ECHELON FINANCIAL HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2020

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References to "EFH" or "Company" in this Management's Discussion and Analysis refer to Echelon Financial Holdings Inc. on a consolidated basis, both now and in its predecessor forms.

Important Note:

The unaudited condensed consolidated interim financial statements for the quarters ended September 30, 2020, and 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. The policies applied in the unaudited condensed consolidated interim financial statements are based on IFRS and have been consistent with those of the previous financial year.

The following discussion should be read in conjunction with EFH's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020 and 2019, with the notes to the unaudited condensed consolidated interim financial statements, and with management's discussion and analysis (MD&A) and audited annual consolidated financial statements and accompanying notes for 2019. The financial data in this discussion has been prepared in accordance with IFRS and has been derived from the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020 and 2019.

The following commentary is current as of November 12, 2020. Additional information relating to EFH is available on SEDAR at www.sedar.com. Certain totals, subtotals and percentages may not reconcile due to rounding.

EFH uses both IFRS and certain non-IFRS measures to assess performance. Securities regulators require that companies caution readers about non-IFRS measures that do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies. EFH analyzes performance based on underwriting income and underwriting ratios such as combined, expense and loss ratios, which are non-IFRS measures. Underwriting income is defined as net earned premiums less net claims incurred, net acquisition costs, operating expenses, and excludes any impact of change in discount rate on claims and corporate expenses. Loss ratio is net claims incurred divided by net earned premiums. Expense ratio is net acquisition costs plus operating expenses divided by net earned premiums. Combined ratio is the sum of loss ratio and expense ratio.

The following discussion contains forward-looking information that involves risk and uncertainties based on current expectations. This information includes, but is not limited to, statements about the operations, business, financial condition, priorities, targets, ongoing objectives, strategies and outlook of EFH. 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.

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a projection as reflected in the forward-looking information. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific. A variety of material factors, many of which are beyond EFH's control, affect the operations, performance and results of EFH and its business, and could cause actual results to differ materially from the expectations expressed in any of this forward-looking information. Please see the "Risk Factors" set out in EFH's annual information form dated March 23, 2020.

COMPANY OVERVIEW

EFH operates in the property and casualty (“P&C”) insurance industry in Canada through The Insurance Company of Prince Edward Island ("ICPEI"), a provincially regulated P&C insurance company.

The Company sold its businesses in Echelon Insurance and the unregulated warranty business of EFH in 2019 and its European operations in Qudos in 2017. After the sale of Echelon Insurance and the unregulated warranty business of Echelon Financial Holdings Inc., the Company has insurance operations in ICPEI and cash in Echelon Financial Holdings Inc.

The Company is listed on the Toronto Stock Exchange but has applied to migrate to the TSX Venture Exchange.

BASIS OF PRESENTATION

This MD&A is based on information in the audited consolidated financial statements and accompanying notes there to for the year ended December 31, 2019 and the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020.

The results relating to Echelon Insurance, the unregulated warranty business of Echelon Financial Holdings Inc. and the settlement of New Nordic Odin Denmark lawsuit related to the sale of Qudos , have been presented as discontinued. See the Discontinued Operations section of this MD&A.

IFRS 9 FINANCIAL INSTRUMENTS AND IFRS 17 INSURANCE CONTRACTS

In March of this year, the IASB announced the delay of the implementation date for IFRS 17 to January 1, 2023 with retrospective application. Since the Company has deferred the adoption of IFRS 9 until the adoption of IFRS 17, the implementation date for IFRS 9 with retrospective application will be delayed to January 1, 2023.

THIRD QUARTER HIGHLIGHTS

- Net income per share on continued operations of $0.24 per share compared to a net loss of $0.04 per share in the third quarter of 2019.

- A combined ratio of 95.4% compared to 115.4% in the third quarter of 2019.

- A 14% increase in Direct Written Premiums over the same period in 2019 to $11.7 million as a result of growth in both the Personal and Commercial Lines. The COVID-19 pandemic did not have a significant impact on direct premiums written for the third quarter of 2020 when compared to the same period in prior year.

- Investment income was $2.2 million higher in the third quarter compared to same period in 2019, largely due to the sale of the majority of Common Shares portfolio.

- The Company settled the claim from New Nordic Odin Denmark arising from the sale of its European operations for $7 million, the result is included in discontinued operations. The Board concluded that it is in the best interests of EFH and the shareholders to settle the claim for a reasonable amount in order to avoid the expenses and risks of a lengthy litigation. A special dividend of $5.60 per share was paid in September. See details in August 26, 2020 press release available at www.sedar.com.

