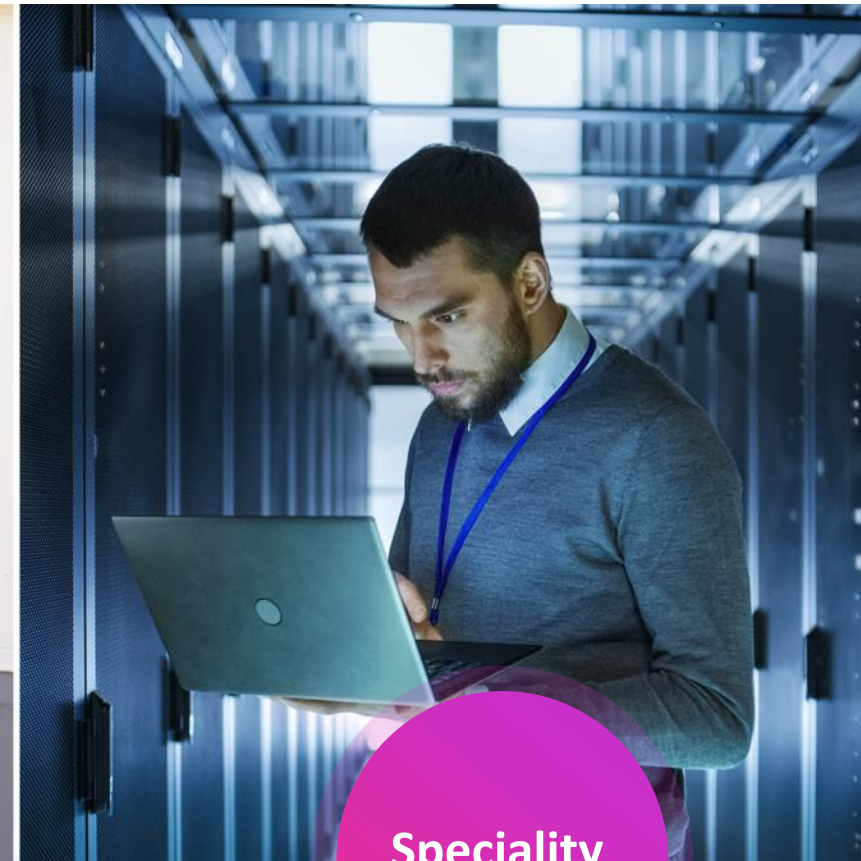
Build choice through product offering



**Commercial
lines**



**Personal
lines**



**Speciality
lines**

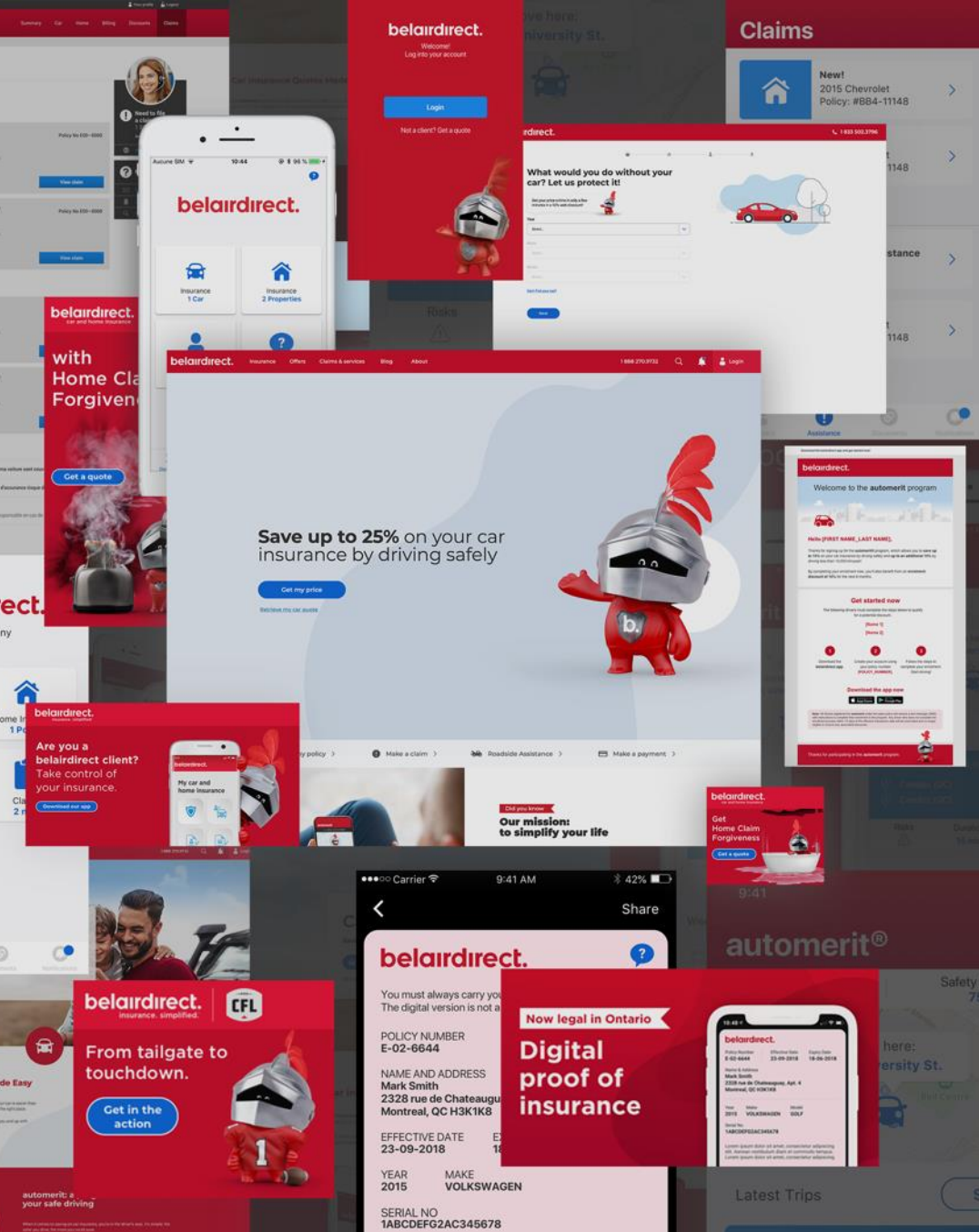
Expanding our product offering

Coming soon



GUARANTEE
GOLD®

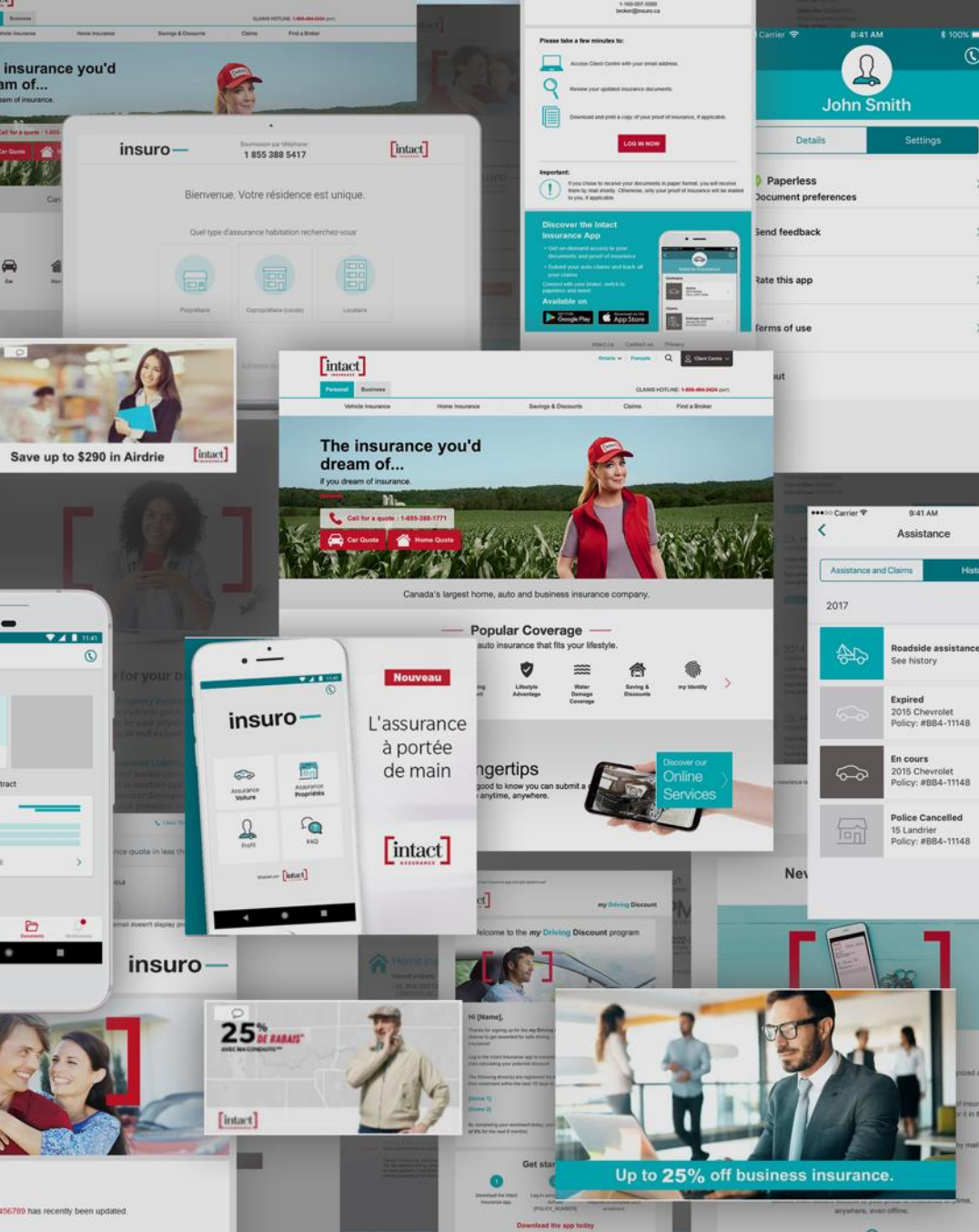
A new proposal for High Net Worth



Build choice through an omni-channel experience



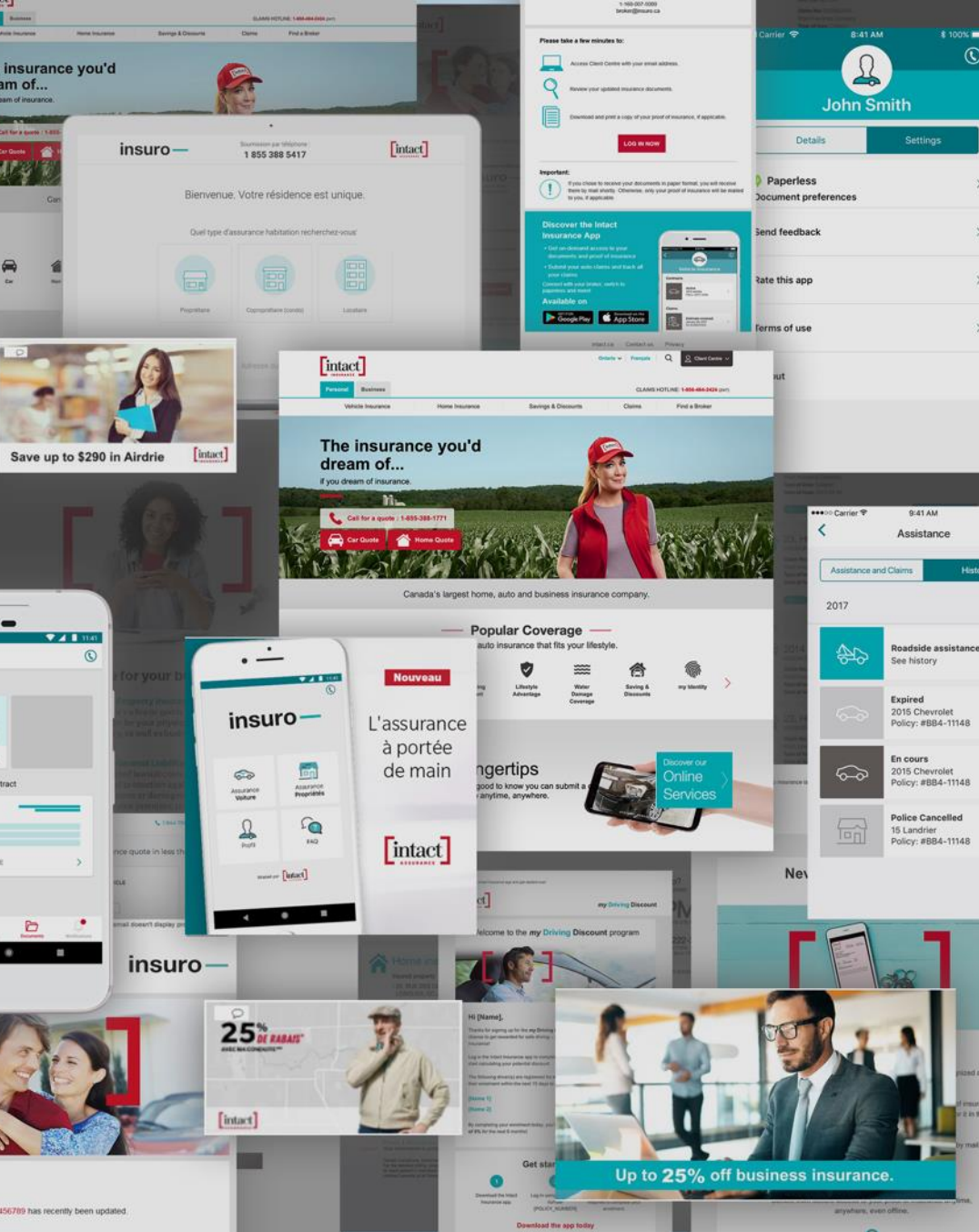
To reach our customers when and how they want



In collaboration with the broker network



To reach our customers when and how they want



Relevancy is key



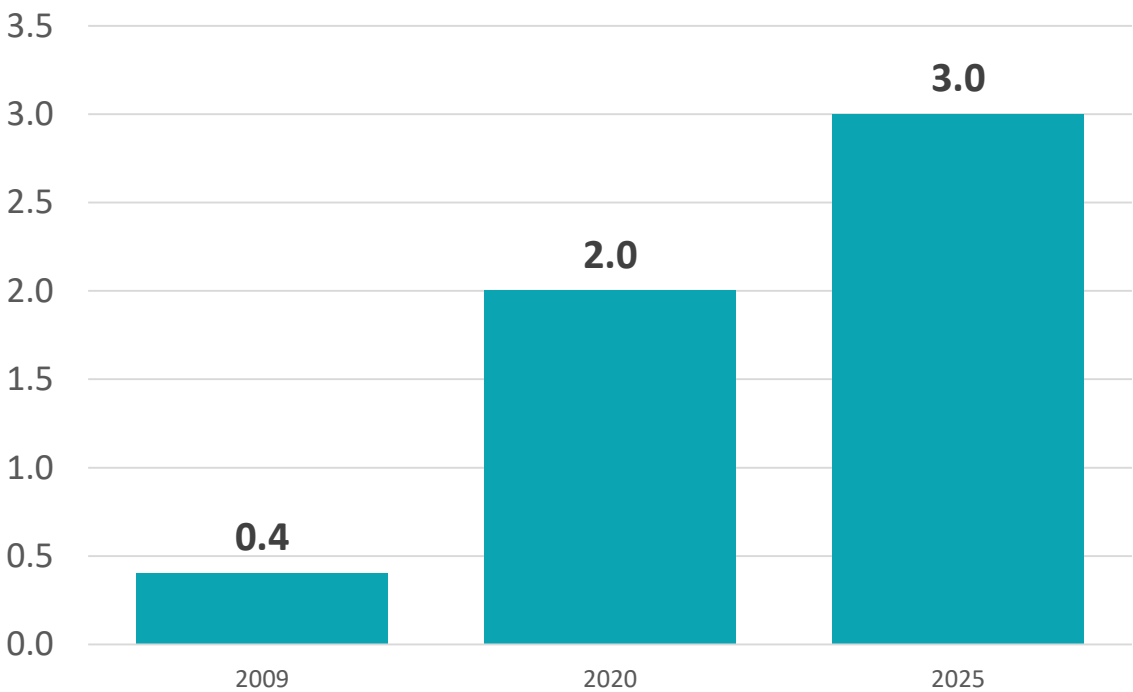
Prove you know me and help me =
+20% purchase and re-purchase intent

**The next decade:
strengthening our leadership
position in Canada**



BrokerLink contributes to our objectives

BrokerLink Written Premium (\$Bn)



~50% of Distribution EBITA

belairdirect.
insurance. simplified.



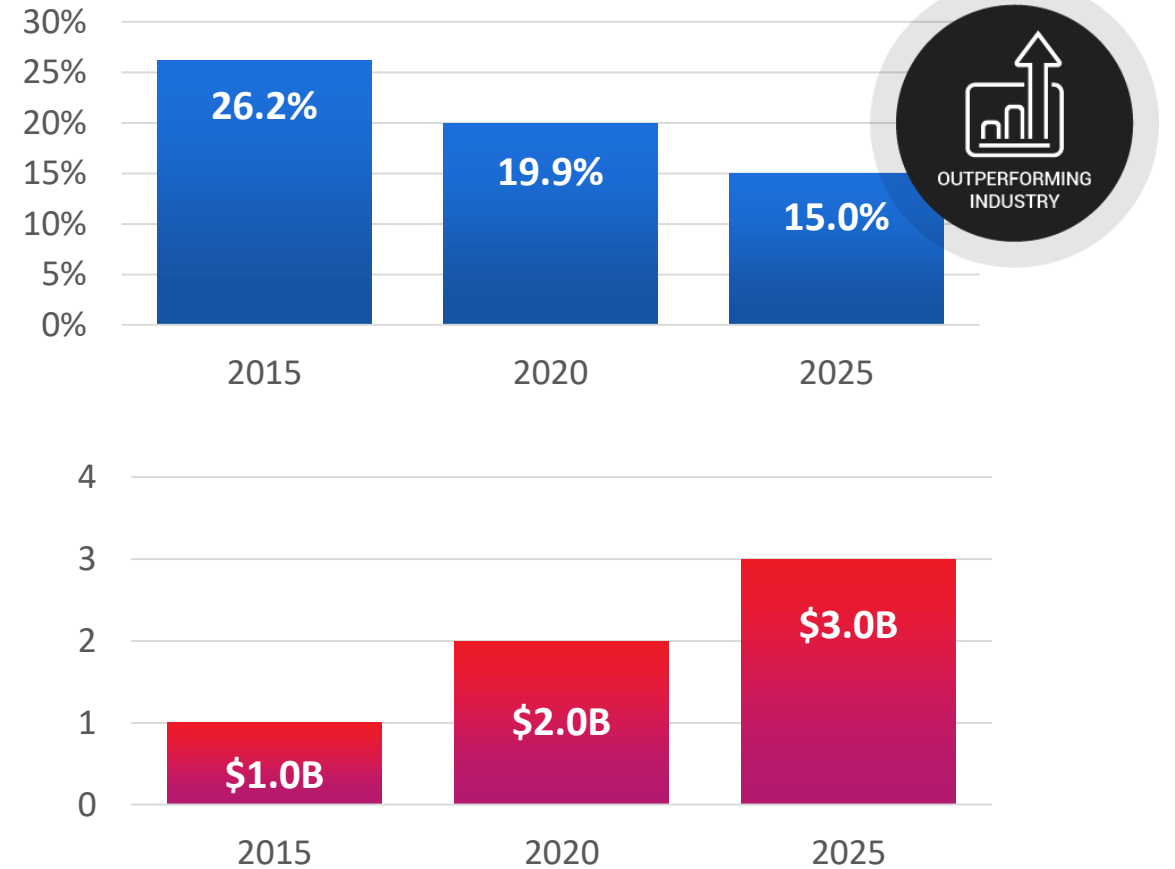
Insurance Simplified



belairdirect.
insurance. simplified.



