



## Co-operators General Insurance Company

Management's Discussion and Analysis

For the third quarter ended September 30, 2018

# Co-operators General Insurance Company

## Management's Discussion and Analysis

### For the third quarter ended September 30, 2018

---

October 25, 2018

This Management's Discussion and Analysis (MD&A) comments on Co-operators General Insurance Company's operations and financial condition for the third quarter ended September 30, 2018.

Unless otherwise stated or the context otherwise indicates, in this MD&A, "Co-operators General", "we", "us" and "our" refers to the Consolidated Co-operators General Insurance Company including its subsidiaries: The Sovereign General Insurance Company (Sovereign), COSECO Insurance Company (COSECO), CUMIS General Insurance Company (CUMIS General), Co-operators Investment Limited Partnership (CILP), Co-operators Strategic Growth Corporation (CSGC) and Co-operators Insurance Agencies Limited (CIAL). CGIC refers to the non-consolidated Co-operators General Insurance Company.

Co-operators General's parent company is Co-operators Financial Services Limited (CFSL) and its ultimate parent is The Co-operators Group Limited (CGL), a Canadian co-operative with 45 members.

The information in this MD&A should be read in conjunction with the following documents:

- our unaudited condensed consolidated interim financial statements and accompanying notes for the third quarter ended September 30, 2018, second quarter ended June 30, 2018 and the first quarter ended March 31, 2018;
- our MD&A for the second quarter ended June 30, 2018 and first quarter ended March 31, 2018; and
- our 2017 Annual Report and Annual Information Form

These documents are available on SEDAR at [www.sedar.com](http://www.sedar.com). References to "Note" refer to the notes to the unaudited condensed consolidated interim financial statements.

Except as otherwise noted, all figures in this MD&A are stated in Canadian dollars for the quarter ended September 30, 2018 and are based on financial statements prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". The financial results presented in this MD&A are unaudited.

We use certain financial performance measures which do not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other issuers. Such measures are defined in our 2017 Annual Report in the *Key Financial Measures (Non-IFRS)* section, or in the same section in this document when disclosed for the first time.

The information in this MD&A contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from these forward-looking statements as a result of various factors, including those discussed below or in our Annual Information Form. Please read the cautionary note which follows.

#### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A may contain forward-looking statements and forward-looking information, including statements regarding the operations, objectives, strategies, financial situation and performance of Co-operators General. These statements, which appear in this MD&A (including the documents incorporated by reference herein), generally can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "would", "should", "could", "trend", "predict", "likely", "potential" or "continue" or the negative thereof and similar variations. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking

statements or information. In addition, this MD&A may contain forward-looking statements and information attributed to third party industry sources. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this MD&A speak only as of the date of this MD&A.

Forward-looking statements and information in this MD&A include, but are not limited to, statements with respect to: our growth expectations; the impact of changes in governmental regulation on our company; possible changes in our expense levels; changes in tax laws; and anticipated benefits of acquisitions and dispositions.

With respect to forward-looking statements and information contained in this MD&A, we have made assumptions regarding, among other things: growth rates and inflation rates in the Canadian and global economies; the Canadian and U.S. housing markets; the Canadian and global capital markets; the strength of the Canadian dollar relative to the U.S. dollar; employment levels and consumer spending in the Canadian economy; and impacts of regulation and tax laws by the Canadian and provincial governments or their agencies. Some of the assumptions we have made are described in our 2017 Annual Report.

Although we believe that the expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, levels of activity, performance or achievements. Consequently, we make no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Some of the risks and other factors, some of which are beyond our control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this MD&A and the documents incorporated by reference herein include, but are not limited to: 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; unfavourable capital market developments or other factors which may affect our investments; the cyclical nature of the property and casualty insurance industry; our ability to accurately predict future claims frequency; the frequency and severity of weather related events; climate change; government regulations; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; our reliance on advisors to sell our products; our ability to successfully pursue our acquisition strategy; actions to be taken in connection with the sale of L'Union Canadienne, Compagnie d'assurances to Roins Financial Services Limited; 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 (including credit risk related to the financial health of reinsurers); our reliance on information technology and telecommunications systems; impacts of new or changing technologies, including those impacting personal transportation; breaches or failure of information system security and privacy, including cyber terrorism; our dependence on key employees; and general economic, financial and political conditions.

Readers are cautioned that the foregoing list of factors is not exhaustive. For further information, please refer to our 2017 Annual Report, which outlines in detail certain key factors that may affect our future results. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement. We are not under any duty to update any of the forward-looking statements after the date of this MD&A to conform such statements to actual results or to changes in our expectations except as otherwise required by applicable legislation.

## SUMMARY OF KEY FINANCIAL DATA AND RESULTS OVERVIEW

Three months ended September 30 unless otherwise stated

(in millions of dollars, except for ROE, EPS and ratios)

3rd quarter	2018 <sup>4</sup>	2017	2016
<b>Key financial data<sup>3</sup></b>			
Direct written premium (DWP)	909.1	746.2	691.0
Net earned premium (NEP)	750.6	656.3	614.8
Net income (loss)	12.9	(7.4)	16.3
Total assets <sup>1</sup>	6,568.0	5,922.1	5,854.5
Total liabilities <sup>1</sup>	4,960.9	4,391.0	4,275.6
Shareholders' equity <sup>1</sup>	1,607.1	1,531.1	1,578.9
<b>Key success indicators<sup>3</sup></b>			
Direct written premium growth	21.8%	8.0%	6.2%
Net earned premium growth	14.4%	6.8%	4.9%
Earnings (loss) per common share (EPS) <sup>2</sup>	\$0.48	(\$0.40)	\$0.71
Return on equity (ROE)	3.5%	(2.1%)	5.1%
Combined ratio - excluding market yield adjustment (MYA)	104.1%	108.9%	109.2%
Minimum Capital Test (MCT) <sup>1</sup>	202%	216%	227%

<sup>1</sup> Balance sheet data and MCT results for 2017 and 2016 are as at December 31

<sup>2</sup> All of the common shares of CGIC are owned by CFSL

<sup>3</sup> Refer to Key Financial Measures (Non-IFRS) Section

<sup>4</sup> Amounts presented include the results of operations and balance sheet of CUMIS General from the date of acquisition, April 1, 2018

Co-operators General reported net income after tax of \$12.9 million for the three months ended September 30, 2018, as compared to a net loss of \$7.4 million in the same quarter of 2017. Our return on equity for the quarter was 3.5% versus (2.1%) in the third quarter of 2017. Earnings (loss) per common share in the quarter was \$0.48 compared to (\$0.40) in the same quarter of the prior year.