- Closing book value per share of $1.55 after the Company paid a dividend of $5.60 per share and results of discontinued operations of $0.49 per share during the quarter. The Company’s book value per share increased by 8% over that at the end of second quarter on a comparable basis after adjusting for the dividend paid and the results of discontinued operations.

The financial information below compares three and nine months ended September 30, 2020 results with the same periods in 2019.

	3 months ended September 30		9 months ended September 30	
($ THOUSANDS except per share amounts)	**2020**	**2019**	**2020**	**2019**
Direct written and assumed premiums	11,739	10,271	31,569	28,200
Net earned premiums	9,441	8,362	26,871	23,824
Net claims incurred	5,335	6,522	14,490	15,927
Net acquisition costs	2,406	1,868	6,490	5,232
Operating expenses	1,269	1,258	3,903	3,420
Corporate expense	214	524	807	1,227
Underwriting income (loss) (1)	431	(1,286)	1,988	(755)
Investment income (2)	3,046	874	4,012	1,859
Impact of change in discount rate on claims	(101)	(78)	(101)	(386)
Net income (loss) before income taxes	3,162	(1,014)	5,092	(509)
Income tax expense (recovery)	55	(341)	665	(236)
Net income (loss) on continued operations	3,107	(673)	4,427	(273)
Net income (loss) on discontinued operations	(5,866)	-	(5,866)	46,220
Net income (loss)	(2,759)	(673)	(1,439)	45,947
Net income (loss) attributed to:				
Shareholders of the Company – continued operations	2,923	(505)	3,877	(284)
Shareholders of the Company – discontinued operations	(5,866)	-	(5,866)	46,220
Non-controlling interest – continued operations	184	(168)	550	11
Earnings per share				
Continued operations				
Basic	$0.24	$(0.04)	$0.32	$(0.02)
Diluted	$0.24	$(0.04)	$0.32	$(0.02)
Discontinued operations				
Basic	$(0.49)	-	$(0.49)	$3.86
Diluted	$(0.49)	-	$(0.49)	$3.80

(1) Underwriting income excludes impact of change in claims discount rates and corporate expenses.

(2) Investment income consists of interest income, dividend income, realized gains less investment expense.

Direct Written and Net Earned Premiums

In the third quarter of 2020, direct written premiums increased by $1.5 million compared to the same period in prior year. Net earned premiums increased by $1.1 million in the third quarter of 2020 compared to the same period last year. For the nine months ended September 30, 2020 direct written premiums increased by $3.3 million compared to the same period last year while net earned premiums increased by $3.0 million in comparison. The increase was largely due to rate increases in personal auto and transfer of broker business in New Brunswick.

Claims Incurred

For the quarter ended September 30, 2020, net claims expense was $1.2 million lower than same period in the prior year while for the nine months ended September 30, net claims expense was $1.4 million lower than the same period last year. This was the result of lower frequency of claims while the nine months result was partially offset by increase in provision for adverse development due to uncertainty of the impact of the COVID-19 pandemic on claims.

Acquisition Costs

Acquisition costs, which consist mainly of commissions, premium taxes and general expenses related to policy acquisitions, increased by $0.5 million in the quarter ended September 30, 2020 compared to same period last year. For the nine months ended September 30, acquisition costs in 2020 increased by $1.3 million compared to 2019. This increase was a result of higher premium volume for the Company and accrual for broker profit commission.

Operating Expenses

Operating expenses were relatively constant in the third quarter ended September 30 when compared to the same period last year. For the nine months ended September 30, operating expenses were $0.5 million higher than the same period last year. This was largely because of higher amortization charges of $0.1 million on new fixed assets acquired and $0.2 million COVID-19 pandemic related expenses.

Underwriting Income

Underwriting Income of $0.4 million was recorded in the third quarter of 2020 compared to an underwriting loss of $1.3 million in the same period in 2019. For the nine months ended September 30, 2020, the underwriting income was $2.0 million while it was a loss of $0.8 million in the same period last year. The improvement in results is attributed to higher revenue and lower net claims incurred.

Impact of Change in Discount Rate on Claims

The discount rate used to discount future claims payment is based on the expected yield on investments. The discount rate used in the quarter ended September 30, 2020 was 2.30%, which is lower than the 2.50% used for the year ended December 31, 2019.

Investment Income

Investment income was $2.2 million higher in the third quarter as well as year-to-date when compared to their respective periods last year. This was largely due to the sale of a majority of Common Shares portfolio in the third quarter.