Insurance Simplified



● Direct Distribution Expense Ratio ● Direct Distribution DWP

OBJECTIVE








1 out of 3 Canadians
are our customers

BUILDING A LEADING NORTH AMERICAN SPECIALTY INSURER

Mike Miller & Lynn O'Leary



Where we stand: Execution on 2020 Objectives

WHAT WE SAID		WHAT WE DID
Low-90s U.S. Combined Ratio		92.8%¹
1. Invest in strong core of industry leading business units		Grown non-PIP business unit DPW at 11% CAGR
2. Recalibrate the U.S. business portfolio		Exited Healthcare, Architects & Engineers, and Programs
3. Import IFC claims expertise to the U.S. platform		Achieved >50% of targeted savings; full realization in 2020/21
4. Realize targeted transaction synergies		Run rate US\$25M target achieved in 2018
\$3 Billion North American Specialty DPW		\$2.8B^{2,3}
1. Invest in new markets and specialties		+\$370M portfolio with The Guarantee + Frank Cowan Company
2. Expand geographic footprint		Established 5 North American Segments , with more in process
3. Leverage deep distribution partnerships		Expanded Canadian specialty at 15% CAGR

¹Q3-2019 YTD combined ratio excluding the result of Healthcare business, for all quarters (exited in the third quarter of 2019).

²Q3-2019 trailing twelve month DPW for IFC North American Specialty plus 2018 specialty premiums of The Guarantee Company of North America.

³Figures are in CAD, unless stated otherwise

Looking Ahead: North American Specialty Market

Current State



STRONG PRICING TRENDS

Medium Term



DISTRIBUTION SHIFT

Long Term



MARKET CONSOLIDATION

Mid-Single

digit rate increases
in the U.S.

High-Single

digit rate increases
in Canada

8.5%

annualized 20-year
commercial MGA
DPW growth

4

\$100M+ MGA
“internalizations”
in last 18 mos.

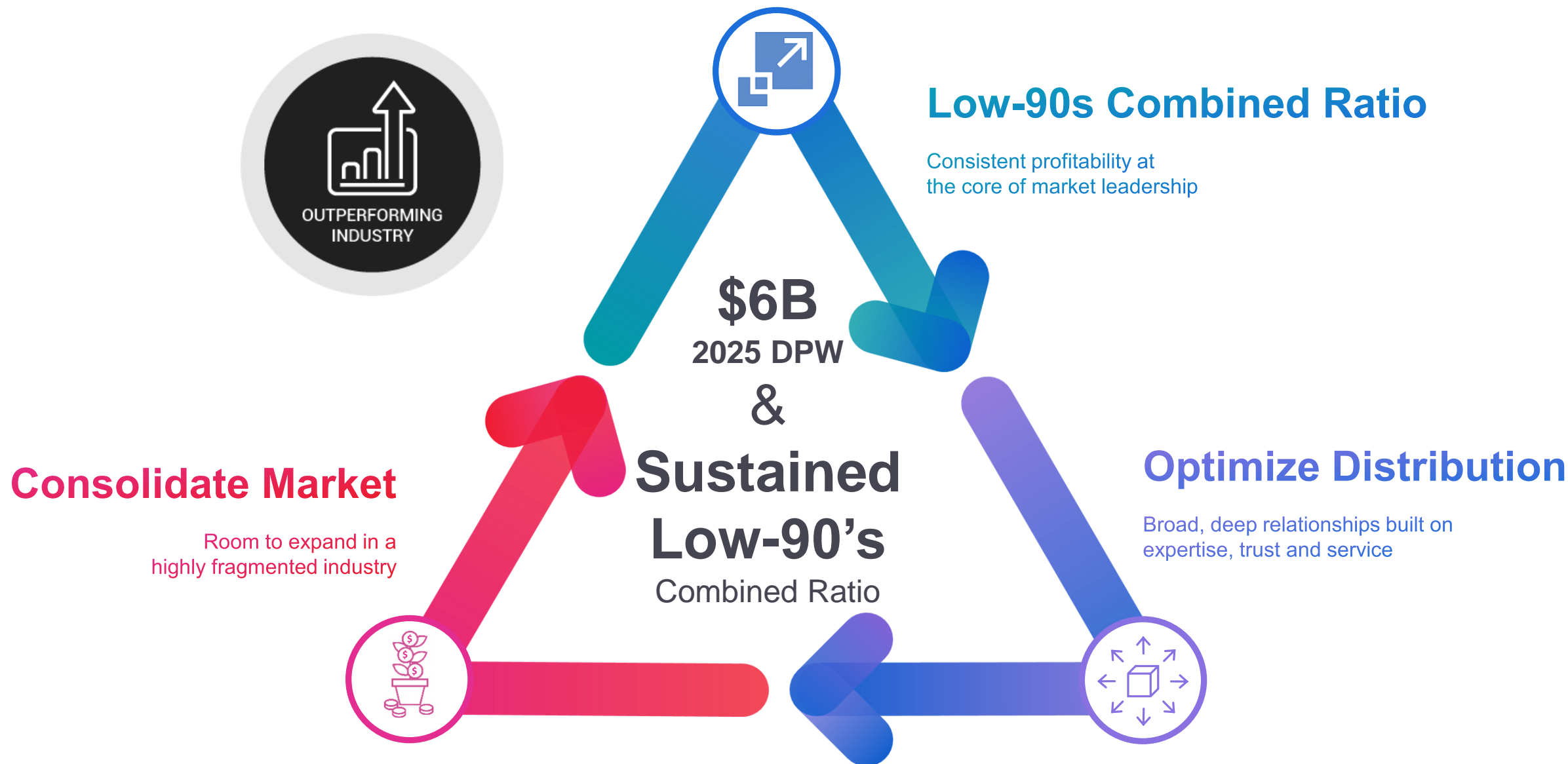
\$175B+

Estimated North
American specialty
market size

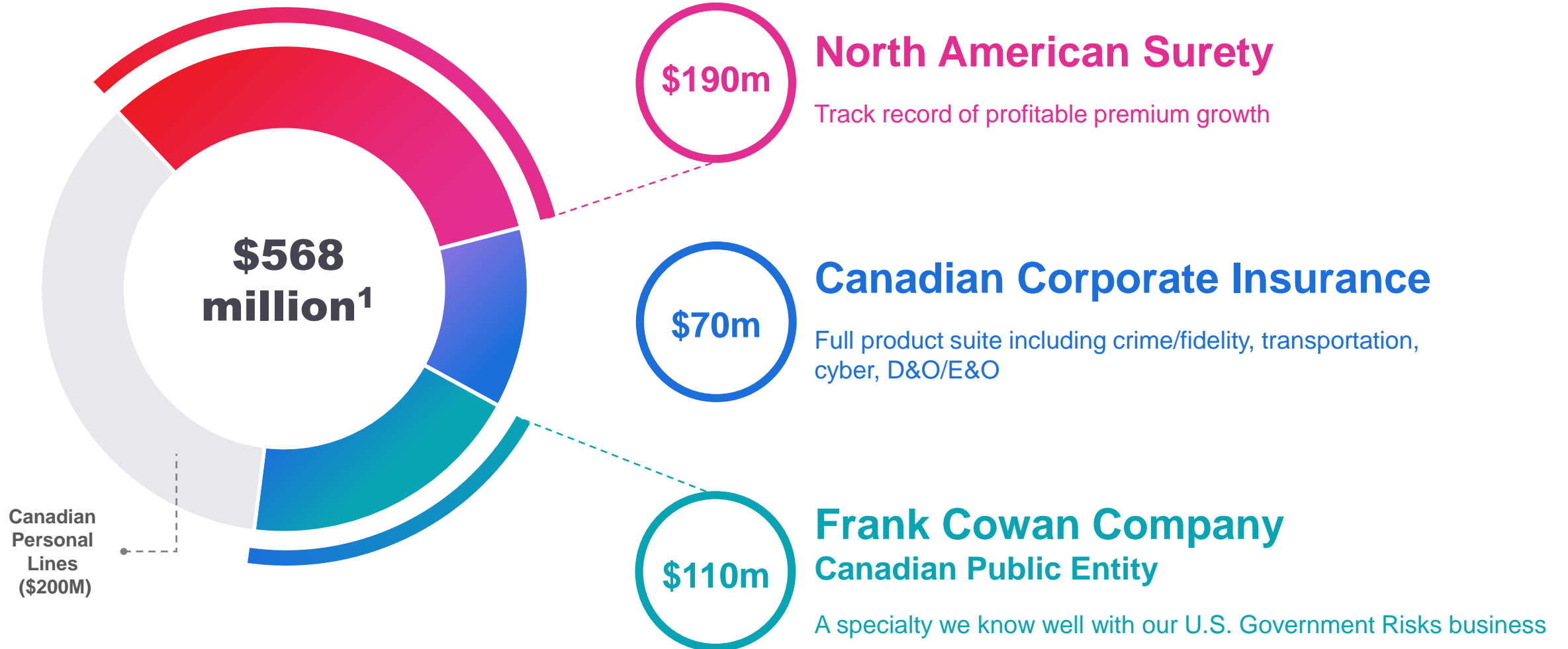
0

insurers with
10+% specialty
market share

Building a North American Specialty Leader

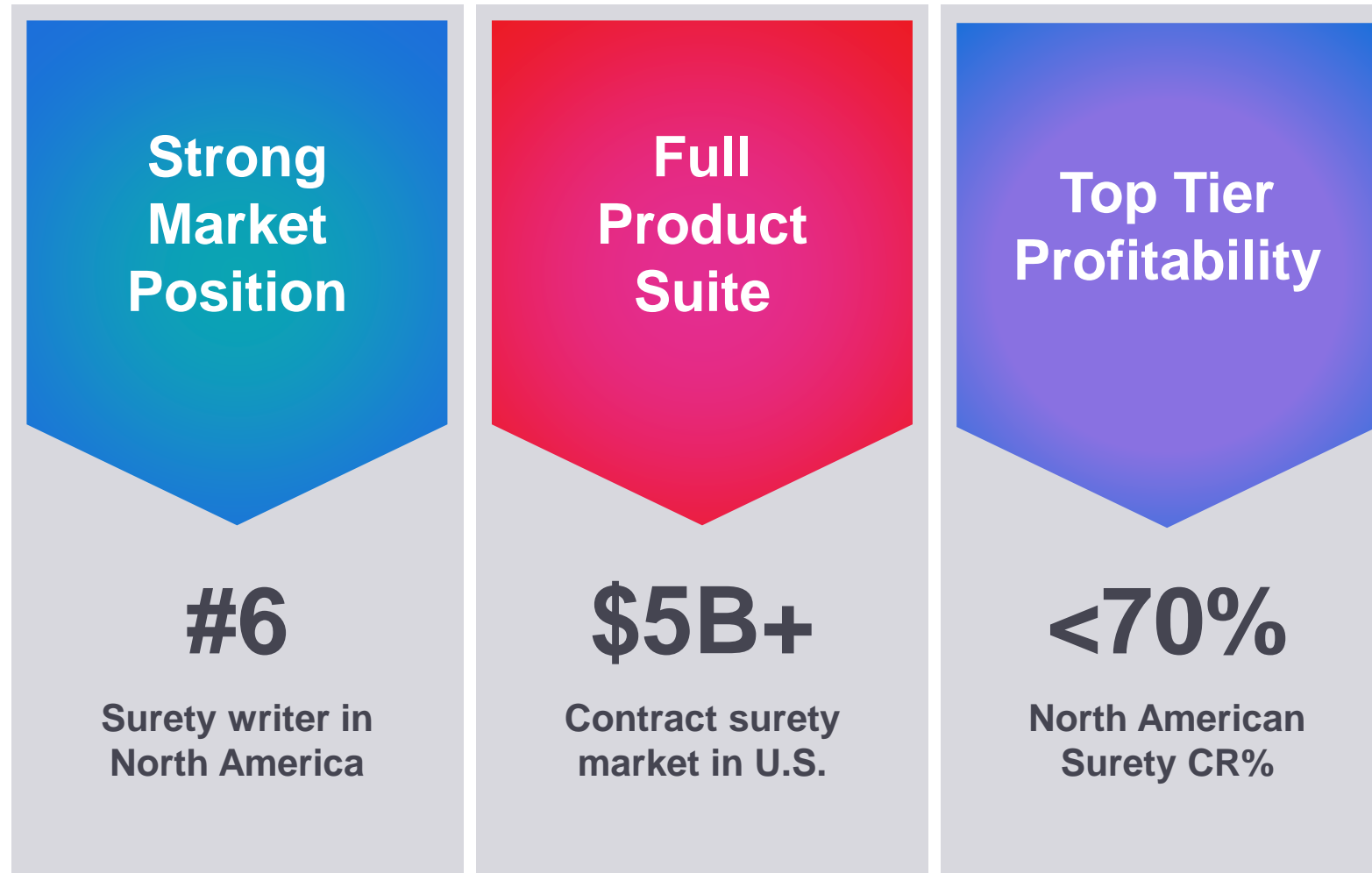


The Guarantee and Frank Cowan Company: Overview

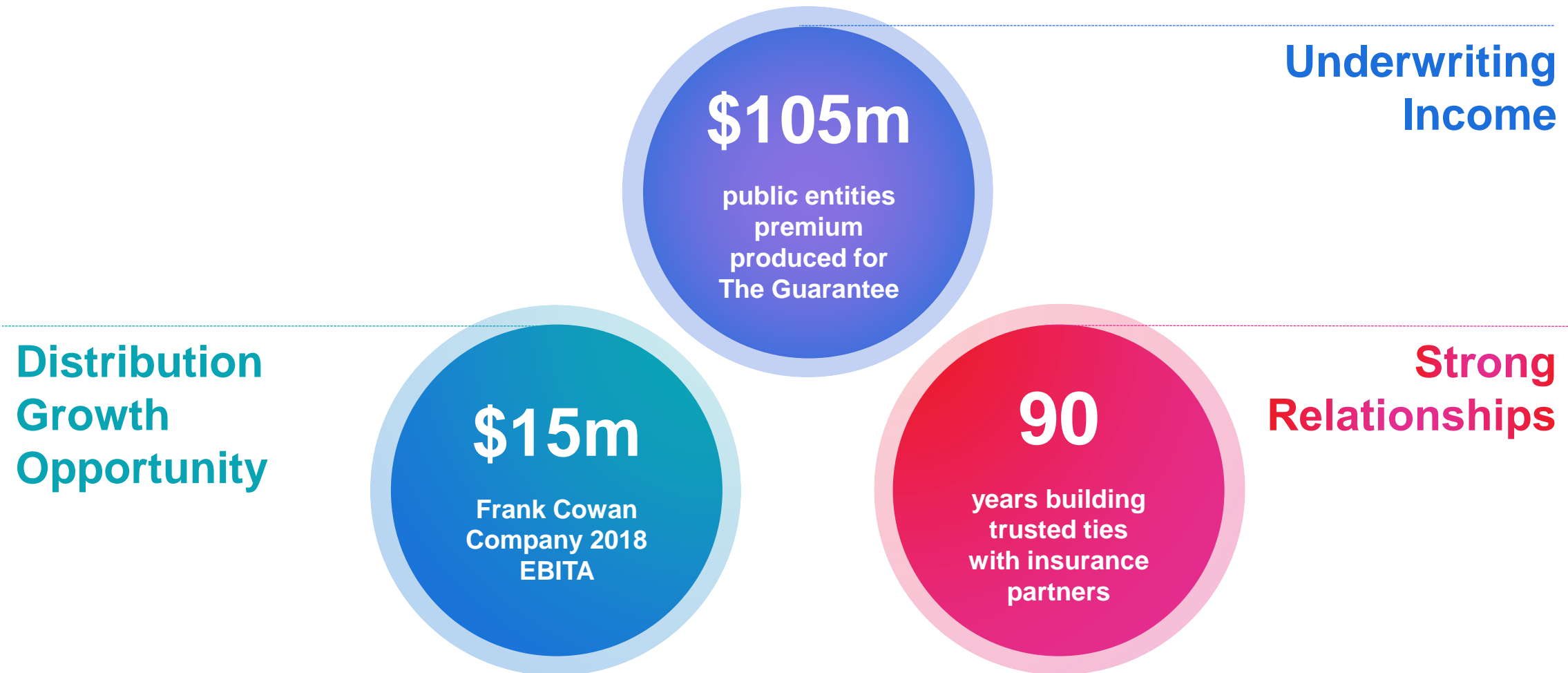


¹ 2018 Gross Written Premiums, The Guarantee Company of North America

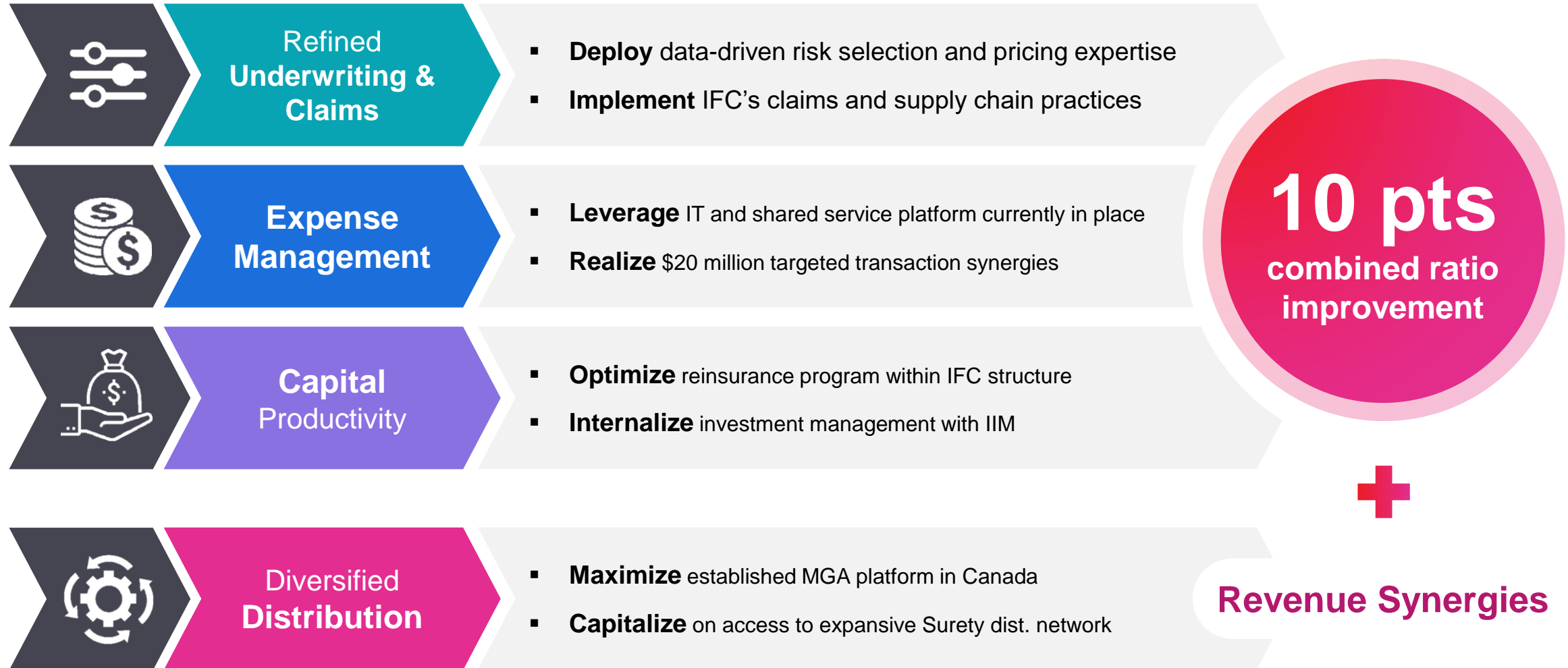
Surety Platform **Enhancement**



Frank Cowan Company: Canadian Distribution Platform



Delivering Outperformance with The Guarantee and FCC



Integration Status Update

TRANSACTION



Received **approval** from Canadian Competition Bureau & Michigan Department of Insurance