Excluding MYA, our underwriting loss of \$31.3 million for the third quarter of 2018 improved from our underwriting loss of \$58.5 million in same quarter of 2017. This was the result of continued premium growth, within all lines of business, largely driven by higher average premiums and combined with an increase in vehicles and policies in force. Partly offsetting our strong premium growth was an increase in the frequency of current accident year claims in all regions except the West, and all lines of business except farm. In addition, a significant windstorm and tornado event in Ontario and Quebec at the end of the quarter led to significant claims activity. Net investment income and gains decreased by \$2.3 million compared to the same quarter last year as a result of lower realized gains and foreign exchange gains, partially offset by an increase in investment income given the recent Bank of Canada rate hikes in the last twelve months.

On April 1, 2018, CGIC entered into an agreement with a company under common control, to acquire 100% of the common shares of CUMIS General. CUMIS General is a property and casualty (P&C) insurance company that primarily serves credit unions and their members by providing home, auto, travel and other customized insurance products. The transaction closed on June 28, 2018, upon the satisfaction of standard closing adjustments and conditions. The acquisition allows CGL to align its property and casualty (P&C) insurance operations under a common entity, Co-operators General, and simplifies our governance structure. As a result of the acquisition, the current period and year-to-date balances presented in our MD&A and unaudited condensed interim financial statements reflect CUMIS General's operating results for the second and third quarters of 2018 and its asset, liability and equity balances as at September 30, 2018.

## FINANCIAL PERFORMANCE

### DIRECT WRITTEN PREMIUM AND NET EARNED PREMIUM

<b>\$ millions</b>	<b>Q3 2018</b>	<b>Q3 2017</b>	<b>% change</b>	<b>YTD 2018</b>	<b>YTD 2017</b>	<b>% change</b>
Direct written premium	<b>909.1</b>	746.2	21.8%	<b>2,450.5</b>	2,055.2	19.2%
Net earned premium	<b>750.6</b>	656.3	14.4%	<b>2,126.1</b>	1,894.3	12.2%

In the third quarter, DWP increased by 21.8% or \$162.9 million to \$909.1 million. The third quarter results of CUMIS General contributed 12.0% or \$89.9 million to the overall increase. Excluding the impact of CUMIS General, DWP improved by 9.8% or \$73.0 million. This was attributable to rate adjustments predominantly in Ontario and the West, combined with growth in vehicle and policy counts most notably in Ontario.

NEP increased during the third quarter by 14.4% or \$94.3 million compared to the same quarter last year. The third quarter results of CUMIS General contributed 5.6% or \$36.5 million to the overall increase. Excluding the impact of CUMIS General, NEP grew by 8.8% or \$57.8 million. The increase in NEP during the quarter is seen throughout all geographic regions and core product lines. The variance between DWP and NEP growth is attributed to reinsurance on CUMIS General's travel line of business. The results of CUMIS General were also driven by the trends described above, with growth largely driven by an increase in vehicles and policies in force.

Refer to Note 11 of our unaudited condensed consolidated interim financial statements for the period ended September 30, 2018 for a reconciliation of DWP to NEP.

#### NEP by line of business

<b>\$ millions</b>	<b>Q3 2018</b>	<b>Q3 2017<sup>1</sup></b>	<b>% change</b>	<b>YTD 2018</b>	<b>YTD 2017<sup>1</sup></b>	<b>% change</b>
Auto	<b>361.9</b>	313.0	15.6%	<b>1019.0</b>	902.3	12.9%
Home	<b>209.2</b>	187.6	11.5%	<b>597.1</b>	539.7	10.6%
Commercial	<b>127.8</b>	115.0	11.1%	<b>366.8</b>	334.4	9.7%
Farm	<b>33.2</b>	31.6	5.1%	<b>96.5</b>	91.8	5.1%
Travel and other	<b>18.5</b>	9.1	103.3%	<b>46.7</b>	26.1	78.9%
Total	<b>750.6</b>	656.3	14.4%	<b>2,126.1</b>	1,894.3	12.2%

<sup>1</sup> As a result of a change in allocation methodology, 2017 values have been reclassified to be consistent with current year presentation

During the third quarter, the auto line of business remained our largest contributor to NEP growth, increasing by \$48.9 million over the same quarter of 2017. Of the total increase, \$13.7 million was attributed to the current period results of CUMIS General. Excluding the impact of CUMIS General, the auto line of business grew by 11.2% driven by an increase in vehicles in force and rate adjustments across all regions.

The home line of business experienced an increase in NEP of \$21.6 million, of which \$8.6 million was contributed by the current quarter results of CUMIS General. Excluding the impact of CUMIS General, the increase was attributable to rate adjustments combined with an increase in policies in force.

NEP increased in the commercial line of business by \$12.8 million over the same quarter of 2017, of which \$4.7 million was driven by the current period results of CUMIS General. The remaining NEP growth in this line of business is attributable to higher average premiums combined with an increase in policies in force.

The farm line of business experienced an increase in NEP of \$1.6 million compared to the same quarter of 2017, driven by rate adjustments. The third quarter results of CUMIS General did not affect the NEP growth in this line of business.

The travel and other line of business experienced NEP growth of \$9.4 million over the same quarter of 2017, which was entirely driven by the third quarter results of CUMIS General.

The discrete quarter results of CUMIS General were also driven by the general trends described above.