Net Income before Income Taxes

Net income before taxes was $3.2 million in the third quarter as compared to loss of $1.0 million in the third quarter of 2019. For the nine months ended September 30, net income before taxes recorded $5.1 million compared to $0.5 million in the same period in 2019. The improvements were largely a result of improvements in underwriting and investment results.

Income Taxes

For the quarter ended September 30, 2020, the total Income tax expense was $0.1 million as compared to a tax recovery of $0.3 million for the same period last year. For nine months ended September 30, the income tax expense was $0.7 million as compared to a tax recovery of $0.2 million in the same period last year. See effective tax rates note 10 to the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020.

Discontinued Operations

In the third quarter of 2020, the Board concluded that it is in the best interests of EFH and the shareholders to settle the New Nordic Odin Denmark ("NNOD") lawsuit for a reasonable amount in order to avoid the expenses and risks of a lengthy litigation.. The parties have now settled litigation upon payment by EFH of C$7 million. NNOD had sought €45.8 million in damages arising from the sale of 100% of EFH's interest in QIC Holdings ApS to NNOD in March of 2017.

On November 9, 2018, the Company entered into a definitive agreement to sell Echelon Insurance, its main operating subsidiary, and the unregulated warranty business of Echelon Financial Holdings Inc. and the sale was completed on May 31, 2019.

Net earnings of discontinued operations for the nine months ended 2019 includes results of Echelon Insurance and the unregulated warranty business of Echelon Financial Holdings Inc. before their disposal.

Income statement results

$ Thousands	**3 months ended September 30**		**9 months ended September 30**	
Revenues	**2020**	**2019**	**2020**	**2019**
Net earned premiums	-	-	-	133,164
Investment Income	-	-	-	4,656
Total Revenue	-	-	-	137,820
Expenses				
Net incurred claims	-	-	-	99,889
Net acquisition costs	-	-	-	31,402
Operating costs	-	-	-	16,411
Total Expenses	-	-	-	147,702
Settlement of New Nordic lawsuit	(7,000)	-	(7,000)	-
Loss before income taxes	(7,000)	-	(7,000)	(9,882)
Income tax (recovery)	(1,134)	-	(1,134)	(2,974)
Net loss on discontinued operations	(5,866)	-	(5,866)	(6,908)
Gain on sale, net of expenses	-	-	-	53,128
Net Income (loss) on discontinued operations	(5,866)	-	(5,866)	46,220

SEGMENTED FINANCIAL INFORMATION

The segmented results below exclude corporate expenses and the impact of change in discount rate on claims.

Personal Lines

	3 months ended September 30				**9 months ended September 30**			
($THOUSANDS)	***2020***	***2019***	***$ Variance***	***% Variance***	***2020***	***2019***	***$ Variance***	***% Variance***

Direct written premiums	8,401	7,498	903	12%	21,536	19,273	2,263	12%
Net earned premiums	6,559	5,729	830	14%	18,754	16,148	2,606	16%
Total net claims	4,023	4,695	672	14%	9,858	11,815	1,957	17%
Loss ratio	61.3%	82.0%			52.6%	73.2%		
Expense ratio	40.5%	38.0%			38.4%	35.3%		
Combined ratio	101.8%	120.0%			91.0%	108.5%		
Underwriting income (loss)	(120)	(1,147)	1,027	90%	1,696	(1,374)	3,070	223%

Personal Lines recorded an underwriting loss of $0.1 million for the three months ended September 30, 2020 compared to an underwriting loss of $1.1 million in the same period last year while recording a $1.7 million underwriting income for the nine months ended September 30, 2020 compared to an underwriting loss of $1.4 million in the same period of 2019. This was largely due to increase in premiums and lower claims on personal products. Direct written premiums increased by 12% in the three months as well as for the nine months ended September 30, 2020 compared to same periods in prior year. This increase is largely attributable to price increases. The lower loss ratio for both three months and nine months ended September 30, 2020 was largely due to fewer numbers of claims compared to same period last year.