Financing in place

PEOPLE



More than **500 employees** have met with IFC senior leadership to date

Confirmation to all employees within 30-60 days of close: **role, manager, location**

CUSTOMERS



Favorable reaction: **97% employee retention rate** strengthens ability to maintain current customers and reach new ones

Begin issuing policies on IFC paper **within 90 days** of close

EXECUTION



15 task forces working on integration with The Guarantee and Frank Cowan Company

Focus on **Day 1 business mandates**: combined Surety organization, HNW strategy, Frank Cowan Company, IT fluidity

Building a North American Specialty leader – Takeaways



Strategic, tangible execution on 2020 premium and combined ratio targets



Infrastructure in place to deliver and **sustain low-90's** Specialty combined ratio



Building a North American Specialty Leader: **\$6bn DPW** by 2025



The Guarantee and Frank Cowan Company are an **ideal strategic fit**; brings joint expertise, broader footprint



Detailed plan to deliver operational and financial **outperformance** at The Guarantee and Frank Cowan Company

TRANSFORMING OUR COMPETITIVE ADVANTAGE **IN TECH & DATA**

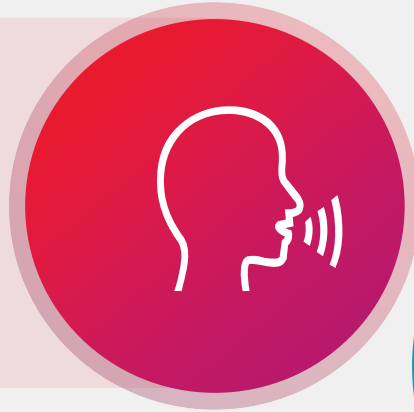
Christian Menkes and Jean-François Lessard



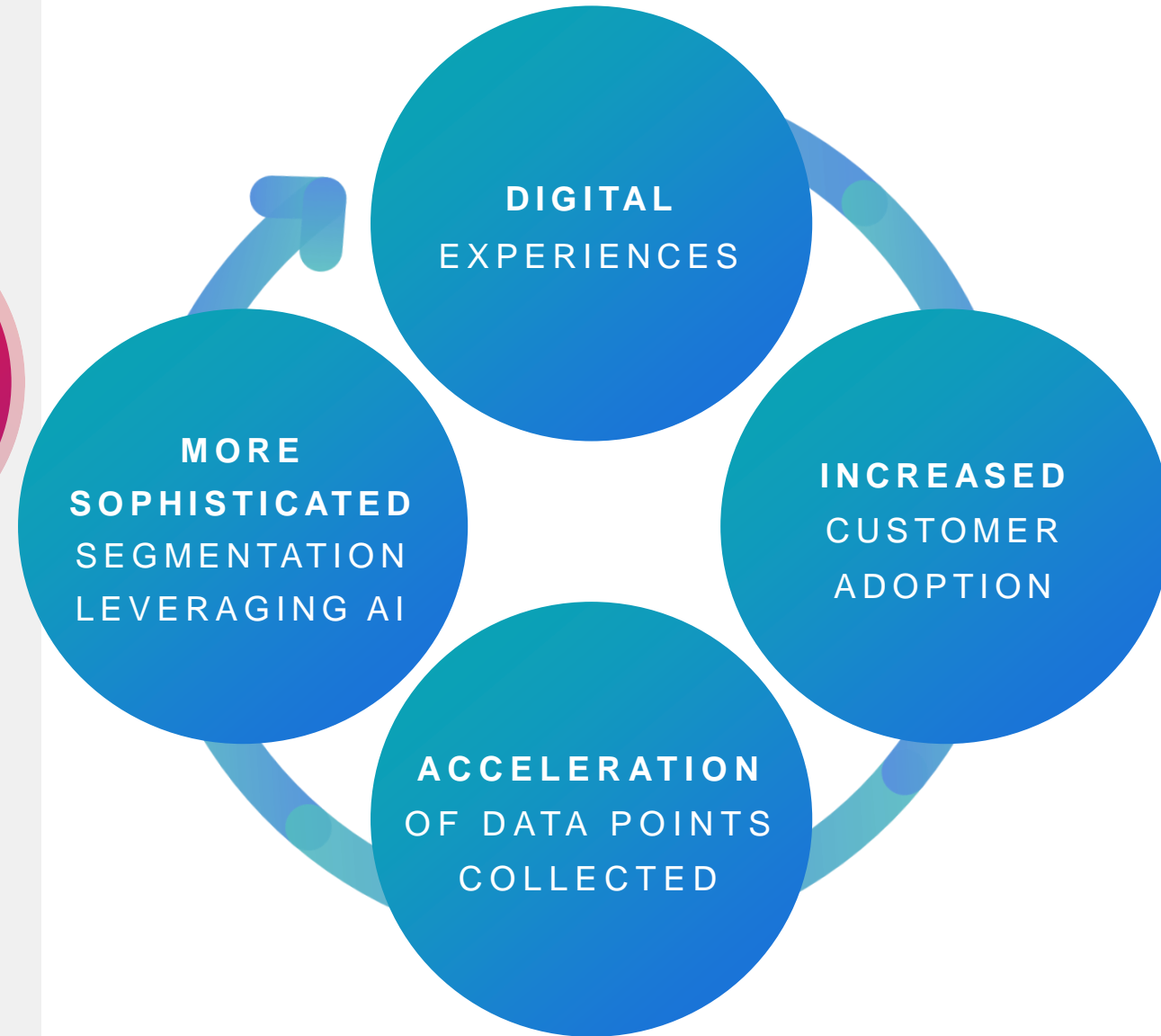
Propelling our data & data advantages...

Our customers are our **advocates**

- **3 out of 4** customers are our advocates
- **3 out of 4** customers actively engage with us digitally



...to create **active digital relationships**



Investing in our tech team growth

Over 1400 technology experts delivering value for customers



40+
DESIGNERS



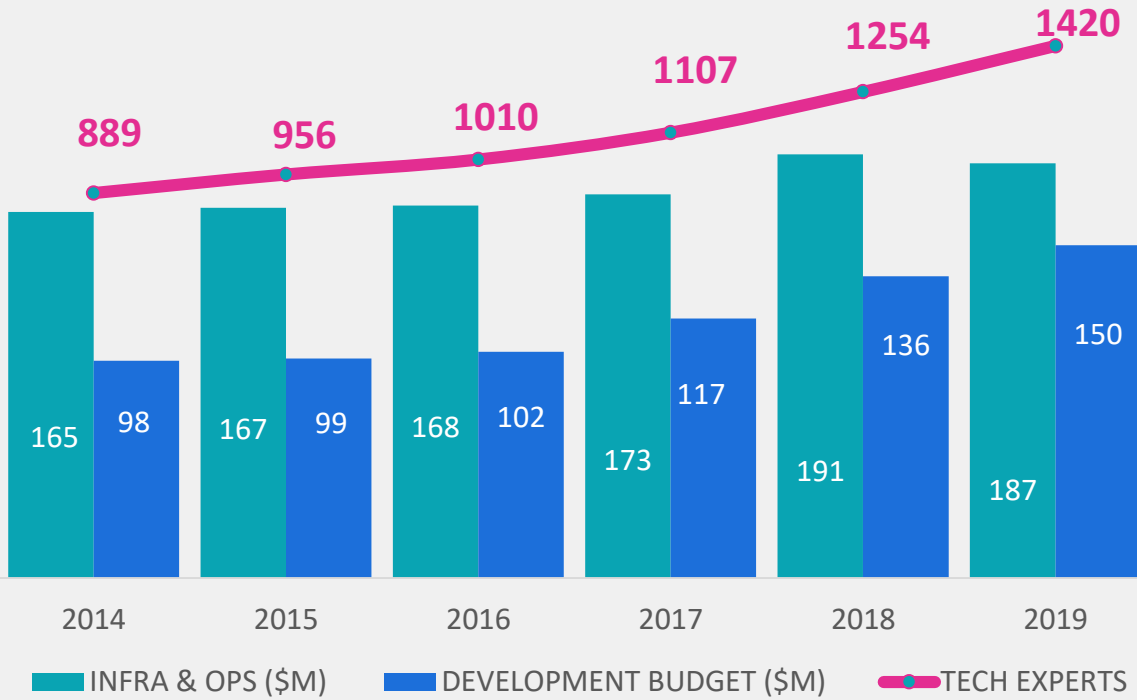
450+
SOFTWARE ENGINEERS
(CORE SYSTEMS)



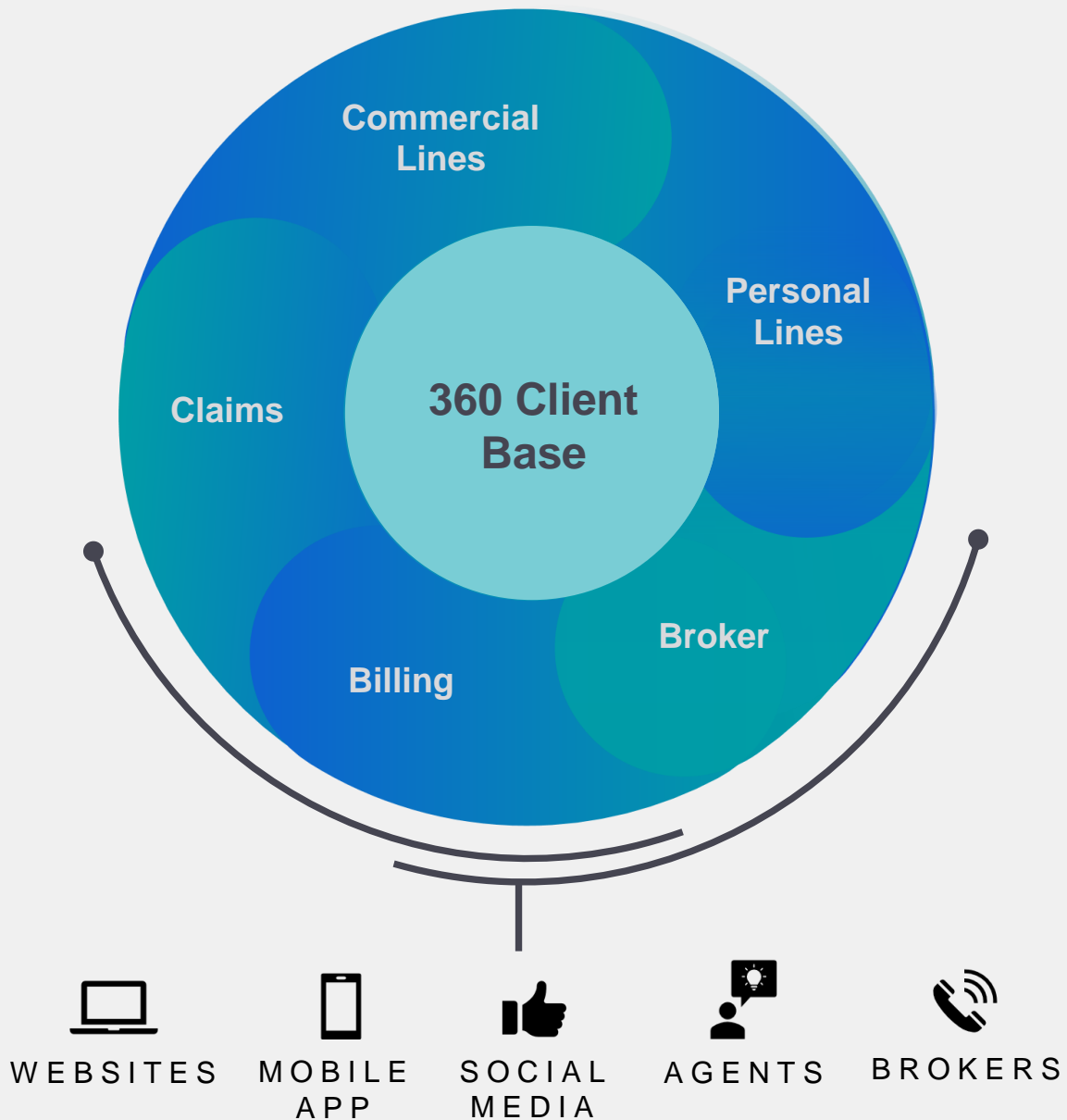
140+
AI EXPERTS



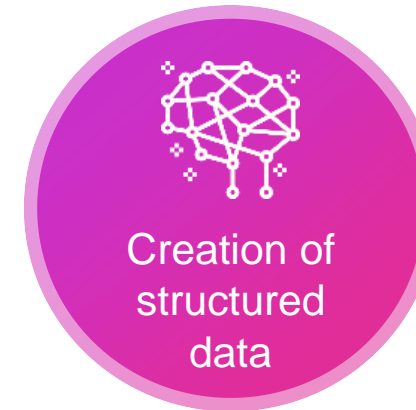
100+
DIGITAL
DEVELOPERS



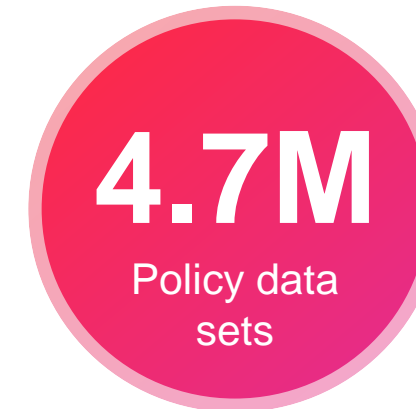
Fueling digital and AI through software engineering



AI & DATA ENABLER



DIGITAL ENABLER



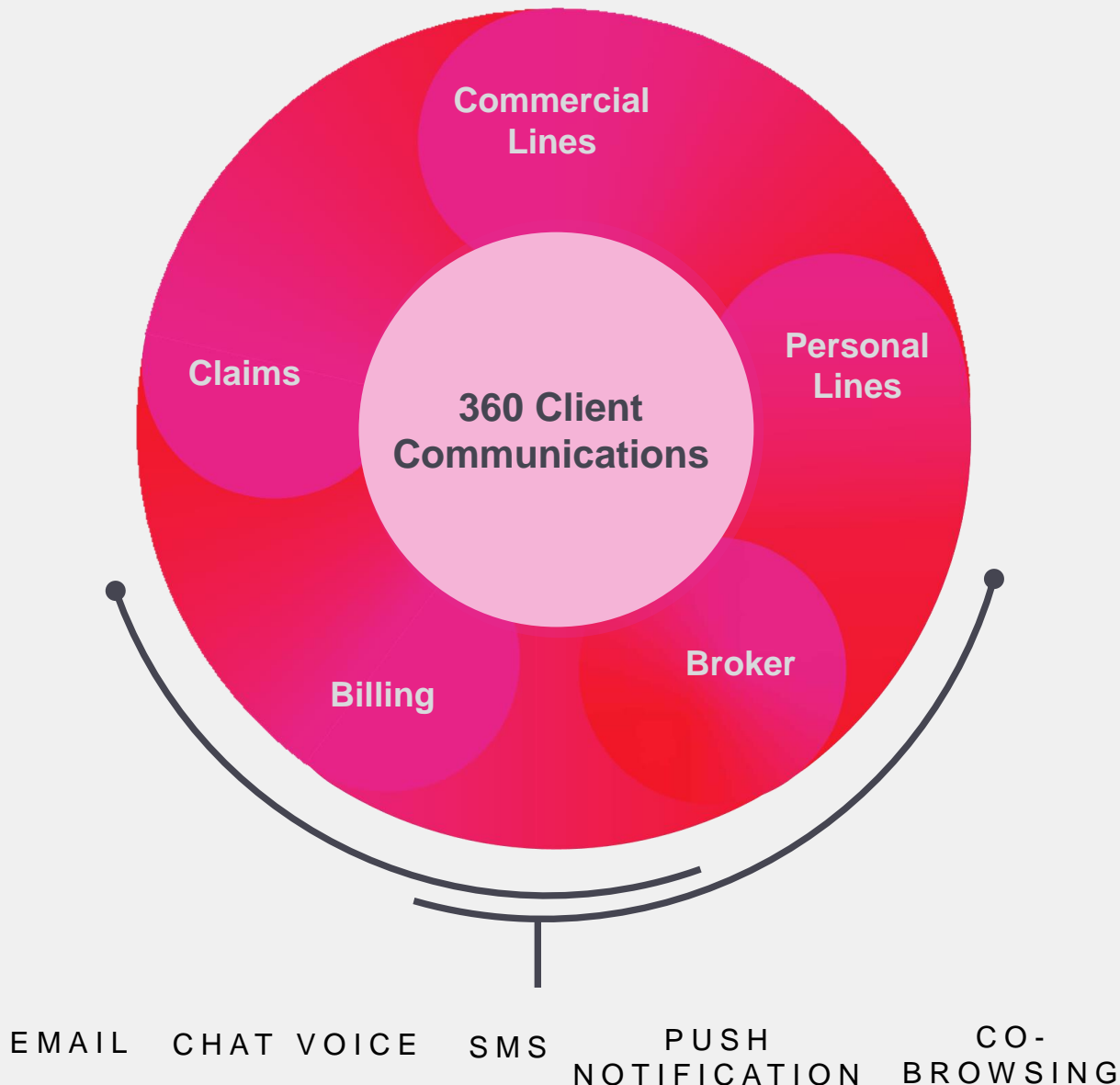
Connecting client communications to our tech stack