### NEP by geographic region

\$ millions	Q3	Q3	%	YTD	YTD	%
	2018	2017 <sup>1</sup>	change	2018	2017 <sup>1</sup>	change
West	273.2	244.7	11.6%	780.4	710.1	9.9%
Ontario	371.9	318.3	16.8%	1,045.9	917.3	14.0%
Quebec	33.4	28.8	16.0%	94.2	81.1	16.2%
Atlantic	72.1	64.5	11.8%	205.6	185.8	10.7%
Total	750.6	656.3	14.4%	2,126.1	1,894.3	12.2%

<sup>1</sup> As a result of a change in allocation methodology, 2017 values have been reclassified to be consistent with current year presentation

During the third quarter, the Western region experienced an increase of \$28.5 million over the same quarter of 2017. Of this increase, \$11.7 million was attributable to the third quarter results of CUMIS General, while the remaining increase was primarily driven by rate adjustments across all lines of business.

NEP increased in Ontario by \$53.6 million over the same quarter of 2017, of which \$20.6 million was contributed by the current quarter results of CUMIS General. Aside from the impact of CUMIS General, growth was driven by rate adjustments, most notably in the auto and home lines of business, paired with an increase in vehicles and policies in force across all lines of business.

Quebec experienced NEP growth of \$4.6 million over the same quarter of 2017. CUMIS General's current period results contributed \$0.9 million to the increase, while higher vehicles and policies in force across all lines of business drove the remainder of the increase.

The Atlantic region experienced NEP growth of \$7.6 million over the same quarter of the prior year. Of the increase, CUMIS General contributed \$3.1 million, while the remaining increase was driven by rate adjustments, combined with an increase in vehicles and policies in force in the auto and home lines of business.

The discrete quarter results of CUMIS General were also driven by the general trends described above.

### NET INVESTMENT INCOME AND GAINS

\$ millions	Q3	Q3		YTD	YTD	
	2018	2017	change	2018	2017	change
Interest income	22.1	18.5	3.6	62.9	57.5	5.4
Dividend and other income	10.2	9.4	0.8	31.2	28.2	3.0
Investment expenses	(1.8)	(1.5)	(0.3)	(4.9)	(4.7)	(0.2)
Net investment income	30.5	26.4	4.1	89.2	81.0	8.2
Net realized gains	4.3	9.2	(4.9)	10.3	21.9	(11.6)
Net foreign exchange gains (losses)	3.8	6.8	(3.0)	(0.1)	20.3	(20.4)
Change in fair value	(0.7)	(2.9)	2.2	(9.7)	18.9	(28.6)
Impairment losses	(1.9)	(1.2)	(0.7)	(7.5)	(5.5)	(2.0)
Net investment gains (losses)	5.5	11.9	(6.4)	(7.0)	55.6	(62.6)
Net investment income and gains	36.0	38.3	(2.3)	82.2	136.6	(54.4)

Net investment income and gains decreased by \$2.3 million in the current period as compared to the third quarter of 2017 and was primarily a result of a decrease in net realized gains and net foreign exchange gains. This was partially offset by an increase in net investment income earned. CUMIS General's portfolio contributed \$1.6 million to the investment income and gains recognized during the third quarter of 2018.

Interest income increased by \$3.6 million as a result of higher interest rates driven by two interest rate hikes by the Bank of Canada in the last twelve months.

Net realized gains decreased by \$4.9 million compared to the same period of the prior year as realized bond losses during the current period were \$1.7 million higher than the prior year, driven by rising interest rates, and common shares gains were \$1.3 million lower as a result of lower portfolio turnover. The Canadian dollar appreciated 1.8% during the current quarter, compared to 3.8% in the same quarter of the prior year, resulting in net foreign exchange gains that were \$3.0 million lower in the current period. The \$2.2 million favourable change in fair value was primarily caused by an improvement in the preferred share market during the third quarter as compared to weakness in the same quarter of the prior year. Impairment losses during the quarter were \$0.7 million higher than the third quarter of 2017.

## OTHER COMPREHENSIVE INCOME

\$ millions	Q3	Q3	YTD	YTD
	2018	2017	2018	2017
Other comprehensive loss	(14.1)	(23.7)	(0.3)	(8.7)

Other comprehensive loss was \$14.1 million in the third quarter of 2018 in contrast to a loss of \$23.7 million for the same period of 2017.

Other comprehensive loss before tax was \$20.0 million in the third quarter of 2018. During the current quarter an interest rate hike by the Bank of Canada of 0.25% resulted in unrealized losses on bonds of \$22.1 million. However, in the third quarter of 2017 two Bank of Canada interest rate hikes totalling 0.5% resulted in \$35.1 million of unrealized bond losses.

## EXPENSES

### Claims and adjustment expenses – Loss ratio

\$ millions, except ratios	Q3	Q3	change	YTD	YTD	change
	2018	2017		2018	2017	
Undiscounted net claims and adjustment expenses	551.3	504.3	47.0	1,585.0	1,345.0	240.0
Effect of MYA	(7.5)	(5.8)	(1.7)	(13.1)	(6.2)	(6.9)
Net claims and adjustment expenses	543.8	498.5	45.3	1,571.9	1,338.8	233.1
Loss ratio (excluding MYA)	73.4%	76.8%	(3.4) pts	74.5%	71.0%	3.5 pts
Loss ratio (including MYA)	72.4%	76.0%	(3.6) pts	73.9%	70.7%	3.2 pts

Undiscounted net claims and adjustment expenses increased by \$47.0 million or 9.3% compared to the same period of the prior year. The third quarter results of CUMIS General contributed \$21.9 million or 4.3% to the increase. Aside from the impact of CUMIS General, the increase is driven by policy growth and a higher frequency of current accident year claims.

Unpaid claims and adjustment expenses are discounted using the portfolio yield of the bond and commercial mortgage portfolios with consideration provided for the Government of Canada 5 year bond rate plus a credit spread. The portfolio yield on bonds and commercial mortgages increased in the quarter, in line with Bank of Canada rate hikes, which increased the discount rate. This drove a positive impact to MYA and net income before taxes of \$7.5 million in the third quarter of 2018 as compared to \$5.8 million for the same quarter of 2017.