Commercial Lines

	3 months ended September 30				**9 months ended September 30**			
($THOUSANDS)	***2020***	***2019***	***$ Variance***	***% Variance***	***2020***	***2019***	***$ Variance***	***% Variance***
Direct written premiums	3,338	2,773	565	20%	10,033	8,927	1,106	12%
Net earned premiums	2,882	2,633	249	9%	8,117	7,676	441	6%
Total net claims	1,312	1,827	515	28%	4,632	4,112	(520)	(13%)
Loss ratio	45.5%	69.4%			57.1%	53.6%		
Expense ratio	35.4%	35.9%			39.3%	38.3%		
Combined ratio	80.9%	105.3%			96.4%	91.9%		
Underwriting income (loss)	551	(139)	690	496%	292	619	(327)	(53%)

Commercial Lines recorded an underwriting income of $0.6 million for the three months ended September 30, 2020 compared to an underwriting loss of $0.1 million in the same period last year. The improvement in this quarter was due to lower severity in claim losses when compare to the same period last year. For the nine months ended September 30, commercial lines recorded an underwriting income of $0.3 million compared to $0.6 million of underwriting income in the same period in 2019. This was largely due to higher net claims incurred for the year due to a large loss in Nova Scotia. Direct written premiums increased by 20% in the quarter ended September 30 this year compared to same period last year while for the nine months ended September 30, 2020 direct written premiums increased by 12% compared to same period in 2019. Loss ratio for the quarter ended September 30 was lower than the comparable period last year, however for the nine months ended September 30, 2020 loss ratio was higher than the same period in prior year.

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial summary has been restated to exclude Discontinued Operations except for investment income, net income, earnings per share, and book value per share information.

A summary of the Company's last eight quarters is as follows:

($ THOUSANDS except per share amounts)

	2020			2019				2018
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Direct written and assumed premiums	11,739	11,793	8,037	8,629	10,271	10,972	6,957	7,469
Net earned premiums	9,441	8,971	8,459	8,573	8,362	7,921	7,541	7,660
Underwriting income (loss)	431	711	846	(811)	(1,286)	128	405	1,809
Impact of change in net claims discount rate	(101)	(131)	131	(71)	(78)	(138)	(171)	142
Investment Income	3,046	987	(21)	1,083	874	430	555	280
Net Income (Loss)	(2,759)	872	448	(530)	(673)	55,602	(8,984)	(7,426)
Earnings (loss) per share								
(a) Basic	$(0.25)	$0.05	$0.03	($0.03)	($0.04)	$4.64	($0.76)	($0.65)
(b) Diluted	$(0.25)	$0.05	$0.03	($0.01)	($0.04)	$4.55	($0.76)	($0.65)
Book value per share (1) (2)	$1.55	$7.52	$7.29	$7.45	$7.46	$7.48	$11.74	$12.21

(1) In Q2 - 2019, the Company paid a dividend of $8.80 per share to shareholders.
(2) In Q3 - 2020, the Company paid a dividend of $5.60 per share to shareholders and loss on discontinued operations of $0.49 per share.

The quarterly results reflect the seasonality of the Company's business. Typically, quarter one and quarter four premium written is lower than quarter two and quarter three. However, underwriting results may vary significantly from quarter to quarter.

SETTLEMENT OF NEW NORDIC LAWSUIT

On August 2, 2019, New Nordic Odin Denmark (NNOD) filed a Statement of Claim with the Danish Institute of Arbitration. The Claim sought €45.8 million in damages arising from the sale of 100% of EFH's interest in QIC Holdings ApS to NNOD in March of 2017. The Board concluded that it is in the best interests of EFH and the shareholders to settle the litigation for a reasonable amount in order to avoid the expenses and risks of a lengthy litigation. The parties have now settled litigation upon payment by EFH of C$7 million in the third quarter with no further recourse from claimant.

Following the settlement , the Directors have paid special cash dividend in the amount of C$5.60 per share for an aggregate of $67.2 million in the quarter.

BALANCE SHEET ANALYSIS

The Balance Sheet analysis that follows should be read in conjunction with the unaudited condensed consolidated interim financial statements for the quarter ended September 30, 2020, and notes therein.

Balance Sheet Highlights

Selected balance sheet highlights and book value per share details are as follows:

($ THOUSANDS except per share amounts)	As at September 30, 2020	As at December 31, 2019
Cash and short-term deposits	14,097	70,932
Investments	37,583	48,019
Total assets	77,540	144,020
Provision for unpaid claims	27,342	26,629
Unearned premiums	21,559	18,749
Total equity attributable to shareholders	18,621	89,475
Book value per share (1)	$1.55	$7.45

(1) Shareholders' equity divided by the number of shares issued and outstanding

Investments

EFH has an investment policy that seeks to provide a stable income base to support EFH's liabilities in line with its risk appetite and tolerance. In addition to this risk-return analysis, the chosen asset mix also considers the amount of regulatory capital that is required.

EFH's investment portfolio is invested in accordance with its investment policy. Fair values for most investments are determined by reference to observable market data.

Fair Value of Investments

The following table sets forth EFH's invested assets as at September 30, 2020 and December 31, 2019.