Omnichannel Experience

- Delivering a consistent experience on all communications channels

New Data Points Created

- Opening to new sources of data: voices, images



9,000,000

Client
communication
interactions
forecasted

Use case example: paving the way for **touchless claims**

CUSTOMER BENEFITS

Pre-filled information
= faster experience

15%

Cycle time
reduction

24/7 claims filing



BUSINESS VALUE

Photo ingestion

60%

of digital
claims are
mobile

40%

of those
claims with
photos

Digital + AI =
faster cycle time

Use case example: A technology stack leveraging our AI power

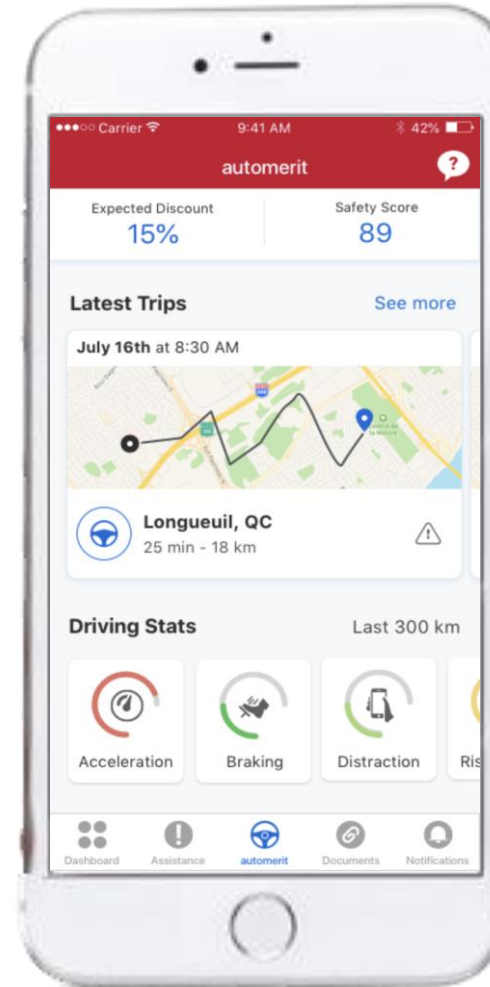
- Scalable and **secured infrastructure**
- **Proprietary algorithm** & experience

400B

Data points captured
to date

20

Data points
per second
collected



New Events Created:



DISTRACTED
DRIVING



CORNERING
& TURNS



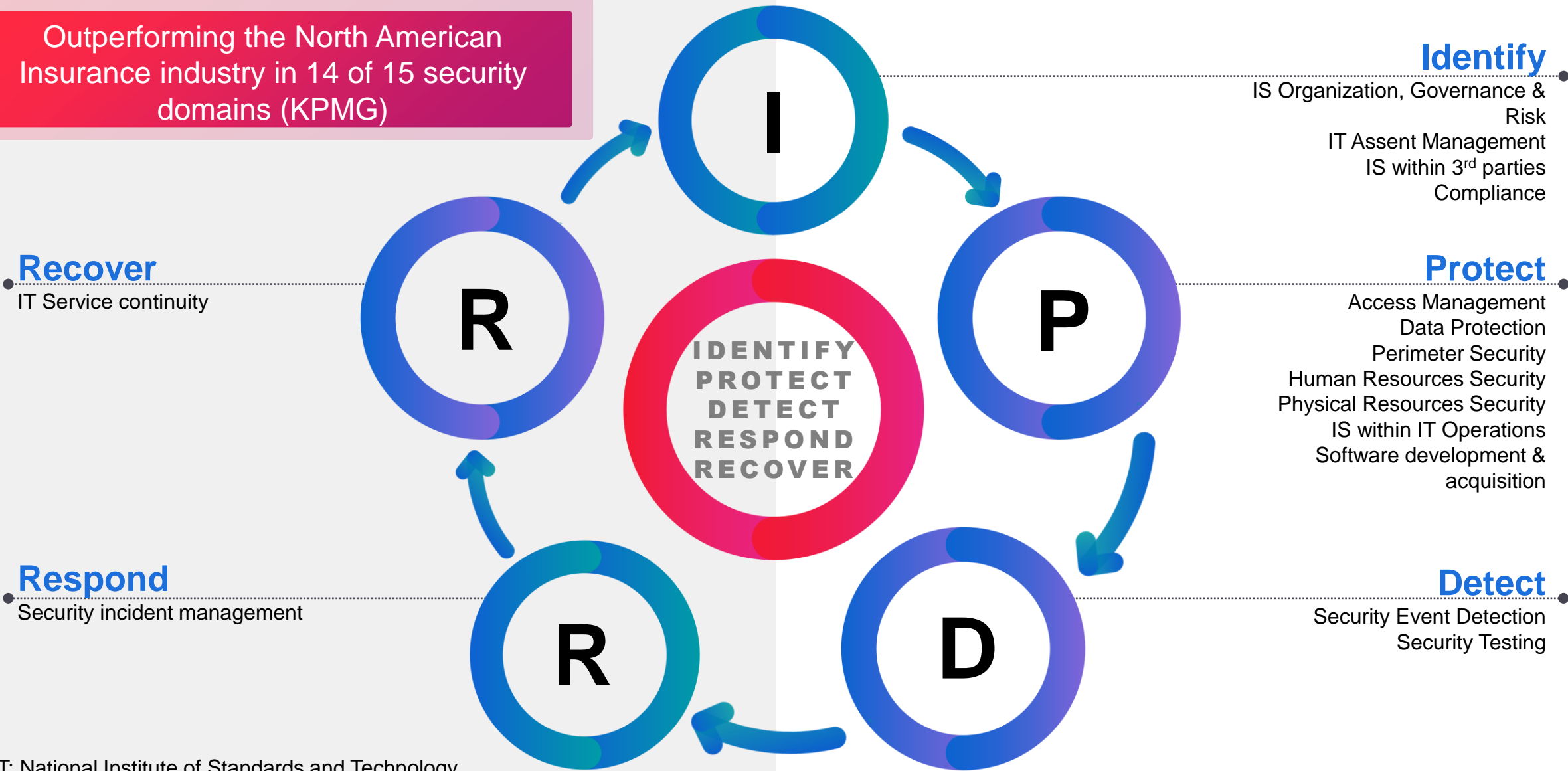
TIME OF DAY



ROAD
CONDITIONS

Intact Cybersecurity Framework (based on NIST)

Outperforming the North American Insurance industry in 14 of 15 security domains (KPMG)



NIST: National Institute of Standards and Technology

IFC's security approach: from a high level perspective



Hard to get in



Hard to get out



Only the data you need



Leave a signature

SECURITY MEASURES IN PLACE

- Only authorized people have access to systems
 - Every hour, over **70M connections refused or blocked** by our firewalls
 - Over **36,000 attacks blocked** every month
 - **+5M spam/email threats** that could include malicious content
- Preventing data leakage
 - Over **72M of malicious Websites blocked**
 - USB, major Public Cloud Storage and Webmail blocked
 - **+900 viruses** detected / month
- Restricting users data access
- Logging and keeping trace of activities
 - Every second, over **31,000 events** collected