## Loss ratio by line of business

% excluding MYA	Q3			YTD		
	2018	2017 <sup>1</sup>	change	2018	2017 <sup>1</sup>	change
Auto	77.6	82.2	(4.6)	77.0	75.4	1.6
Home	71.8	67.1	4.7	77.2	68.2	9.0
Commercial	64.4	68.3	(3.9)	67.5	62.8	4.7
Farm	90.4	122.2	(31.8)	79.5	83.8	(4.3)
Travel and other	43.0	45.6	(2.6)	31.9	36.8	(4.9)
<b>Total</b>	<b>73.4</b>	<b>76.8</b>	<b>(3.4) pts</b>	<b>74.5</b>	<b>71.0</b>	<b>3.5 pts</b>

<sup>1</sup> As a result of a change in allocation methodology, 2017 values have been reclassified to be consistent with current year presentation

In the third quarter, we experienced an improvement in our loss ratio in all lines of business, excluding the home line of business. Except for the travel and other line of business, loss ratios were not significantly impacted by the acquisition of CUMIS General and the third quarter results of CUMIS General's lines of business are consistent with the trends described below.

The auto line of business loss ratio improved by 4.6 percentage points as compared to the third quarter of 2017. Increased frequency of current accident year claims in Ontario and the Atlantic region, combined with higher severity in the Western and Atlantic region, drove an increase in claims. However, more favourable claims development combined with NEP growth that outpaced claims, led to an improvement. An increase in frequency of current accident year claims in all regions except the West led to a deterioration in the home loss ratio by 4.7 percentage points. The commercial loss ratio improved by 3.9 percentage points driven by favourable claims development in the West and Ontario, combined with strong premium growth that outpaced higher claims. The increase in claims was caused by an increase in the frequency of current accident year claims in Ontario. The farm loss ratio improved by 31.8 percentage points which was driven by a lower frequency of current accident year claims, mainly in the Western region, which was impacted by multiple storms in the third quarter of 2017. This was partially offset by higher frequency of current accident year claims in Ontario. The loss ratio in our travel and other line of business improved by 2.6 percentage points. This was driven by favourable claims development in our marine product portfolio combined with the inclusion of CUMIS General's travel business, which experiences a lower loss ratio compared to other lines of business included in this category.

## Loss ratio by geographic region

% excluding MYA	Q3			YTD		
	2018	2017 <sup>1</sup>	change	2018	2017 <sup>1</sup>	change
West	71.9	81.7	(9.8)	69.6	67.5	2.1
Ontario	73.3	76.1	(2.8)	77.0	72.1	4.9
Quebec	74.1	70.9	3.2	73.3	80.5	(7.2)
Atlantic	79.5	64.5	15.0	81.4	74.5	6.9
<b>Total</b>	<b>73.4</b>	<b>76.8</b>	<b>(3.4) pts</b>	<b>74.5</b>	<b>71.0</b>	<b>3.5 pts</b>

<sup>1</sup> As a result of a change in allocation methodology, 2017 values have been reclassified to be consistent with current year presentation

Loss ratios by geographic region were not significantly impacted by the acquisition of CUMIS General and the third quarter results of CUMIS General's lines of business are consistent with the trends described below.

Less severe weather in the current quarter drove an improvement in the Western region's loss ratio of 9.8 percentage points. This was partially offset by unfavourable claims development in the auto line of business. In Ontario, strong premium growth, which outpaced an increase in claims, combined with more favourable claims development, led to an improvement in the loss ratio of 2.8 percentage points. This was partly offset by more severe weather in Ontario during the current quarter leading to a higher frequency of current accident year claims in the auto, home and commercial lines of business. In particular, we experienced a severe windstorm and tornado activity in the Ottawa/Gatineau region at the end of the



quarter, which led to higher claims. In Quebec, an increase in the frequency of current accident year claims in the home and auto lines of business led to a deterioration in the loss ratio of 3.2 percentage points. The Atlantic region's loss ratio deteriorated by 15.0 percentage points and was driven by an increase in the frequency of current accident year claims, mainly in the auto and home lines of business, combined with higher severity in the commercial line of business. This was partly offset by a decrease in current accident year claims in the farm line of business.

### Other operating expenses – Expense ratio

% , except total other operating expenses (\$ millions)	Q3			YTD		
	2018	2017	change	2018	2017	change
Total other operating expenses	<b>230.6</b>	210.5	20.1	<b>678.0</b>	629.4	48.6
Components of expense ratio						
Premium and other taxes	<b>3.5</b>	3.8	(0.3) pts	<b>3.5</b>	3.5	- pts
Net commissions and advisor compensation	<b>16.3</b>	16.4	(0.1) pts	<b>16.9</b>	17.0	(0.1) pts
General expenses	<b>10.9</b>	11.9	(1.0) pts	<b>11.5</b>	12.7	(1.2) pts
Expense ratio	<b>30.7</b>	32.1	(1.4) pts	<b>31.9</b>	33.2	(1.3) pts

Other operating expenses are comprised of premium and other taxes, net commissions and advisor compensation and general expenses. The increase of \$20.1 million in the current quarter over the same quarter of 2017 is primarily driven by the inclusion of CUMIS General's results in the current quarter, which contributed \$13.9 million to the overall increase. Excluding the impact of CUMIS General, higher commissions and advisor compensation during the quarter, in line with high earned premium, led to an increase in operating expenses. While expenses increased in the current quarter, a shift in the timing of project spend and strong NEP growth resulted in an expense ratio of 30.7%, representing a 1.4 percentage point improvement over the same quarter of 2017. The expense ratio was not significantly impacted by CUMIS General in the current quarter.

### Income taxes

Refer to Note 7 of our unaudited condensed consolidated interim financial statements for the period ended September 30, 2018 for our income tax reconciliation between the statutory tax rate and our effective tax rate.

## LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL CONDITION

\$ millions	As at	As at	% change
	September 30, 2018	December 31, 2017	
Assets			
Invested assets	<b>4,601.9</b>	4,298.9	7.0%
Reinsurance ceded contracts	<b>175.4</b>	112.2	56.3%
Intangible assets	<b>78.4</b>	73.3	7.0%
Other assets	<b>1,712.3</b>	1,437.7	19.1%
Liabilities			
Insurance contracts	<b>4,453.0</b>	3,875.7	14.9%
Retirement benefit obligations	<b>130.7</b>	126.7	3.2%
Other liabilities	<b>377.2</b>	388.6	(2.9)%
Shareholders' equity	<b>1,607.1</b>	1,531.1	5.0%

Our balance sheet remains strong at the end of the third quarter of 2018. The value of our invested assets exceeds insurance contracts net of reinsurance ceded contracts by 7.6%, compared to an excess of 14.2% as at December 31, 2017. Our MCT ratio of 202% at September 30, 2018 also denotes our strong financial condition.

Invested assets increased by \$303.0 million, primarily as a result of the inclusion of CUMIS General's investment portfolio in the current quarter, which totaled \$222.1 million as at September 30, 2018. Re-investment of portfolio earnings drove the remaining increase. Insurance contract liabilities increased by \$577.3 million and this was largely attributable to the assumption of CUMIS General's insurance contracts in the previous quarter, which accounted for \$291.5 million of the increase in the third quarter. The remaining increase was the result of growth in our business which drove an increase in unearned premiums.

Our 2017 Annual Report provides a summary of our off balance sheet arrangements and contractual commitments, which consist primarily of operating leases.

## INVESTED ASSETS

Co-operators General has a high quality, well diversified investment portfolio consisting primarily of high quality bonds, equities and commercial mortgages. The bond portfolio is \$2,547.0 million or 55.3% of our total invested assets. Our investment in bonds is diversified both geographically and by sector, with a large portion invested in Canadian government debt instruments. The equity portfolio makes up \$1,310.8 million or 28.5% of our total invested assets and consists largely of publicly traded common and preferred stocks diversified by industry sector and issuer. Our equity portfolio is 80.4% weighted to Canadian stocks.

We adhere to a conservative investment policy and strategy that is based on prudence in accordance with regulatory guidelines, and in a broad sense, premium cash flows and claims settlement patterns by product line. This is achieved by investing in a diversified mix of securities and by shifting between asset classes as trends in the market evolve. The credit quality of our portfolio remains high with 85.4% rated A or higher and 96.4% of our bonds are considered investment grade, rated BBB or higher.

## MINIMUM CAPITAL TEST

	September 30, 2018	December 31, 2017
MCT	<b>202%</b>	216%

Co-operators General's MCT of 202% at September 30, 2018 represents \$161.1 million of capital in excess of our 180% internal minimum compared to an excess of \$240.5 million at December 31, 2017. The MCT is impacted by various factors including interest rates, invested asset mix, dividends, and the results of our operations.

## SHARE CAPITAL

Our capital includes Class E, Series C Preference Shares, which trade on the Toronto Stock Exchange (TSX) under the trading symbol CCS.PR.C.

## DIVIDENDS

Dividends declared on preference shares were \$1.3 million in the third quarter ended September 30, 2018, compared to \$1.3 million declared in the same quarter last year. There were no dividends declared on common shares during the quarter ended September 30, 2018, or for the comparative period ended September 30, 2017.

## EARNINGS PER SHARE

	Q3 2018	Q3 2017	YTD 2018	YTD 2017
<b>\$ millions, except share data and EPS</b>				
Net income (loss)	12.9	(7.4)	(18.9)	56.2
Less: dividends on preference shares	1.3	1.3	6.4	6.3
Net income (loss) available to shareholders	11.6	(8.7)	(25.3)	49.9
Weighted average number of outstanding common shares <sup>1</sup>	24,413	21,458	23,307	21,458
Earnings (loss) per common share	\$0.48	(\$0.40)	(\$1.08)	\$2.33

<sup>1</sup> All of the common shares of CGIC are owned by CFSL

## CASH FLOWS

	Q3 2018	Q3 2017	YTD 2018	YTD 2017
<b>\$ millions</b>				
Cash provided by (used in) operating activities	126.7	111.7	137.5	122.6
Investing activities				
Net purchase of investments	(187.0)	(3.1)	(104.7)	47.2
Acquisition of subsidiary from related party, net of cash acquired	(40.5)	-	(176.8)	-
Purchases of intangibles & property and equipment	(0.6)	(0.1)	(2.0)	(7.8)
Assets held for sale, net	-	0.7	-	0.7
Cash flows provided by (used in) investment activities	(228.1)	(2.5)	(283.5)	40.1
Financing activities				
Net preference shares issued	1.2	0.9	2.5	4.1
Common shares issued	-	-	181.7	-
Dividends paid	(3.9)	(3.8)	(9.0)	(108.8)
Cash flows provided by (used in) financing activities	(2.7)	(2.9)	175.2	(104.7)
Net increase in cash and cash equivalents	(104.1)	106.3	29.2	58.0

Cash generated from insurance operations and investment returns normally exceeds our claims and operating expense requirements, and sufficiently funds our commitments and growth initiatives. Common shares were issued during the second quarter, in the amount of \$181.7 million to fund the purchase of CUMIS General, which was paid for in two tranches, one on signing of the agreement and the remainder in the third quarter. This is further discussed in the Related Party Transaction section.

## KEY FINANCIAL MEASURES (NON-IFRS)

We measure and evaluate the performance of the consolidated operations using a number of financial measurements. These measurements help the reader understand business volumes, the quality of risk underwriting, management reserving practices, and the financial strength and financial leverage of Co-operators General.

These measures are non-IFRS measurements, but are derived from elements of the IFRS consolidated financial statements, and are consistent with financial measures used in the P&C insurance industry. Detailed definitions of the measures used can be found within the *Key Financial Measures (Non-IFRS)* section of our 2017 Annual Report.

## UNDERWRITING RESULTS

\$ millions, except ratios	Q3	Q3	YTD	YTD
	2018	2017	2018	2017
Net earned premium, before reinstatement premiums	750.9	655.2	2,130.2	1,892.5
Reinstatement premiums expense (recovery)	0.3	(1.1)	4.1	(1.8)
Net earned premium, as reported	750.6	656.3	2,126.1	1,894.3
Undiscounted net claims and adjustment expenses (excluding MYA)	551.3	504.3	1,585.0	1,345.0
Loss ratio (excluding MYA)	73.4%	76.8%	74.5%	71.0%
Other operating expenses	230.6	210.5	678.0	629.4
Expense ratio	30.7%	32.1%	31.9%	33.2%
Underwriting loss	(31.3)	(58.5)	(136.9)	(80.1)
Combined ratio (excluding MYA)	104.1%	108.9%	106.4%	104.2%

## CLAIMS DEVELOPMENT

Our 2017 Annual Report provides a summary of our unpaid claims and adjustment expense provision and revised estimates of prior year net unpaid claims and adjustment expense provisions relative to their original valuation as at December 31.