Outperformance driven by superior risk selection

+650bps

10-YR AVERAGE

ROE

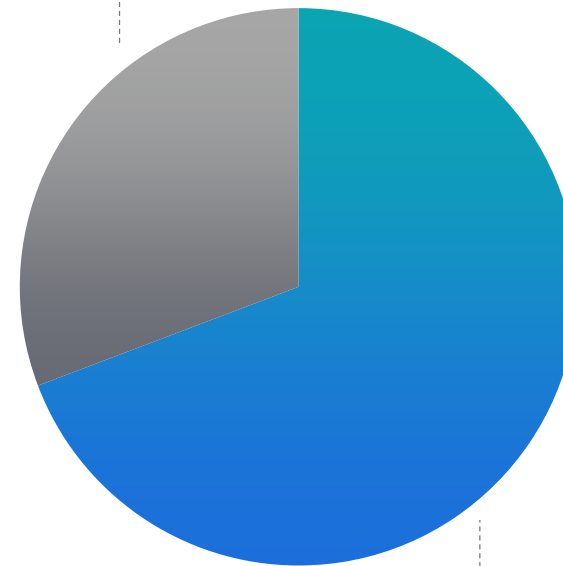
OUTPERFORMANCE



FROM **Risk Selection**

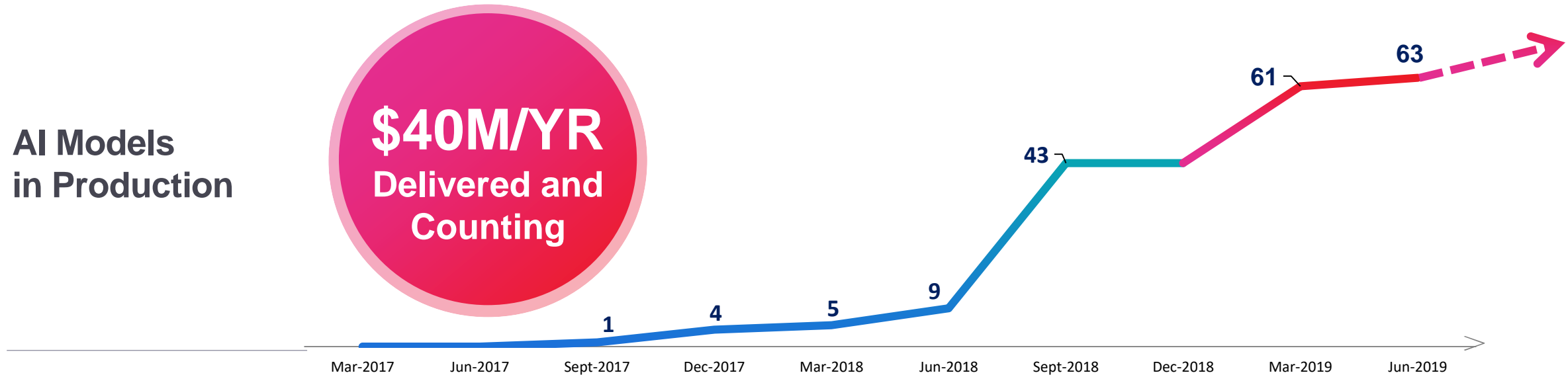
RESOURCE ALLOCATION

Other Use Cases



Risk Selection

Reinventing Our Data Advantage Through AI



Pillars to AI Success at IFC



STRATEGIC ALIGNMENT



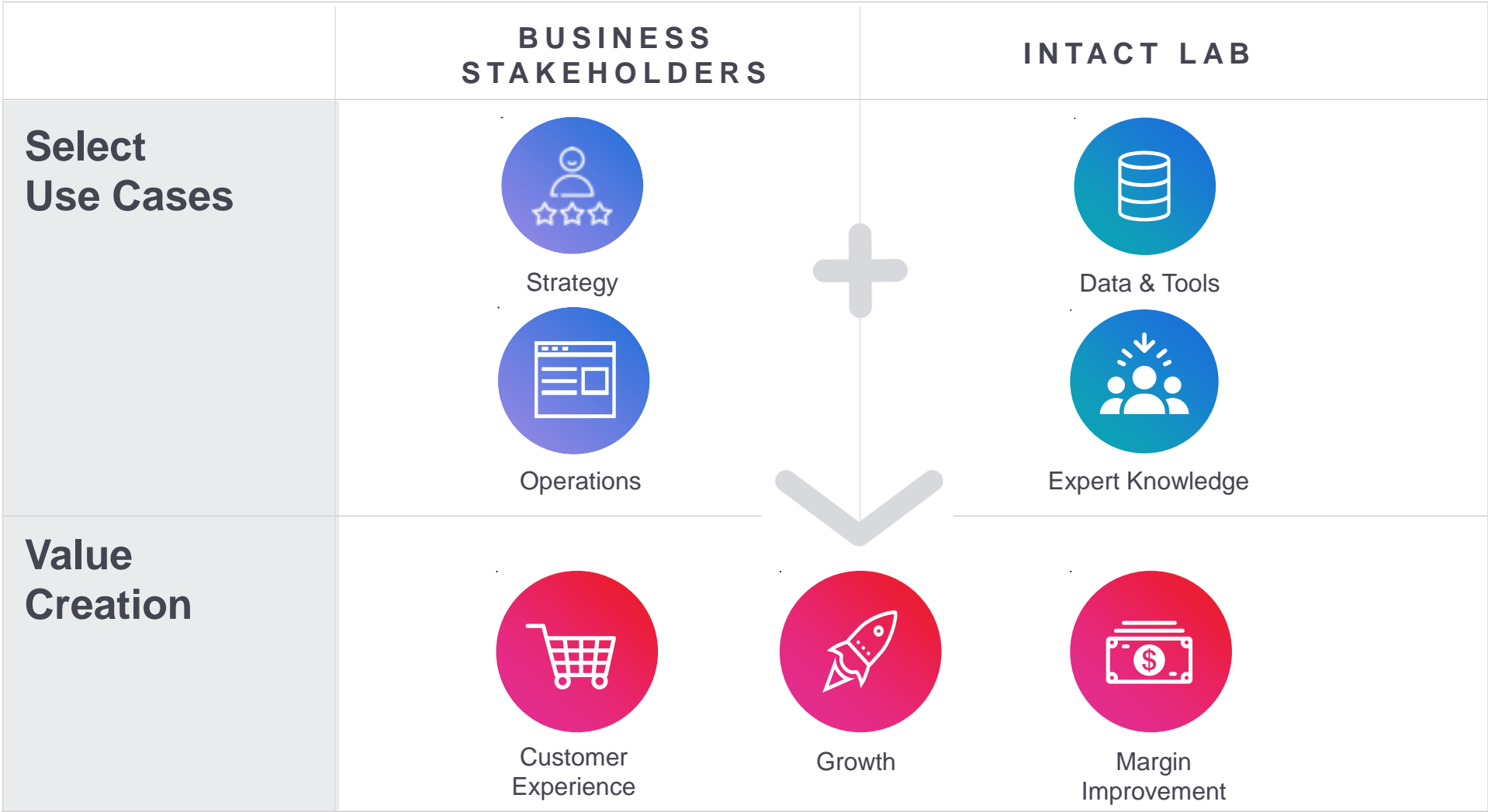
EXECUTION DISCIPLINE



STRONG AI ENGINEERING
FOUNDATION



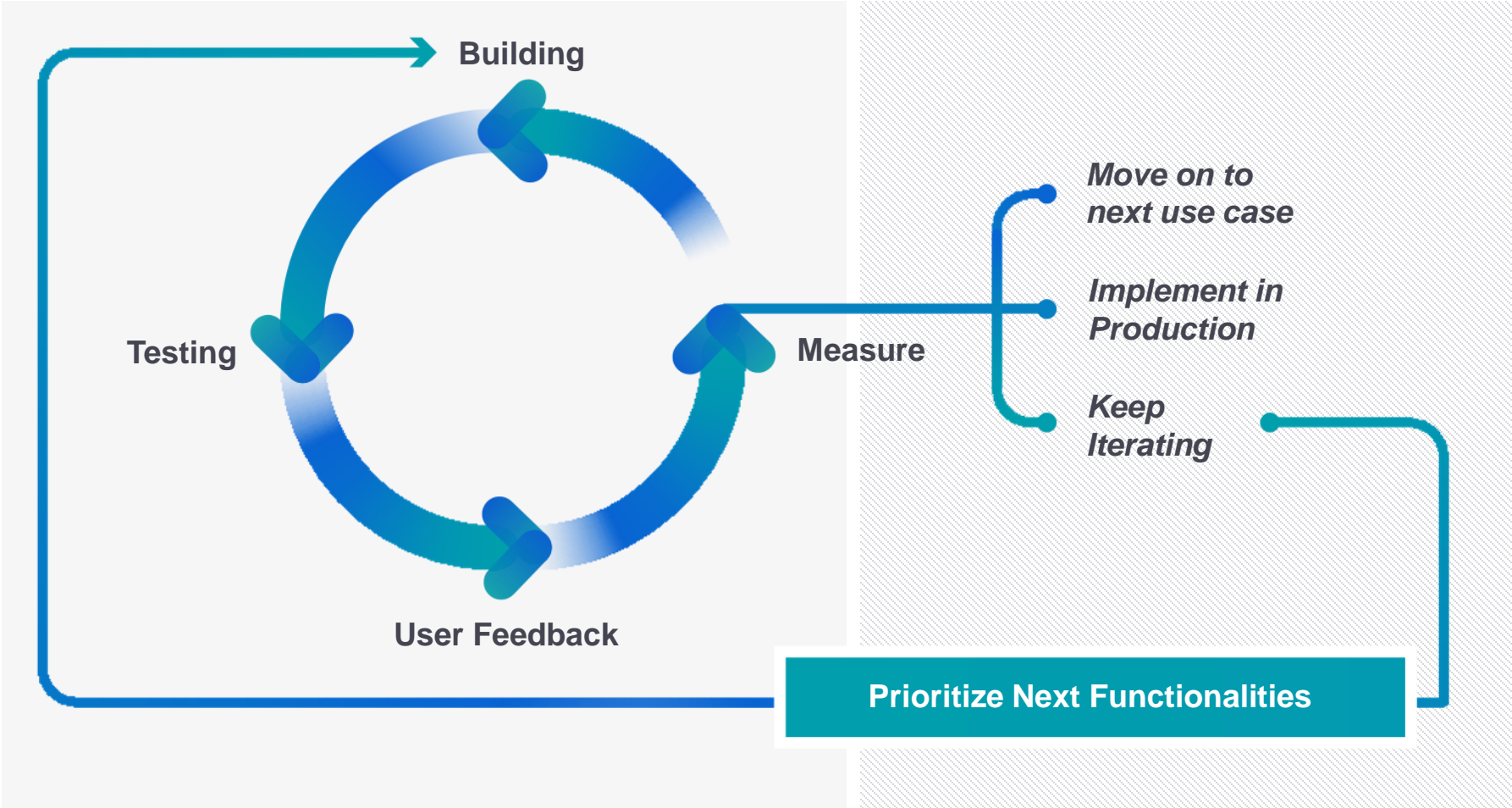
Pillar I – Strategic Alignment



Pillar II – Execution Discipline

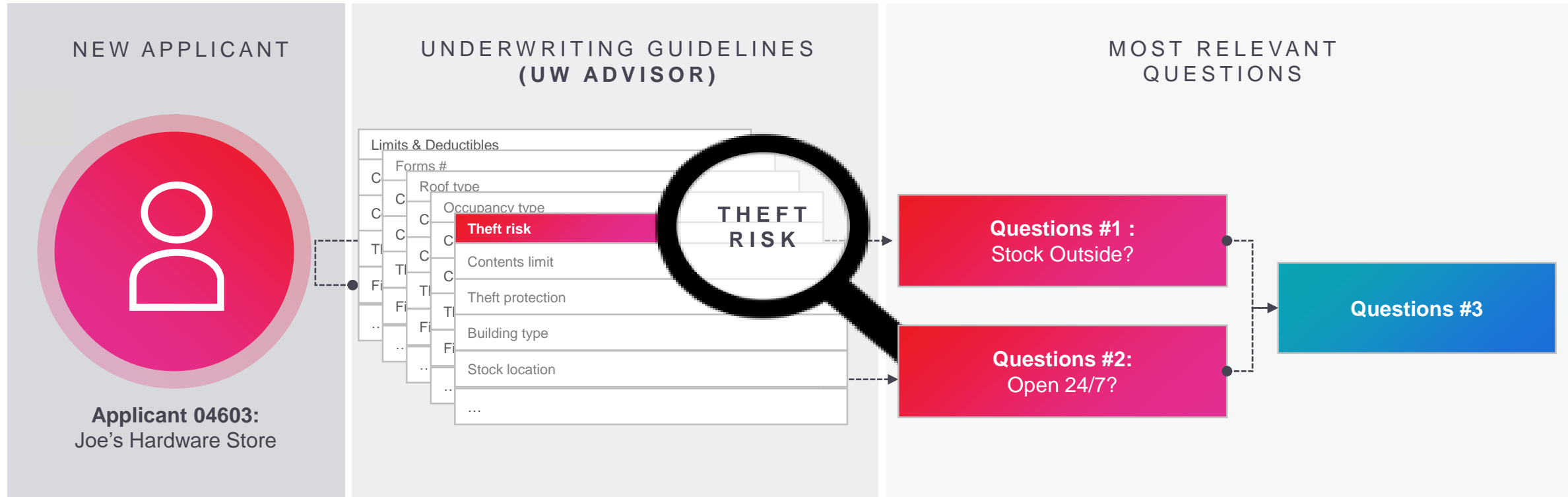
PROOF OF CONCEPT

DECISION MAKING



Use Case Example – Commercial Lines UW Advisor

Fewer questions & consistent outcomes while enabling our experts



Consistency



Speed



Efficiency



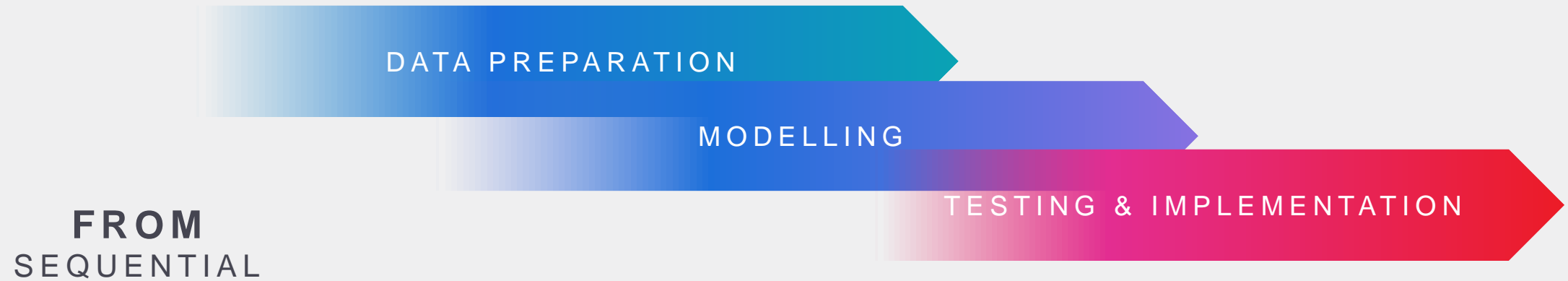
\$5M/YR

Quality + Expense Savings



Pillar III – Strong AI Engineering Foundation

A key accelerator for enterprise wide innovation



TO INTEGRATED

Data Ingestion

5x faster

Machine Learning Model

Implementation

From data preparation to implementation

Analytical data mirrors production data

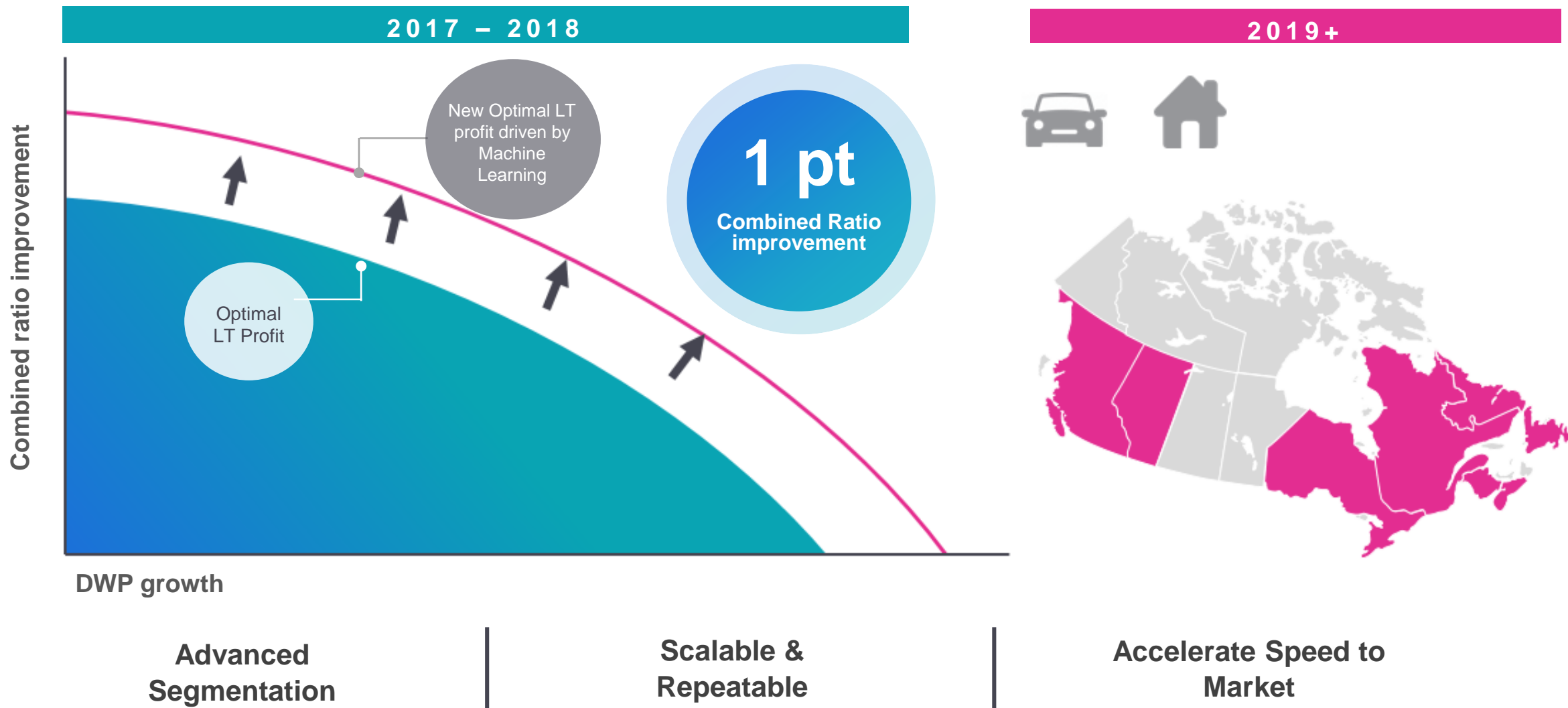


Code & model implemented “as is”

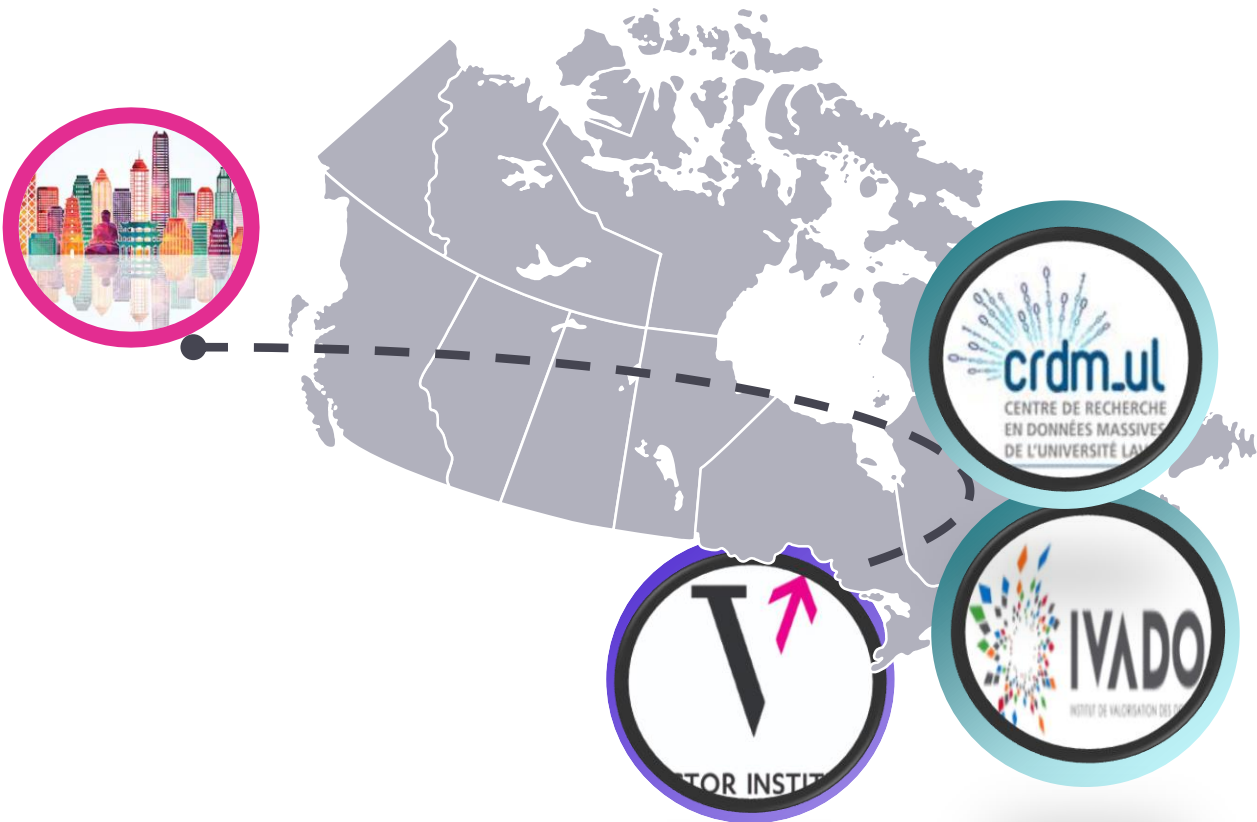


Use case example – Personal Lines Rating Powered by AI

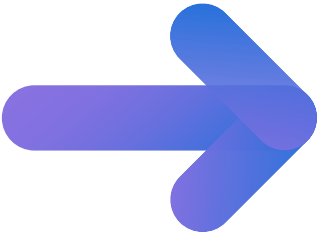
Innovate. Rinse. Repeat



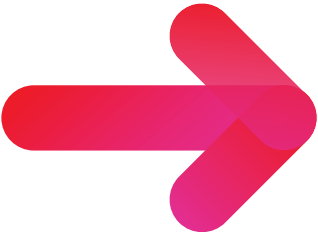
Reinventing our Data Advantage Through AI



Strategic
Alignment



Execution
Discipline



Strong
AI Engineering
Foundation



Toronto



Montreal &
Quebec City



Asia



Academic
Partnerships

TRANSFORMING OUR COMPETITIVE ADVANTAGE **IN CLAIMS**

Patrick Barbeau and France St Louis



Claims expertise across North America

2018 Highlights

# Claims:	+ 500K
# Claims employees:	3.8K
# Legal employees:	450

Auto

# of parts ordered:	2.1M
Total labor hours:	4.3M
Total Paint hours:	1.6M

Property

Paint (litres):	500K
Clean up hours:	100K





Claims Goals



Customer Experience

75% NPS
Reduce customer effort by 30%



Invest in People

Destination for top talent
80% Employee engagement



Operational Excellence

12% Efficiency gains
2 pts of LAE Outperformance



Indemnity Control

Cut cycle time by 1/3
2 pts of Loss Ratio outperformance



On Side: **A strategic acquisition**

**Customer Experience, Operational Excellence,
Indemnity Control**



Full ownership of On Side Restoration over a two-year period

- Attractive IRR: >20%
- \$25M pre-tax operating income by 2021



Increase capacity

- Synergy potential for future acquisitions
- Simplify overall property claims process



Vertical Integration & Margin Capture

- Diversification of revenues in property; counter-cyclical
 - Control/reduce indemnity
-



Customer Experience: Reducing Cycle Time by 50%



Leveraging video capabilities



National CAT Mobilization

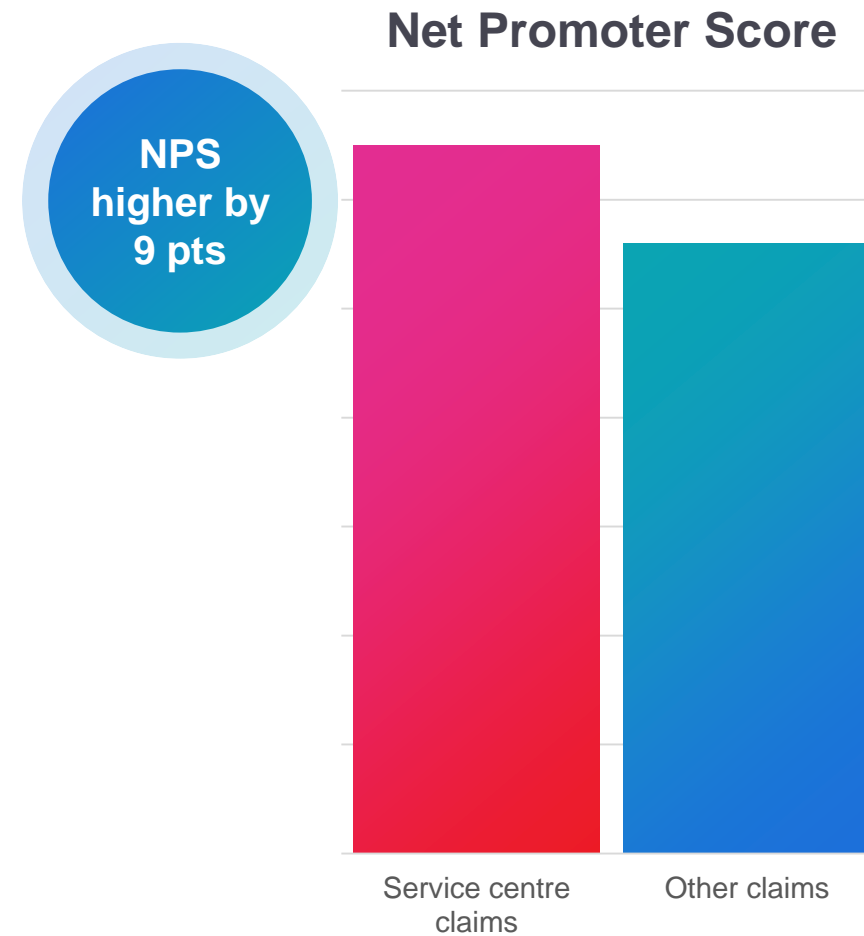
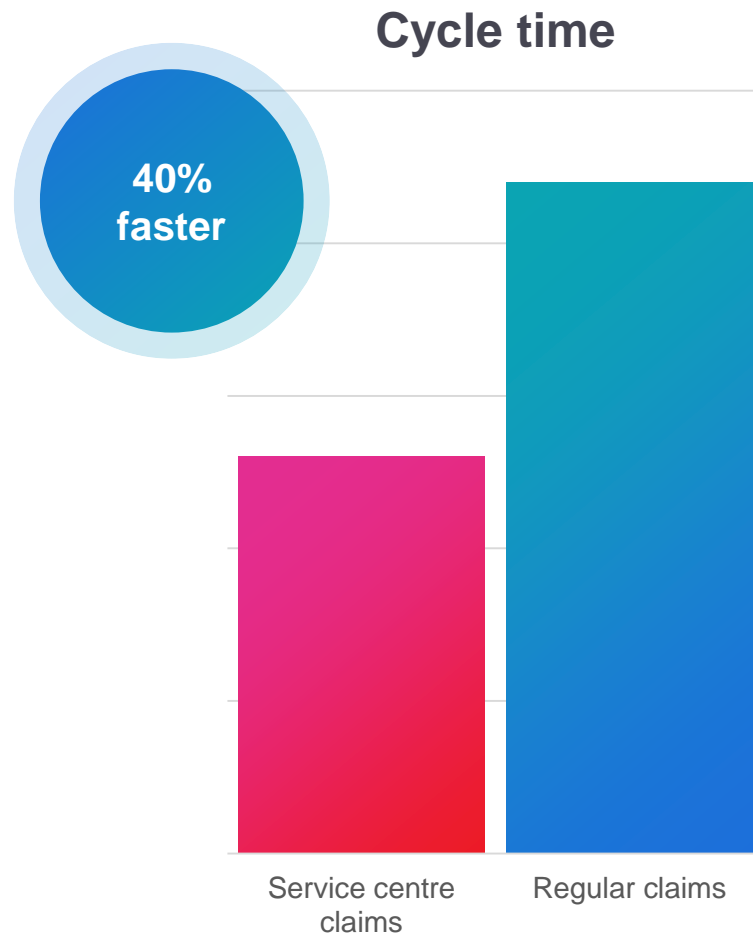


Contents management



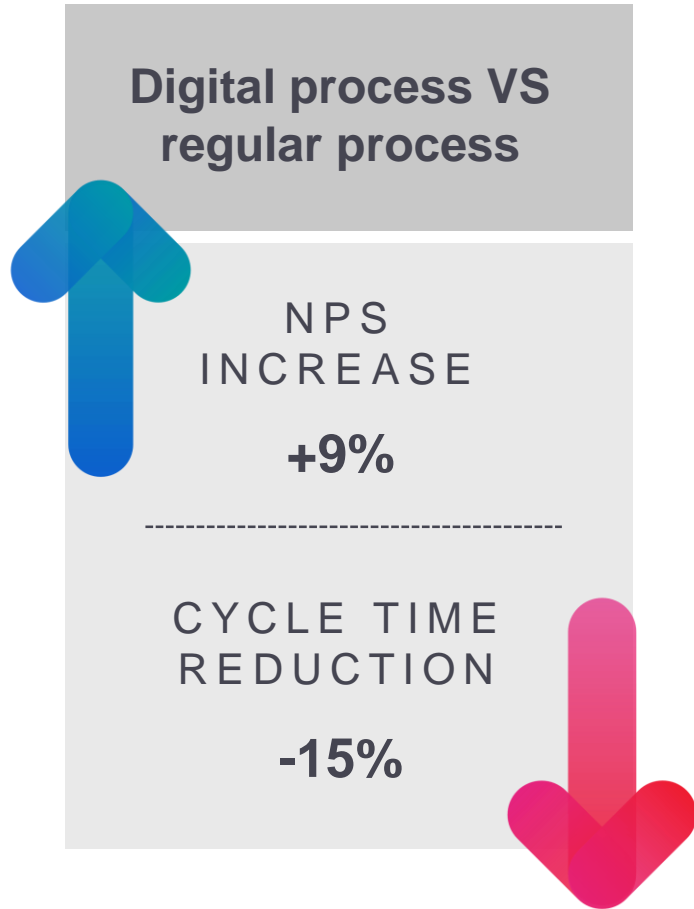
Monitoring & Review

Customer experience in the service centers



The claims process going digital:

Replicating the service center experience



Leading to
3 out of 4
customers
digitally
engaged

Ten questions is all it takes
to start the claim process

Pre-filled data with a
step-by-step intuitive flow

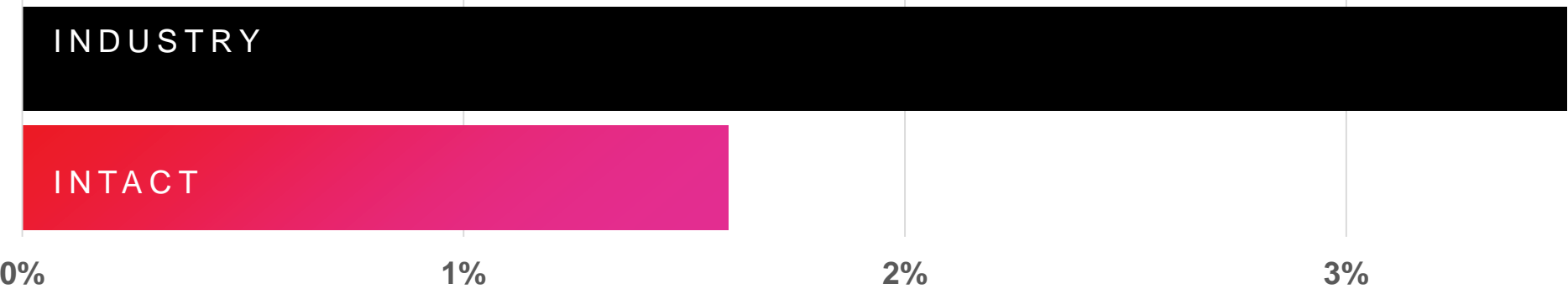
Guided photo module to
capture vehicle damage

Fully automated claim set-up

Immediate visibility of the
claim in Client Centre

Indemnity Control: Leveraging size in car repairs

Indemnity Control – Manage Inflation



Outperformance
Achieved By:



Thorough estimate process review allowing us to **reduce our estimate costs by 3%**



Outperforming the industry by **cutting 1 day of rental**



Reducing the use of OEM parts by **5%**



1 Auto physical damage YTD Q3-2019

North American Specialty **Claims** – supporting the low 90's objective



Claims Handling

Improve loss ratio by 1pt

- Complexity & potential high exposure identification at file opening
- Robust process for regular follow-ups
- Formal governance for potential high exposure claims & upcoming trials



Internalization & Litigated file management

Reduce legal costs by 15%

- + 450 litigated files handled internally
- 98% of Legal opinions managed internally
- 14% reduction in legal bills



Leverage IFC & OneBeacon expertise

Improve loss ratio by 0.5 pts

- Quality of files improved representing \$5M annually
- + 350 IFC files handled by OneBeacon
 - Vehicles
 - Trucking
 - General Liability

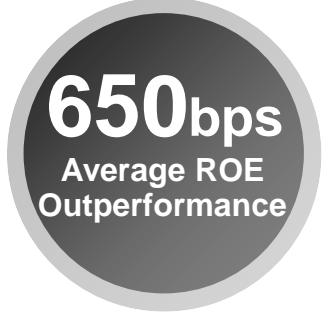
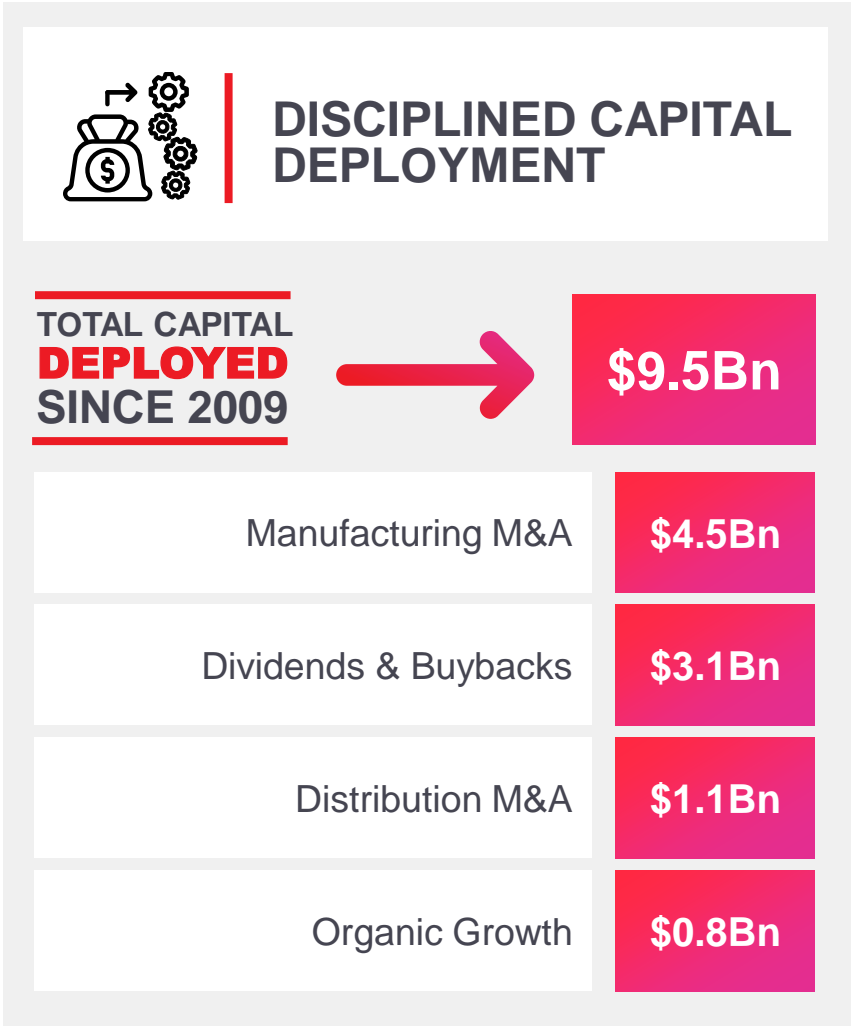
A high-angle photograph of a business meeting. Several people in business suits are gathered around a wooden table. Their hands are visible, holding pens and glasses, and pointing at documents. The documents contain charts, including a blue donut chart with '62%' written on it, and various tables of data. A silver laptop is open on the table. The background is a blurred office setting.

TRANSFORMING OUR COMPETITIVE ADVANTAGE **CAPITAL TO ENABLE TRANSFORMATION**

Carla Smith & Ken Anderson

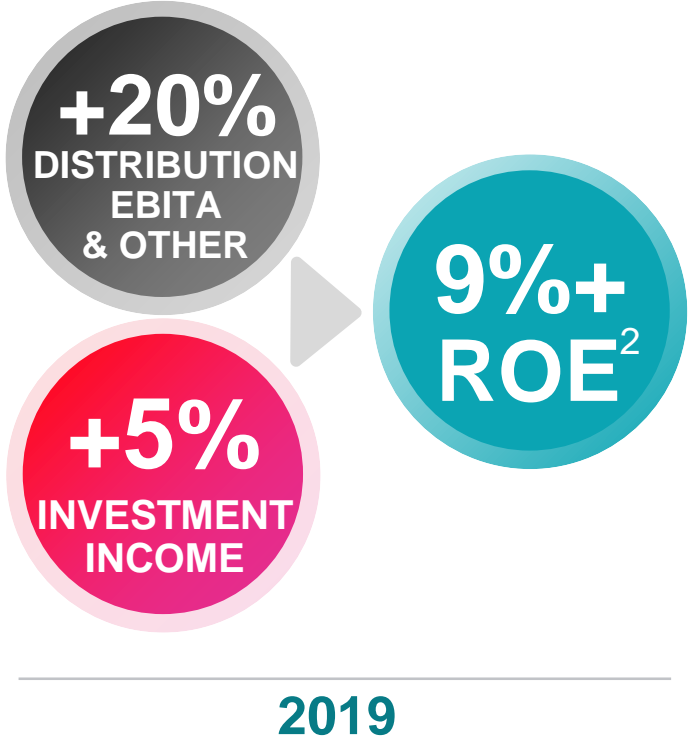
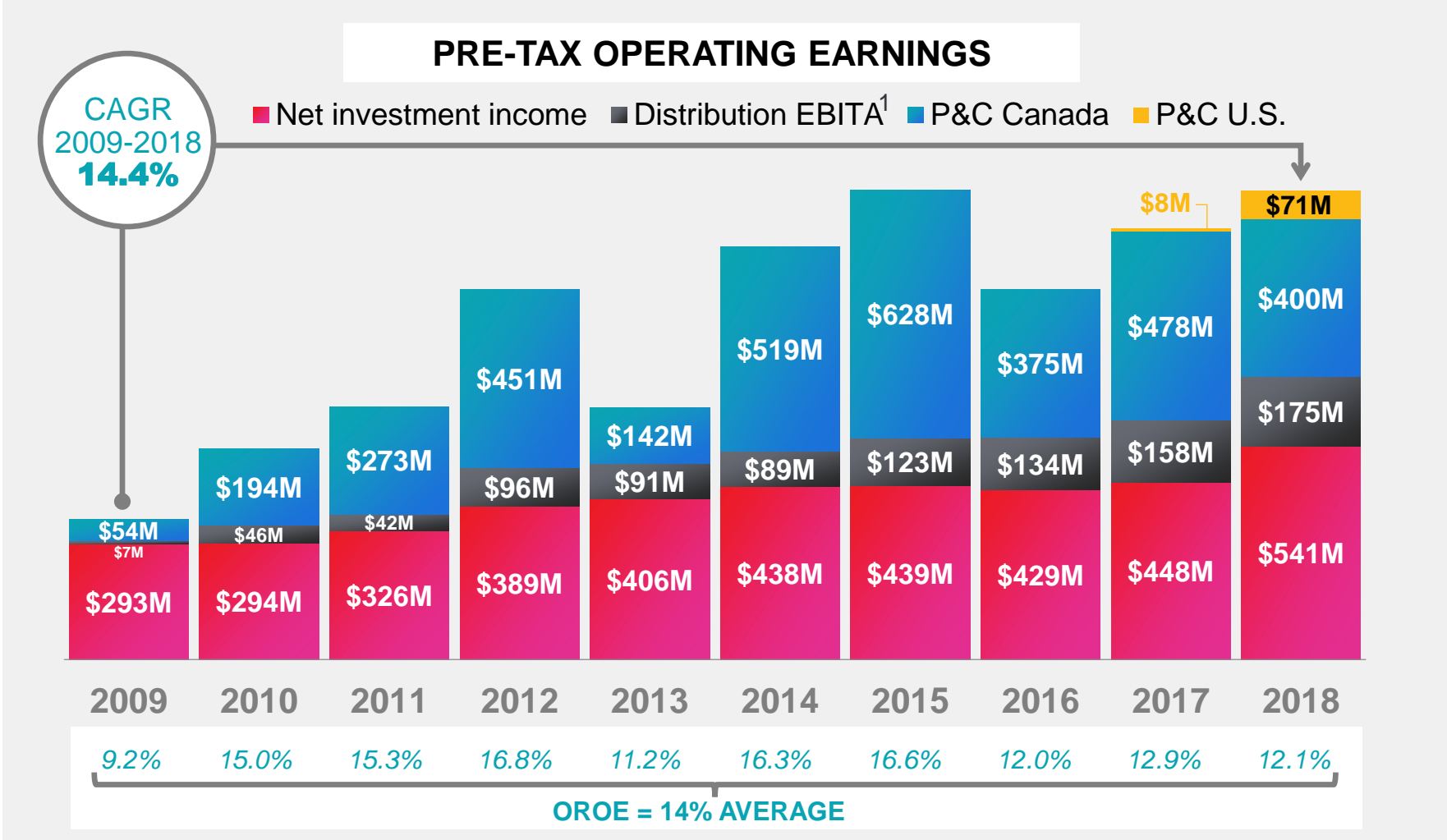


Strong Capital Generation provides fuel for strategic capital deployment



¹ \$ weighted annualized Total Shareholder Return on equity issued for AXA, Jevco, and OneBeacon acquisitions.

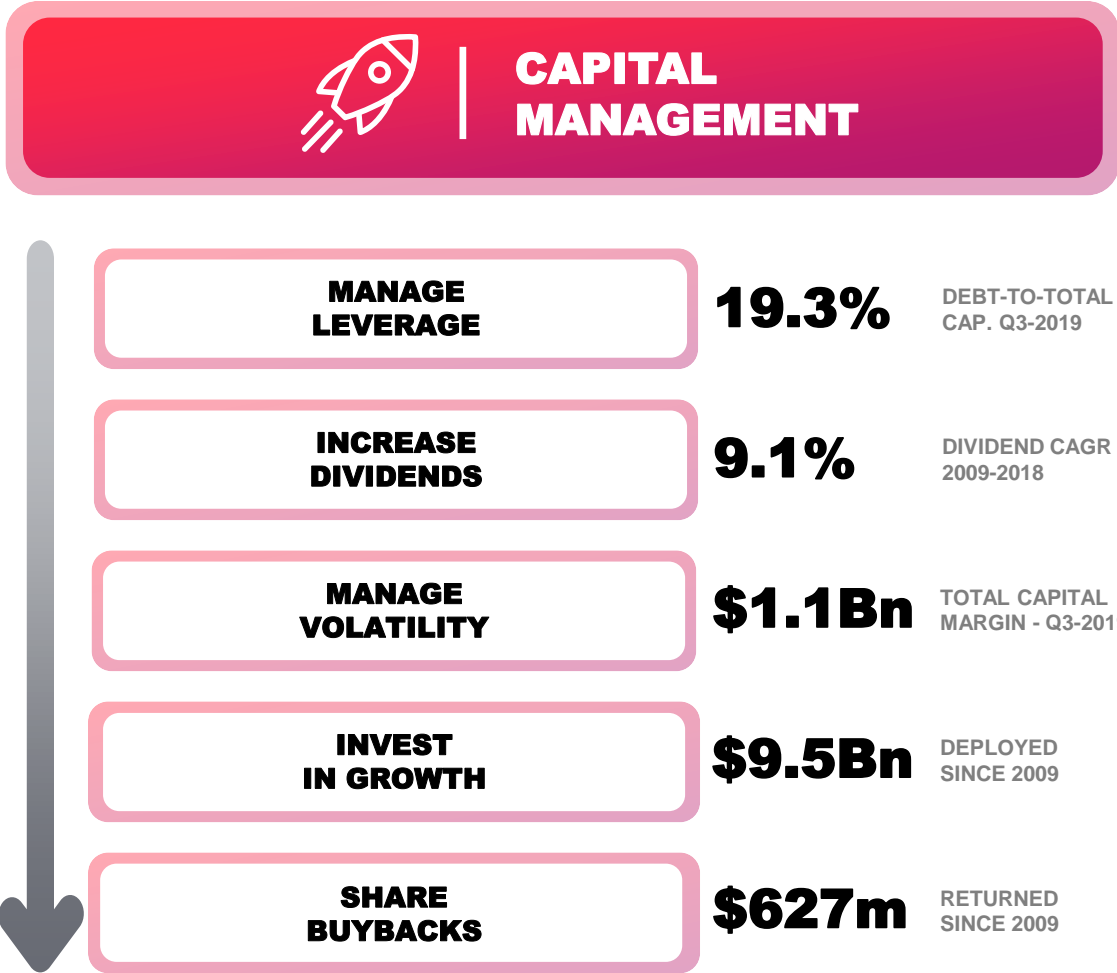
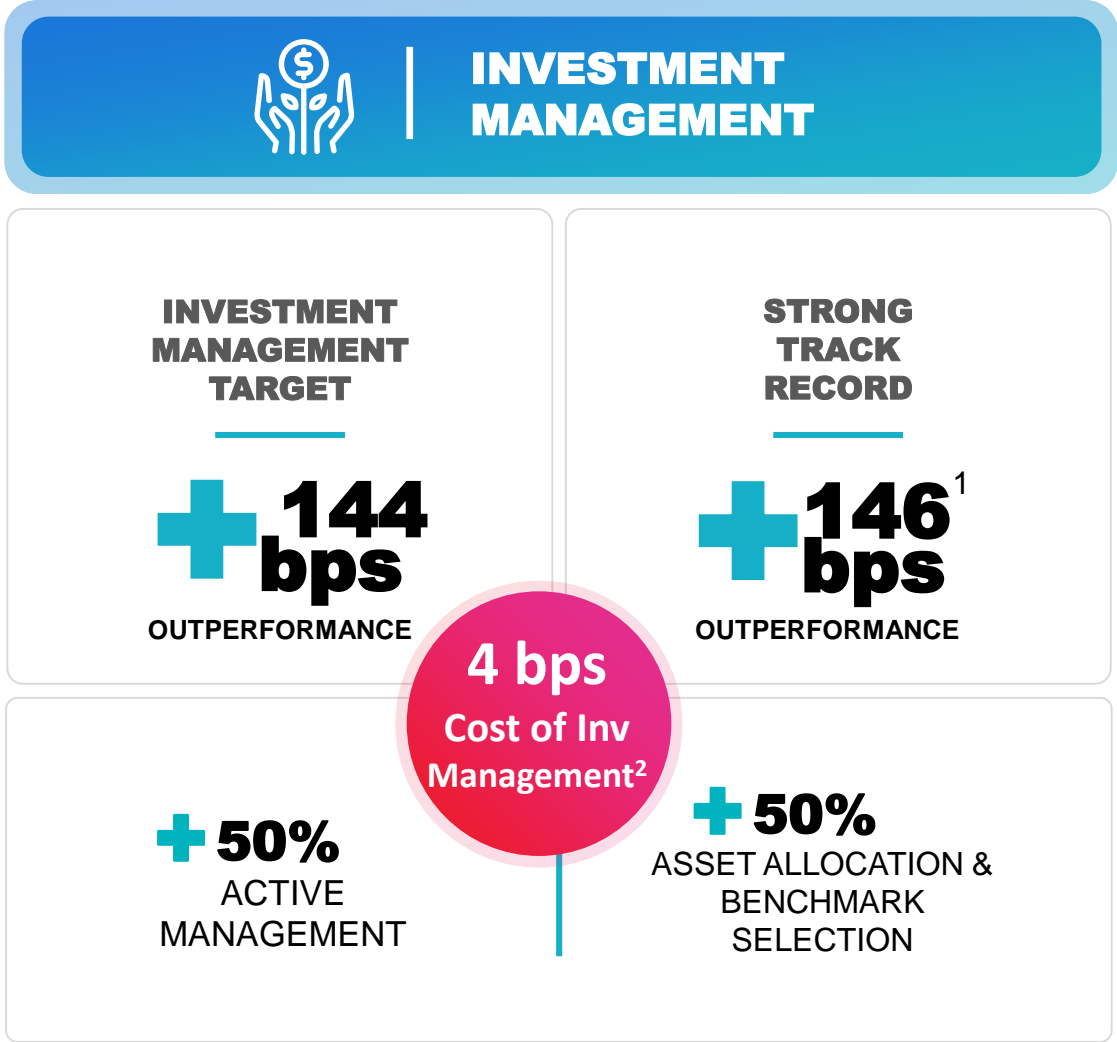
A diversified earnings base bolstered by stable investment and distribution earnings