## RETURN ON EQUITY

Return on equity is the annualized ratio of net income to the average of opening and closing shareholders' equity excluding accumulated other comprehensive income (AOCI).

\$ millions, except ratios	Q3	Q3
	2018 <sup>1</sup>	2017
Net income (loss)	12.9	(7.4)
Shareholders' equity excluding AOCI at September 30	1,480.7	1,405.4
Shareholders' equity excluding AOCI at June 30	1,467.5	1,412.7
ROE	3.5%	(2.1%)

<sup>1</sup> Amounts presented include the results of operations and balance sheet of CUMIS General from the date of acquisition, April 1, 2018

## SELECTED QUARTERLY INFORMATION

(in millions of dollars except for EPS and ratios)

	2018	2018	2018	2017	2017
	3rd qtr <sup>1</sup>	2nd qtr <sup>1</sup>	1st qtr	4th qtr	3rd qtr
Direct written premium	909.1	941.7	599.7	685.2	746.2
Net earned premium	750.6	717.4	658.1	664.8	656.3
Net income (loss)	12.9	(4.0)	(27.8)	64.8	(7.4)
Other comprehensive income (loss)	(14.1)	21.5	(7.8)	4.9	(23.7)
Key statistics					
Earnings (loss) per common share	\$0.48	(\$0.35)	(\$1.35)	\$2.84	(\$0.40)
Loss ratio (excluding MYA)	73.4%	75.7%	74.5%	67.7%	76.8%
Expense ratio	30.7%	32.1%	33.0%	32.6%	32.1%
Combined ratio	104.1%	107.8%	107.5%	100.3%	108.9%

	2017	2017	2016	2016
	2nd qtr	1st qtr	4th qtr	3rd qtr
Direct written premium	768.7	540.3	639.1	691.0
Net earned premium	628.7	609.3	620.6	614.8
Net income	29.1	34.6	128.8	16.3
Other comprehensive income (loss)	(10.8)	25.7	(50.5)	6.0
Key statistics				
Earnings per common share	\$1.18	\$1.55	\$5.84	\$0.71
Loss ratio (excluding MYA)	67.8%	68.0%	51.2%	77.2%
Expense ratio	33.2%	34.5%	34.3%	32.0%
Combined ratio	101.0%	102.5%	85.5%	109.2%

<sup>1</sup> Amounts presented include the results of operations and balance sheet of CUMIS General from the date of acquisition, April 1, 2018

The quarterly results reflect the seasonality of our business. Premiums are generally written in annual renewal cycles, often in the second quarter, and extreme weather conditions historically impact the loss ratio in the first and third quarters.

The timing of claims can be difficult to predict due to uncontrollable factors, such as governmental regulatory actions, weather, or changes in estimates related to investment provisions. Results are also affected by more predictable factors such as the timing of major expenditures, changes in estimates related to claims reserves, and purchase and sale decisions made with respect to our investment portfolio.

The current quarter's DWP and NEP increases of 21.8% and 14.4% respectively, were influenced by the acquisition of CUMIS General.

## **OUTLOOK, BUSINESS DEVELOPMENTS AND OPERATING ENVIRONMENT**

### **GENERAL BUSINESS AND ECONOMIC CONDITIONS**

In the course of setting our strategic priorities and objectives for 2018 we made assumptions about the general business and economic environment in 2018 and beyond. These assumptions are outlined in detail in our 2017 Annual Report, and we continue to expect them to materialize through 2018. There have been no material changes in our assumptions. We consult with our investment manager, Addenda Capital Inc., in creating and monitoring these assumptions.

### **PROPERTY AND CASUALTY INDUSTRY**

Trends and environmental factors, as well as our strategic responses, are consistent with those discussed in our 2017 Annual Report.

### **EMERGING LEGISLATION AND REGULATORY EVENTS**

Emerging legislation and regulatory events are detailed in our 2017 Annual Report and an update is provided below:

#### **Ontario auto**

##### *Rate regulations*

It has been a challenge to secure approval from the Financial Services Commission of Ontario (FSCO) for adequate rate increases to reflect the risks in today's environment, which include rising costs of auto claims. Such restrictions are concerning as an inadequate rate level limits our ability to remediate poor underwriting performance, which places further pressure on the profitability of our auto line of business in this province.

### *Ontario's Fair Auto Insurance Plan*

The election of the Progressive Conservative majority government in the province earlier this year results in uncertainty around the level to which the elements of the previous government's Fair Auto Insurance Plan will proceed and around the implementation plans for the previous recommendations made by David Marshall, Ontario's advisor on auto insurance. We will continue to engage with elected and government officials to advocate for changes that ensure a more competitive, innovative market that will better serve all Ontarians.

### *Financial Services Regulatory Authority*

Seven members of the Financial Services Regulatory Authority (FSRA) board of directors were appointed in the first quarter of the year. The Ontario government introduced amendments to the Insurance Act and the Corporations Act with its 2018-19 Budget, which will give FSRA prudential oversight of certain insurance companies incorporated in Ontario. Once proclaimed, other amendments to the Insurance Act will provide FSRA with the authority to make rules requiring insurers to provide claims and repair history information to motor vehicle dealers for disclosure to prospective used vehicle purchasers. We were active participants in consultations leading to the establishment of FSRA and will continue to work with our industry partners to provide feedback on the new regulator's proposed rules.

As changes in the above matters evolve, we will continue to evaluate the financial and procedural impacts and engage with the government and regulators during this transition period.

### *Private Member's Bills - Territorial Segmentation*

Two Private Member's bills have recently been introduced in Ontario. Bill 42, Ending Discrimination in Automobile Insurance Act, 2018 was introduced by PC MPP Parm Gill and looks at eliminating postal code as a rating variable used in determining risk for auto insurance premiums. NDP MPP Gurratan Singh introduced Bill 44, Ending Automobile Insurance Discrimination in the Greater Toronto Area Act, 2018 and if passed, would force insurers to treat the Greater Toronto Area as a single geographic region or rating territory.

Under the current regulations, auto insurance premiums are primarily driven by claims data, including the frequency and cost of collisions. The industry agrees that using territory as a rating variable is a significant predictor of geographical risk and risk in general. Moreover, reducing rates for certain territories does not address the core problem of rising claims and auto insurance fraud and, if passed, the bills have the potential to challenge the sustainability of the product and create subsidization of urban areas by rural areas. We will continue to monitor the developments of these bills and potential impacts. We will also continue to work with government to find solutions that will modernize regulations that meet the needs of Ontario drivers.

### **Auto insurance system review in Newfoundland and Labrador**

We participated in two studies conducted as part of the Newfoundland and Labrador (NL) insurance scheme review: a claim study on the taxi industry and a closed claim study. Cameron and Associates was retained to conduct a claim study of the taxi industry to determine the causes of high claims costs experienced by insurers. The report was released in March 2018 and identified unlisted drivers, late reporting and the \$2,500 deductible for Bodily Injury claims as the three main factors negatively impacting insurer's loss experience of the taxi industry in NL. Oliver Wyman was retained to provide a summary of the data collected from the closed claims study, as well as consider various reform options and their respective impact on rates. While the Board of Commissioners of Public Utilities and Service has yet to announce a decision, Oliver Wyman has opined that the introduction of a minor injury cap may positively impact claims costs.

In addition to participating in these two studies, we provided written comments on other policy matters to both the Board of Commissioners of Public Utilities and Service NL. We are awaiting results from this process to evaluate the financial impacts to our business and consumers in these regions.

## **Alberta auto**

### *Rate regulations*

The Automobile Insurance Rate Board (AIRB) has received industry rate filings proposing double digit increases, following a period of time where companies had not filed at all for up to 12 months or were filing for rate increases significantly lower than their rate indications. While double digit increases may be warranted given the ongoing increases to auto claims costs incurred by insurers, in the interest of consumers the AIRB decided in August 2017 to limit rate increases over a 12-month period to less than or equal to 10%. In addition, a ministerial order issued in December 2017 required the AIRB to cease approval of cumulative rate increases greater than 5% during the period of November 1, 2017 to November 30, 2018. These decisions were made independently but the two initiatives may impact a single company simultaneously in certain situations. Restrictions on the ability to charge a fair price for the risks we underwrite could put further pressure on the product's long-term viability in this province.

We participated in the AIRB's 2018 Annual Review process which analyzes industry loss experience for private passenger vehicles (PPV) and establishes industry benchmarks used in the review of insurers' PPV rate filings. As part of its process this year, the AIRB had also solicited feedback on the ministerial order in terms of company solvency and consumer premium dislocations. We expressed concern that increasing claims costs driven by escalating trends, combined with the five percent limitation on PPV rate increases will threaten the availability of insurance within the province.

### *Minor injury regulation*

Earlier this year, the Alberta Government implemented changes to the Minor Injury Regulation, largely in response to the industry's concerns about escalating claims costs. The wording changes were an attempt to contain certain joint injuries within the cap, as well as psychological impacts resulting from a minor injury. Due to the long tail nature of bodily injury claims, we will continue to monitor the impact of these changes on loss costs.

### *Alberta auto insurance claims and costs study*

The Alberta Treasury Board and Finance posted a notice in July indicating their intention to hire an independent firm to complete an Automobile Insurance Claims and Cost study during the second half of the year. The notice stated the independent firm would review and analyze information collected from the insurance industry. The main objective of the study is to assess the rising costs affecting Alberta's automobile insurance industry, including, but not limited to: bodily injury claims, vehicle damage claims, vehicles theft, and administrative costs. The Claims and Costs Study is expected to be completed by the end of December 2019.

## **Saskatchewan Insurance Act revision**

Saskatchewan is implementing a new Insurance Act on January 1, 2019 to address concerns with the current act. We are currently in the process of reviewing the new legislation to understand the impact to Co-operators General and ensure ongoing compliance.

## **RELATED PARTY TRANSACTIONS**

Co-operators General has ongoing transactions with related parties primarily consisting of product distribution services, management and advisory services and reinsurance. Aside from the transaction discussed below, there have been no material changes in our ongoing related party transaction arrangements during the period ended September 30, 2018. Please refer to our 2017 Annual Report for further details.

### **Acquisition of a subsidiary from a related party**

On April 1, 2018, CGIC entered into an agreement with a company under common control, CUMIS Services Incorporated, to acquire 100% of the common shares of CUMIS General, for an estimated fair value of \$179.2 million. CUMIS General is a property and casualty (P&C) insurance company that serves primarily credit union clients and offers home, auto, travel and other insurance products. CGIC funded the transaction through the issuance of common shares to CFSL. The transaction closed on June 28, 2018 upon the satisfaction of standard closing adjustments and conditions. The acquisition allows CGL to align

its P&C operations under a common entity, Co-operators General, and results in a simplified governance structure. As of the effective date of the acquisition, April 1, 2018, Co-operators General had acquired \$390.9 million in assets and assumed \$294.1 million in liabilities; these were recorded at book value with the difference between net assets and the amount paid recorded directly through equity.

The acquisition impacts the current period and year-to-date balances presented in our MD&A and unaudited condensed interim financial statements through the inclusion of CUMIS General's operating results for the second and third quarters of 2018 and through the inclusion of its asset, liability and equity balances as at September 30, 2018.

## **RISK MANAGEMENT**

Effective risk management is vital to making sound business decisions. In our on-going efforts to optimize the organizational risk profile, we have identified and continuously assess key risks relative to their potential impact on our corporate strategy, competitive position, operational results and financial condition. Risks, and the practices used to manage risk, are discussed in our 2017 Annual Report and an update is included below.

For 2018, in line with a change in our assessment of our risk exposure, our catastrophe maximum limit decreased by \$150.0 million to \$1.3 billion while our retention remains at \$70.0 million. The net retained amount of \$70.0 million represents approximately 4.7% of our capital. For the purpose of capital management, we defined capital as shareholders' equity excluding AOCI.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

No changes were made to our internal control over financial reporting during the third quarter of 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **OTHER ACCOUNTING MATTERS**

### **ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The unaudited condensed consolidated interim financial statements should be read in conjunction with our 2017 Annual Report.