¹ Distribution income 2009-2011 and Distribution EBITA 2012-2018

² Estimated FY2019 ROE from Investment income and Distribution EBITA & Other

Investment & Capital management have delivered ROE outperformance & fueled NOIPS growth



¹Period from 1/1/2010 to Sept 30, 2019, estimated
²after-tax

Leverage is managed **with discipline**

MANAGE LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

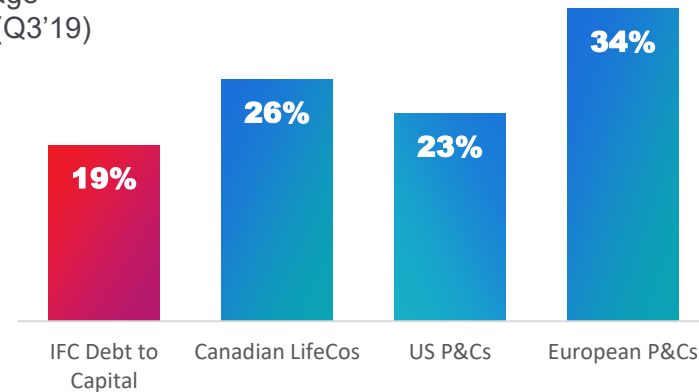
INVEST
IN GROWTH

SHARE
BUYBACKS

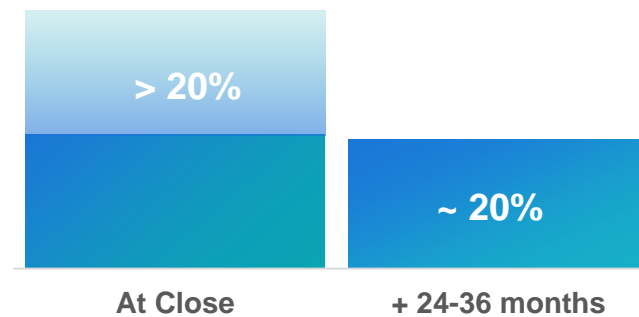
Leverage following
M&A based on
estimated capital
generation over
24-36 months

Our leverage levels are in line with peers

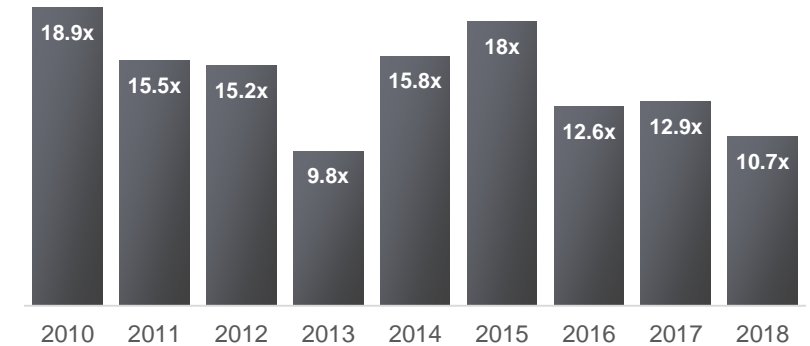
Leverage
Ratio (Q3'19)



Leverage may increase temporarily to support value creation from M&A



Earnings coverage



Our leverage discipline contributes to strong ratings

	IFC Senior Unsecured Debt	P&C subsidiaries Financial Strength
Fitch	A-	AA-
DBRS	A	AA(low)
Moody's	Baa1	A1/A2
AM Best	a-	A+

Significant capital returned to shareholders

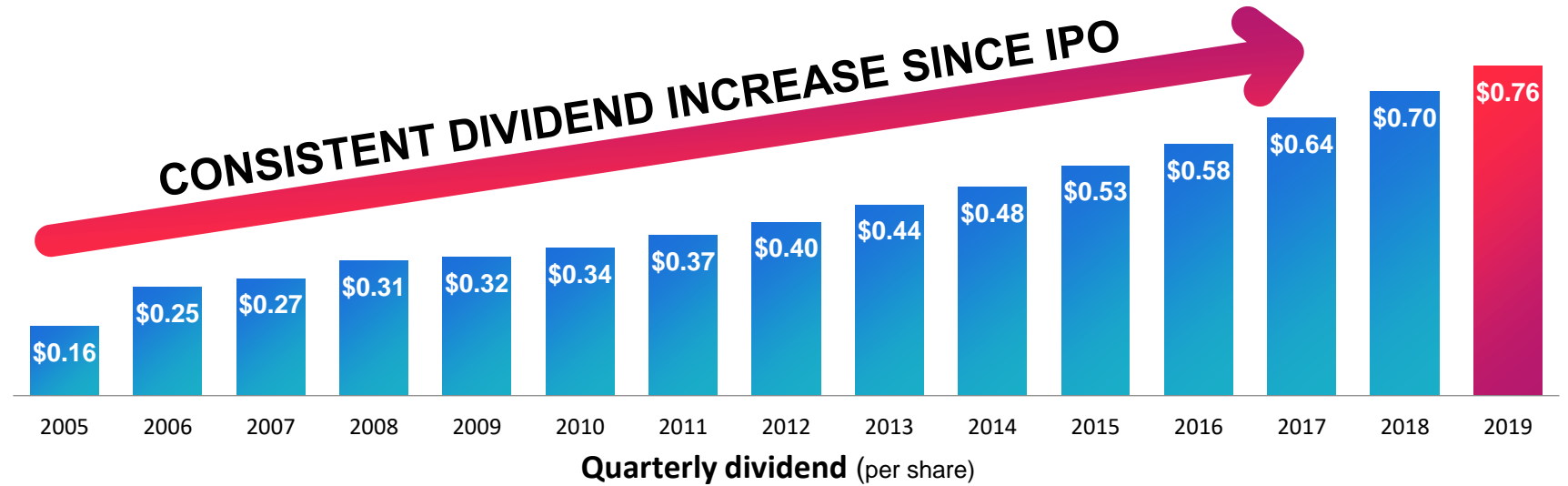
MANAGE
LEVERAGE

**INCREASE
DIVIDENDS**

MANAGE
VOLATILITY

INVEST
IN GROWTH

SHARE
BUYBACKS



\$2.5B

Dividends paid
to shareholders
since 2009¹

9.1%

10 year
Dividend
CAGR

42%

Average
10 year NOIPS
Payout Ratio

¹ Dividends paid 1/12/2009-12/31/2018
² Dividend CAGR 2009-2018

Capital protected to enable **capture of opportunities**

MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

INVEST
IN GROWTH

SHARE
BUYBACKS

FOCUS ON CAPITAL STRENGTH

At Sep 30, 2019

MCT

195%

RBC

427%

Total Capital
Margin

\$1.1 bn

CONSERVATIVE EARTHQUAKE EXPOSURE MANAGEMENT

- Coverage in place for > 1/600yr event¹
- Industry loss estimate \$25bn

< 5pts
IMPACT ON
IFC CR%

¹ Western Canada earthquake

BALANCE SHEET VOLATILITY MANAGED CAREFULLY

+100bps Int rates

(1.6)%

BVPS

\$(3m)

Net
Income

-10% Equity markets

(3.1)%

BVPS

\$(15m)

Net
Income

-5% Pref. markets

(0.6)%

BVPS

+\$8m

Net
Income

+10% CAD/USD

(2.6)%

BVPS

~0%

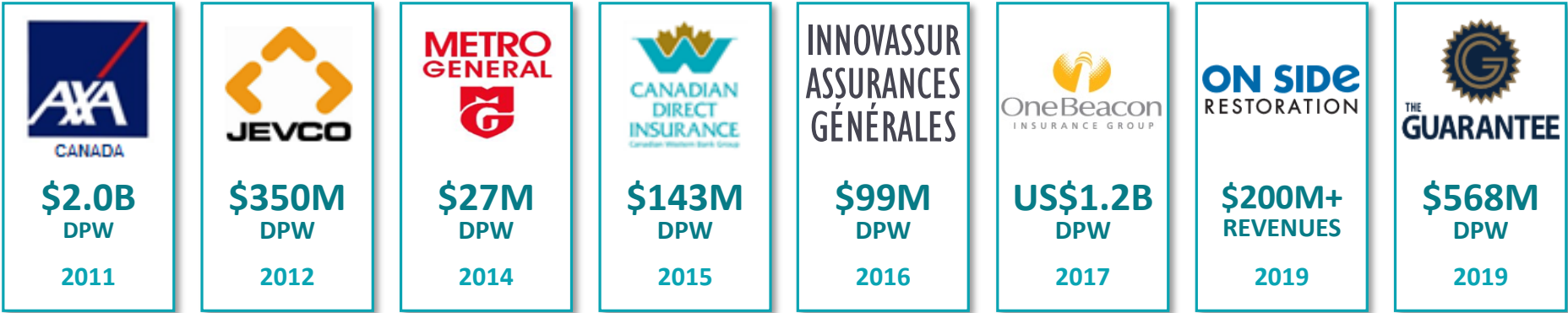
Net
Income

As at Sept 30, 2019 - Immediate impact of each shock

Successful M&A has become a core competency

- MAINTAIN LEVERAGE
- INCREASE DIVIDENDS
- MANAGE VOLATILITY
- INVEST IN GROWTH**
- SHARE BUYBACKS

Over the last decade...



M&A is an accelerator in the achievement of our strategy

MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

INVEST
IN GROWTH

SHARE
BUYBACKS

STRENGTHEN LEADERSHIP POSITION IN CANADA



Digital
engagement



Leading
customer
experience



Scale in
distribution



Further
consolidation
in Canada

BUILD A NORTH AMERICAN SPECIALTY LEADER



Low 90's
combined
ratio



Optimize
distribution



Consolidate
fragmented
specialty market



Develop leading
position in
sharing economy

Build Scale

...to achieve competitive advantage so we can...

Outperform

...to create dry powder and opportunities to...

Reinvest

*...in customer experience, new competencies,
additional scale, and new growth pipelines*

Substantial Runway in fragmented markets where M&A can play a role

MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

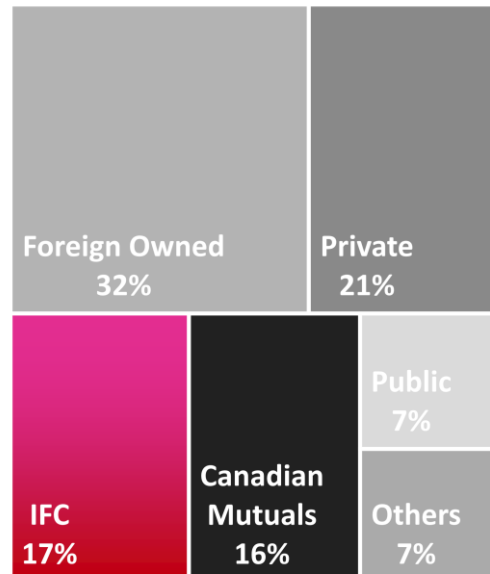
INVEST
IN GROWTH

SHARE
BUYBACKS

CANADA MANUFACTURING

Environment Conducive
to Acquisitions
~C\$53B¹

TOP 20 = 84% OF P&C MARKET



CANADA DISTRIBUTION

BrokerLink Scale
facilitates IFC's
consolidator role

Be the home
for exiting brokers

- Succession challenges
- Substantial investments in technology

Continue to **support
brokers financially**

New
MGA platform

NORTH AMERICA SPECIALTY LINES

Many avenues to pursue
specialty lines growth
~US\$130B²

MANUFACTURING
OneBeacon Today



INTERMEDIARIES
MGU, MGA, Wholesaler



**RETAIL
DISTRIBUTION**

¹ – MSA 2018 excluding Lloyds, government owned corporations, mortgage insurance

² – SNL 2018 including commercial & specialty lines

Seasoned Playbook for Integration & Value Creation

MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

INVEST
IN GROWTH

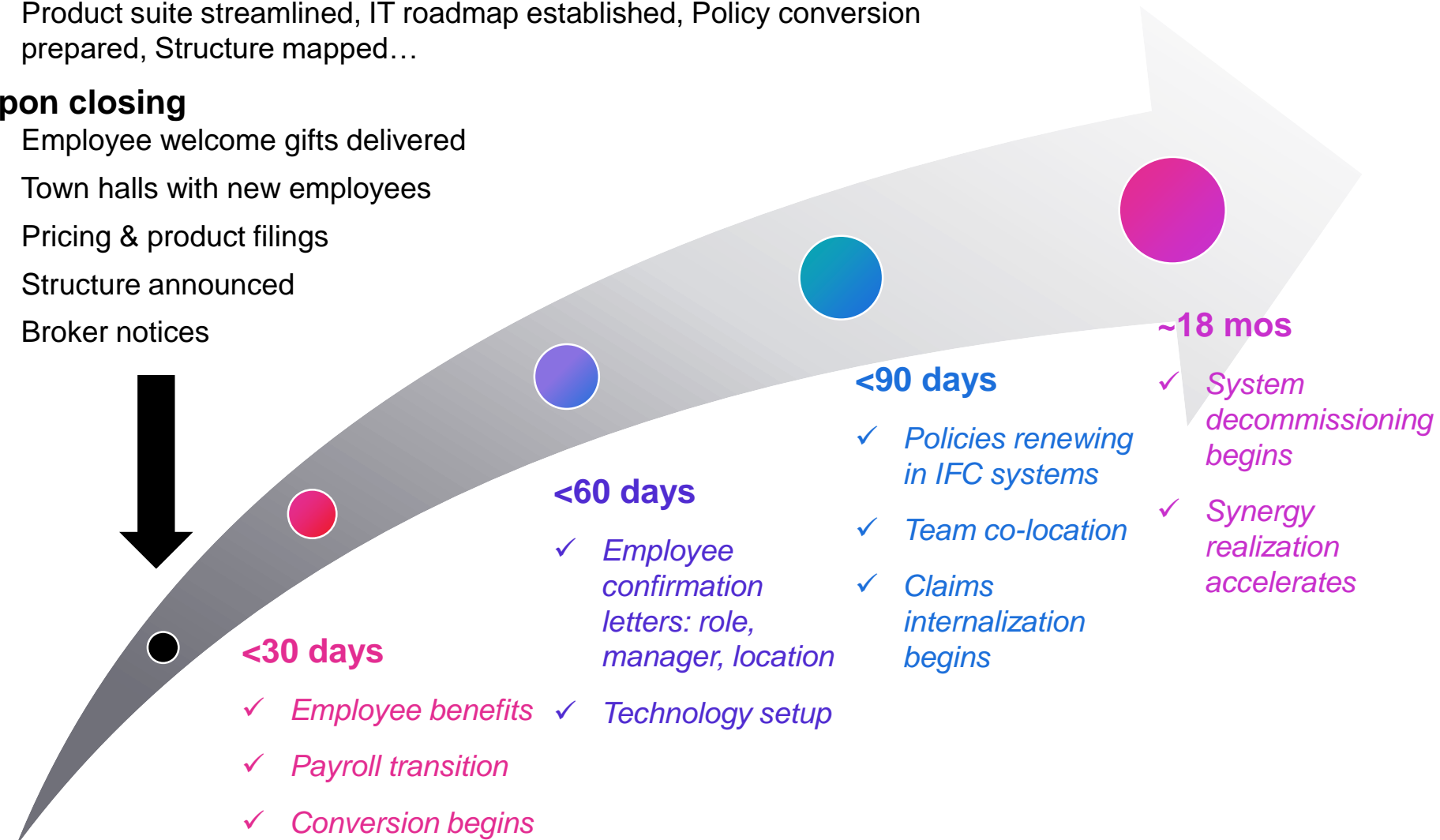
SHARE
BUYBACKS

Before closing

- Joint task forces meeting regularly, Integration newsletters for employees, Product suite streamlined, IT roadmap established, Policy conversion prepared, Structure mapped...