The accounting policies used in our third quarter unaudited condensed consolidated interim financial statements are consistent with those applied in our audited consolidated financial statements for the year ended December 31, 2017, except where two new policies have been introduced in relation to the acquisition of CUMIS General.

IFRS 3 "Business Combinations" excludes from its scope the combination of entities or businesses under common control. Accordingly, management needed to determine the basis of accounting for CGIC's acquisition of CUMIS General. In accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", management considered various other sources of guidance and has elected to record CUMIS General using its pre-acquisition date book values for its assets and liabilities and will not apply the measurement principles of IFRS 3; the difference between fair value and book value has been recorded through equity. Consistent with IFRS 3, the results of Co-operators General prior to the acquisition date will not be restated.

Furthermore, as part of CGIC's acquisition of CUMIS General, Co-operators General has an experienced rated refund pool established as part of its fidelity program. This program provides a mechanism for the accumulation and redistribution of funds if favourable experience exists within the program over a period of years. Refunds are determined based on the adequacy of the pool and the results of the fidelity



program. The provision is evaluated regularly and recorded within insurance contracts in the consolidated balance sheet of Co-operators General.

## **FUTURE ACCOUNTING CHANGES**

IFRS future accounting pronouncements, as well as their estimated impact, are described in Note 4 of our audited consolidated financial statements for the year ended December 31, 2017. We have made the following updates to information provided in the consolidated financial statements for the year ended December 31, 2017 about the standards issued but not yet effective.

**IFRS 9 “Financial Instruments”** - IFRS 9 was issued in July 2014 and is intended to replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 is a three part standard aimed at reducing complexity in reporting financial instruments. The project has been divided into three phases: Phase 1 Classification and measurement, Phase 2 Impairment and Phase 3 Hedge accounting. Phase 1 was issued in November 2009 and amended in October 2010. It requires financial assets to be recorded at amortized cost or fair value depending on the entity’s business model for managing the assets and their associated cash flow characteristics. All financial assets are to be measured at fair value on the balance sheet if they are not measured at amortized cost. At initial recognition, an entity may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Phase 2 was completed in July 2014 and introduced a new expected loss impairment methodology that will result in more timely recognition of impairment losses. Phase 3 was completed in November 2013. This phase replaces the rule-based hedge accounting requirements in IAS 39 to more closely align the accounting with risk management activities.

The standard is effective for annual periods beginning on or after January 1, 2018; however, in September 2016, IFRS 4 was amended to provide an option of a temporary exemption from applying IFRS 9 for entities whose predominate activity is issuing insurance contracts within the scope of IFRS 4. Therefore, qualifying entities will have the option to adopt IFRS 9 upon the adoption of IFRS 17. Co-operators General has assessed the qualification criteria and determined that this temporary exemption does apply; thus, IFRS 9 will be effective for annual periods beginning on or after January 1, 2021.

We have concluded that Co-operators General qualifies for the temporary exemption from IFRS 9 based on the following reasons: (1) we have not previously applied any version of IFRS 9 for any of the entities, and (2) our operations are predominantly considered insurance. To be considered predominantly insurance, the carrying amount of liabilities arising from contracts within the scope of IFRS 4 (which includes any deposit components or embedded derivatives unbundled from insurance contracts) must be significant compared to the total carrying amount of all liabilities. The standard goes on to detail that significant is defined as greater than 90 per cent, or less than or equal to 90 per cent but greater than 80 per cent and the insurer does not engage in a significant activity unconnected with insurance.

We have assessed the criteria detailed above. We have completed an assessment of the entities that fall within the 80 per cent to 90 per cent range and concluded that significant activities are connected with insurance. This assessment was performed using primarily publicly available information.

We are evaluating the annual disclosure requirement for the temporary exemption of IFRS 9 and it will be disclosed in our December 31, 2018 financial statements.

**IFRS 15 “Revenue from Contracts with Customers”** - The IFRS 15 scope exemptions for insurance contract revenue and financial instrument revenue apply to Co-operators General’s significant revenue streams (net earned premiums and net investment gains and income, respectively). As a result, this standard does not impact net earned premium or net investment gains and income.

## **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of our unaudited condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statement and the reported amounts of revenues and expenses during the period. The preparation of our unaudited condensed

consolidated interim financial statements also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the 2017 Annual Report within the notes for the respective account balances.

The estimates used for the unaudited condensed consolidated interim financial statements for the period ended September 30, 2018, are consistent with those used in the 2017 Annual Report. As discussed in our 2017 Annual Report, we make estimates for the amount of unpaid claims and timing of future claims based on assumptions that reflect the expected set of economic conditions and planned course of actions. Uncertainty exists on reported claims in that all information may not be available at the reporting date. In addition claims may not be reported to us immediately; therefore, estimates are made as to the cost of the claims incurred but not yet reported, a value which can take years to determine.

For further information, please refer to our 2017 Annual Report and the notes to our unaudited condensed consolidated interim financial statements for the quarter ended September 30, 2018.

## **CORPORATE DIRECTORY**

### **CORPORATE OFFICE**

Co-operators General Insurance Company  
130 Macdonell Street  
Guelph, ON N1H 6P8  
Telephone: 519-824-4400  
Fax: 519-824-0599  
[service@cooperators.ca](mailto:service@cooperators.ca)  
[www.cooperators.ca](http://www.cooperators.ca)

### **TRANSFER AGENT AND REGISTRAR**

Computershare  
100 University Ave, 8<sup>th</sup> Floor  
Toronto, ON M5J 2Y1

### **INVESTOR RELATIONS**

Karen Higgins  
Executive Vice-President, Finance and Chief Financial Officer  
130 Macdonell Street  
Guelph, ON N1H 6P8

Andrew Yorke  
Vice-President, Corporate Finance Services  
130 Macdonell Street  
Guelph, ON N1H 6P8  
Telephone: 519-767-3095  
Fax: 519-763-5152  
[andrew\\_yorke@cooperators.ca](mailto:andrew_yorke@cooperators.ca)