Upon closing

- Employee welcome gifts delivered
- Town halls with new employees
- Pricing & product filings
- Structure announced
- Broker notices



Guarantee Recap **ticks all the boxes...**

MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

**INVEST
IN GROWTH**

SHARE
BUYBACKS

**BOLSTERS
CANADIAN
LEADERSHIP
POSITION**



- > Adds **\$568M GPW**
- > **\$11.3¹ billion DPW** pro-forma
- > Adds **High Net Worth**

**EXPANDS
NORTH AMERICAN
SPECIALTY
PLATFORM**



- > Adds **~\$3 billion DPW**
- > Enhances **IFC's surety platform**
- > Adds **public entity capabilities**
- > Adds a **leading MGA platform**

**VALUE
CREATION FOR
SHAREHOLDERS**



- > Attractive internal rate of return **above 15%**
- > Expected **low single-digit NOIPS accretion** within 24 months of close
- > **10pts** of combined ratio improvement

¹IFC 12 months to Q3 2019 + Guarantee FY2018 per MSA

Share buybacks are an effective tool for meeting our financial objectives

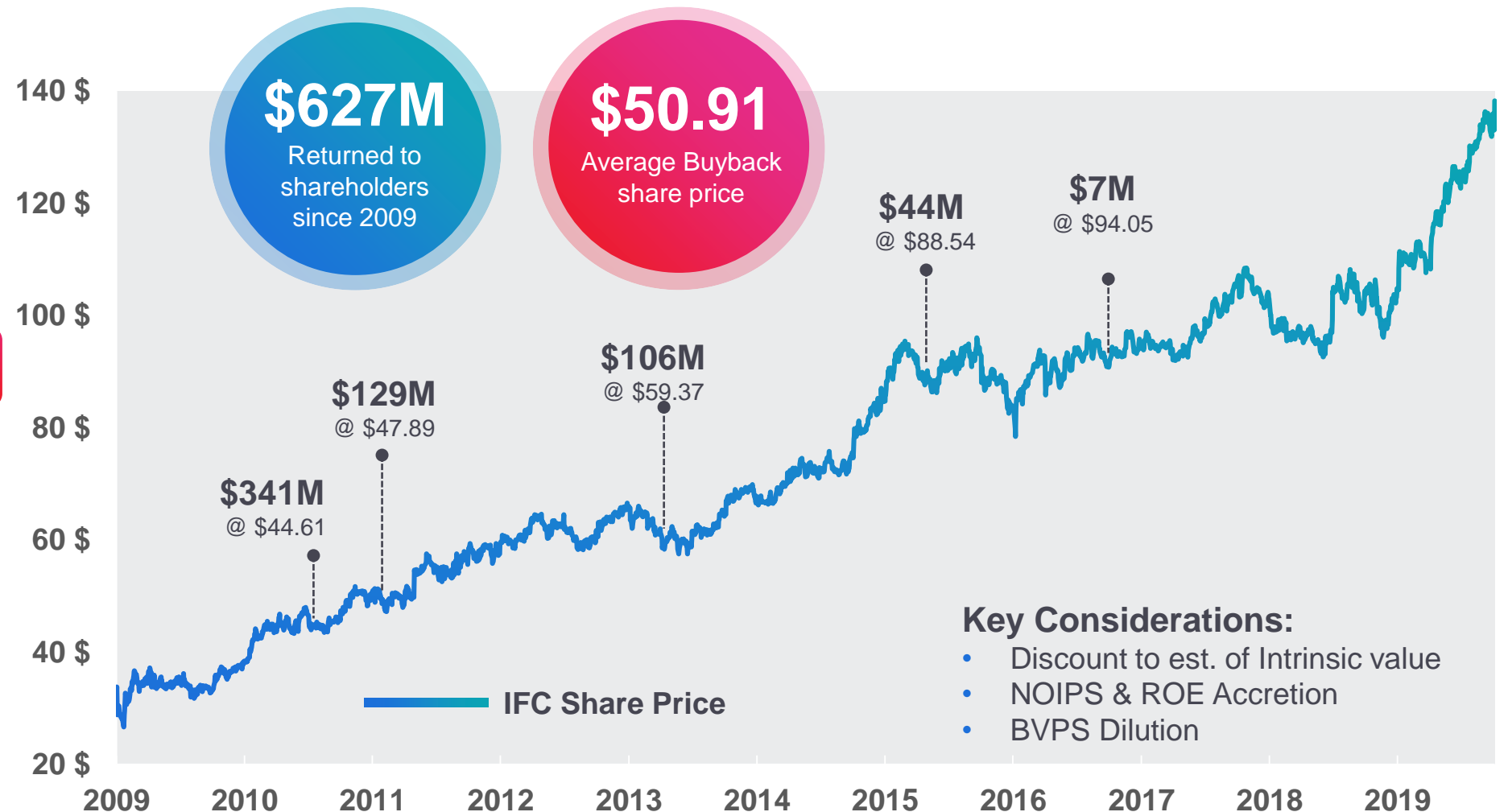
MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

INVEST
IN GROWTH

SHARE
BUYBACKS



BOARD PANEL AND Q&A

Frédéric Cotnoir, Eileen Mercier, and
Bill Young



IFC Board of Directors



IFC BOARD OF DIRECTORS

CHAIRMAN

Claude Dussault



IFC BOARD OF DIRECTORS

CEO

Charles Brindamour

AUDIT COMMITTEE

CHAIR

Eileen Mercier



COMPLIANCE REVIEW & CORPORATE GOVERNANCE COMMITTEE

CHAIR

Bill Young



HR COMMITTEE

CHAIR

Tim Penner



RISK COMMITTEE

CHAIR

Robert Leary



Janet De Silva



Sylvie Paquette



Frederick Singer



Carol Stephenson



Stephen Snyder



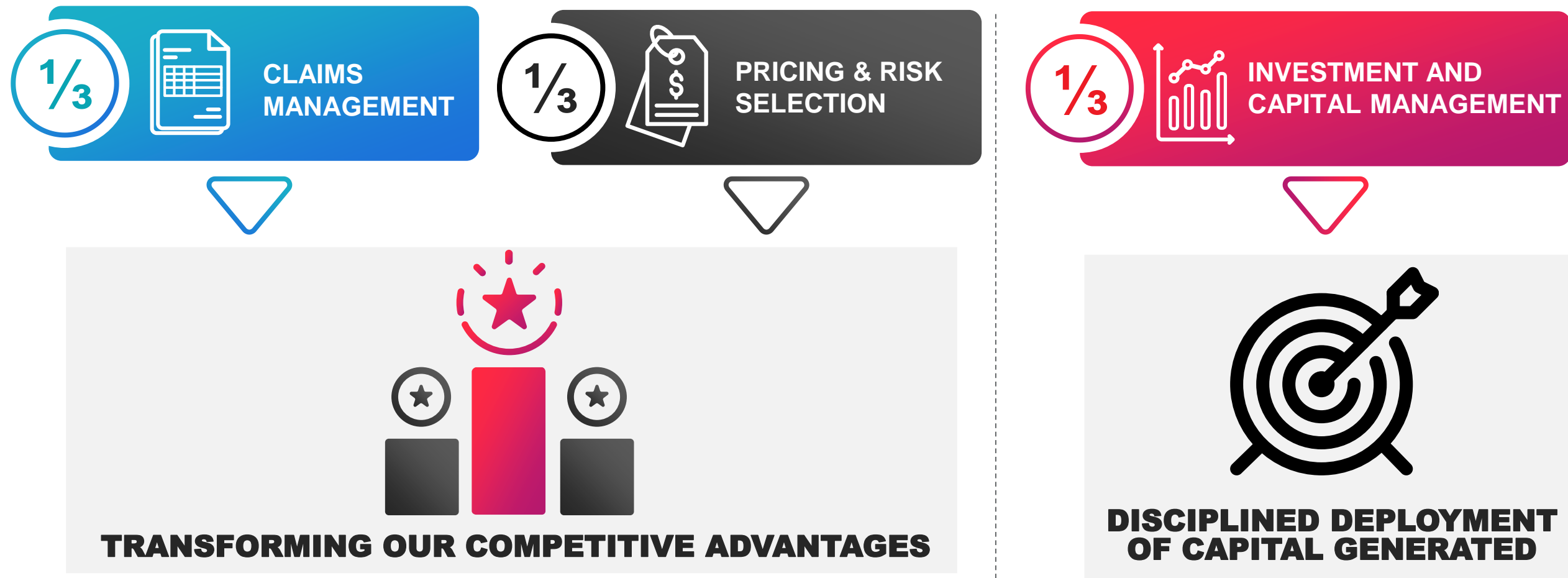
Jane Kinney



RECAP & PERSPECTIVE ON CURRENT MARKET CONDITIONS

Louis Marcotte & Darren Godfrey

500bps ROE Outperformance - An input to Strategy



10% NOIPS Growth annually over time

1/3

ORGANIC GROWTH



SCALE IN
DISTRIBUTION



DIGITAL
ENGAGEMENT

1/3

MARGIN EXPANSION



DATA
ADVANTAGE



DEEP CLAIMS
EXPERTISE

1/3

CAPITAL MANAGEMENT

MANAGE
LEVERAGE

INCREASE
DIVIDENDS

MANAGE
VOLATILITY

INVEST IN
GROWTH

SHARE
BUYBACKS

← CAPITALIZE ON CURRENT MARKET CONDITIONS →

11%

Organic Growth
Q3-2019

+7%

Personal Lines
Rate increase
Q3-2019

+10%

Can Com. Lines
Rate increase
Q3-2019

P&C Industry – 12 month outlook



PERSONAL
AUTO

We expect *upper single-digit* growth.



PERSONAL
PROPERTY

We expect *mid-to-upper single-digit* growth.



CANADA
COMMERCIAL

We expect *upper single-digit to low-double digit* growth.

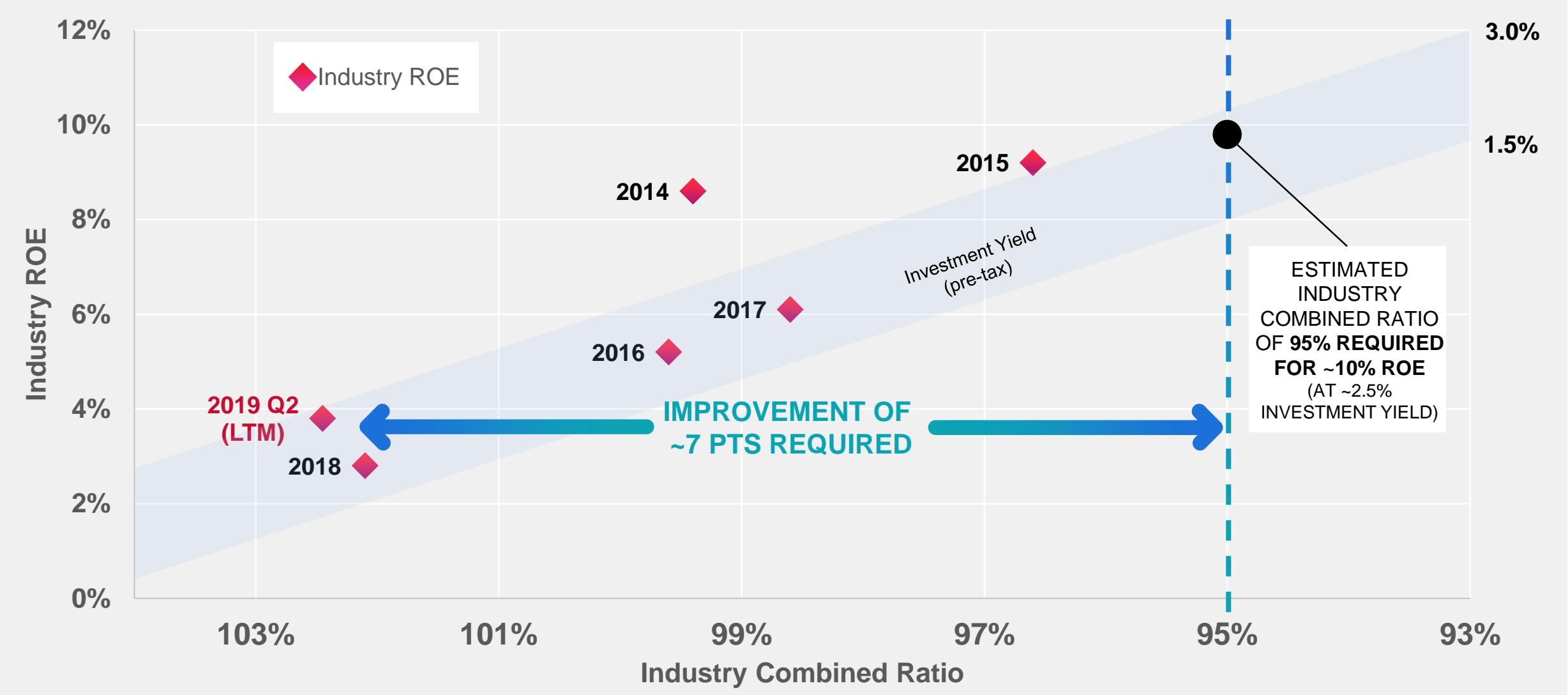


US
COMMERCIAL

We expect *mid single-digit* growth.

Overall the Canadian industry's ROE is expected to **improve but remain below its long-term average of 10%** over the next 12 months.

The Industry has work ahead to restore ROE

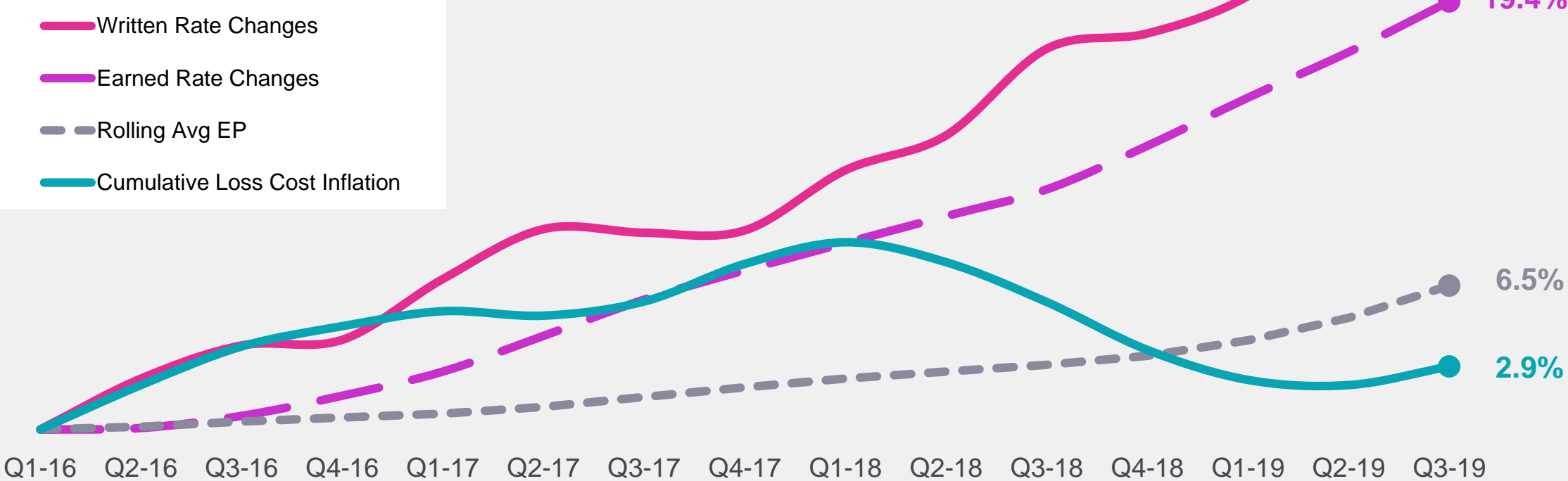


Source: IBC and MSA Research data, excluding IFC, Lloyds, Genworth & Government agencies



Personal Auto - rate actions are restoring margins

EARNED RATES VS COST INFLATION

(excl. PYD)



Near term **guidance**

	 2019	 2020
Net investment income	+5%	+4%
Distribution EBITA & other	+20%	+20%
CAT guidance	\$275m	\$300m

CONCLUDING REMARKS

Charles Brindamour



Our Strategic Roadmap for the next decade



Maintaining Our People Advantage

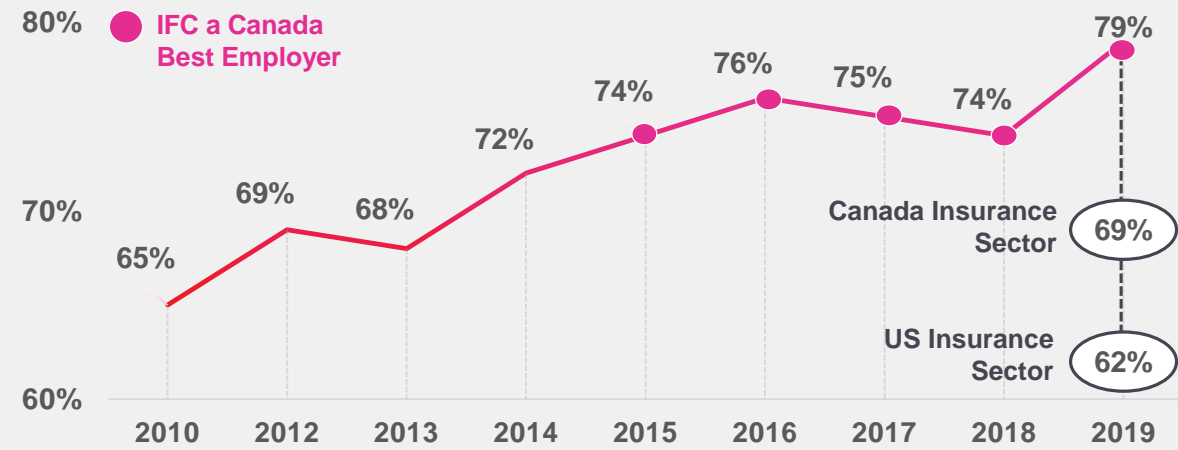


PEOPLE IN MANAGEMENT ROLES

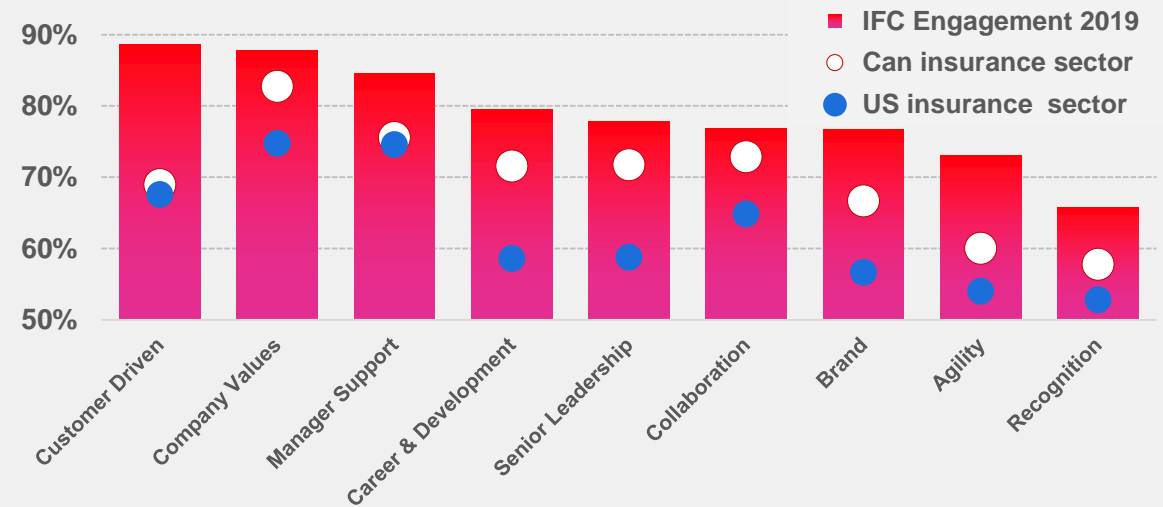


Depth of talent with average of **8 successors** for each senior leadership role.

IFC EMPLOYEE ENGAGEMENT



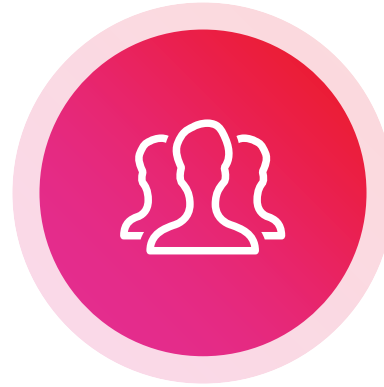
LEADING ON ENGAGEMENT DRIVERS



The Next Decade – Takeaways



Leading North American platforms driven by **strong fundamentals**, **scale** and **discipline**



Customer driven focus



Strong financial position and proven track record of **accretive capital deployment**



Unique competitive advantages to translate **emerging risks into opportunities**



Deep, diverse and **engaged talent** pool, adaptable to change

Contact us

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