($ THOUSANDS)	Fair values			
Available for sale	**As at September 30, 2020**	**% of Total**	**As at December 31, 2019**	**% of Total**
Fixed income				
Canadian				
Federal	4,562		5,053	
Provincial	3,054		2,771	
Municipal	110			
Corporate	4,979		4,336	
Total fixed income	12,705	24.6%	12,160	10.2%
Corporate value pooled fund	5,858		5,320	
Money market pooled funds	806		604	
Short-term fixed income and mortgage pooled funds	14,343		13,550	
Total pooled funds	21,007	40.6%	19,474	16.4%
Common shares				
Canadian	314		1,798	
Foreign	-		2,057	
Global Equity Pooled Fund	-		8,784	
Total common shares	314	0.6%	12,639	10.6%
Total available for sale	34,026		44,273	
Fair value through profit or loss				
Preferred shares	3,557		3,746	
Total preferred shares	3,557	6.9%	3,746	3.2%
Total investments	37,583	72.7%	48,019	40.4%
Cash and short-term deposits	14,097	27.3%	70,932	59.6%
Total investments including cash and short-term deposits	51,680	100.0%	118,951	100.0%

Impairment Assets and Provisions for Losses

EFH has an established policy to write down or make a provision for any investment with objective evidence that the value of the investment is impaired.

A gross unrealized loss of $.03 million on Available for Sale (AFS) investments at September 30, 2020 (December 31, 2019 – $0.4 million) is recorded, net of tax, in the amount of $.02 million (December 31, 2019 – $0.3 million) in Accumulated Other Comprehensive Income.

Management has reviewed currently available information regarding those financial assets where estimated fair values are less than amortized cost. For those investments that are considered impaired, the Company records the difference between the amortized cost of the financial assets and its fair value as an impairment which reduces investment income recorded in the year.

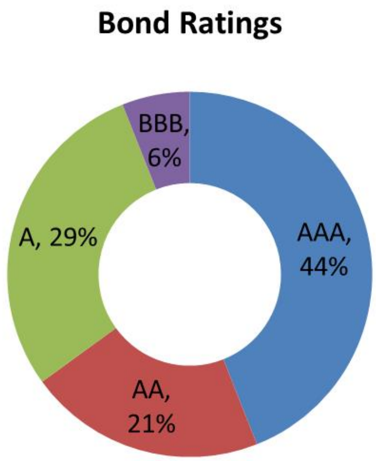
An impairment of $0.1 million on AFS investments was recognized in the first quarter, which was reversed in the third quarter as the impaired securities were sold.

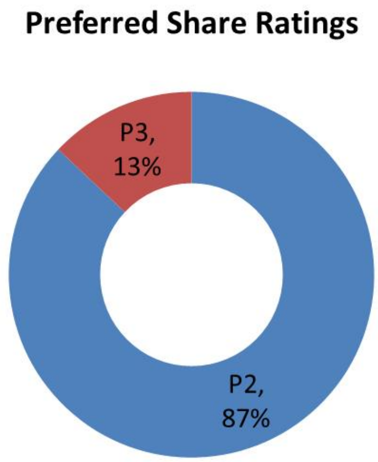
Fixed Income Securities

EFH holds fixed income securities to provide a steady, predictable level of income with reasonable liquidity and minimal risk of loss and a fixed sum at maturity. EFH's portfolio is diversified by selecting various types of government and corporate bonds. Constraints on types of issuers take liquidity, diversification and risk into account by limiting the portfolio mix by issuer.

EFH's bond portfolio has a high overall credit quality with an average rating of AA. The preferred shares have an average rating of P2. The duration of the bond portfolio is 2.9 years.

The charts below show EFH's fixed income and preferred share portfolios by credit quality as at September 30, 2020:





Common Share Portfolio

A large portion of the Common Shares Portfolio (Global Equity Pooled Fund managed by Burgundy Asset Management and the Canadian and Foreign common equities managed by Silver Heights Capital Management Inc) was sold during the third quarter. RBC Wealth Management manages the small remaining Common Shares portfolio of $0.3 million.

Recoverable from Reinsurers

($ THOUSANDS)	As at September 30, 2020	As at December 31, 2019
Reinsurers' share of unpaid claims	2,769	3,268
Reinsurers' share of unearned premiums	773	1,031
Total	3,542	4,299

As at September 30, 2020, the amount recoverable from reinsurers decreased by $0.8 million, down to $3.5 million from $4.3 million as at December 31, 2019. Reinsurers' share of unpaid claims decreased by $0.5 million as there was a large claim settled in 2020. All reinsurers, with balances due, have a rating of A– or above as determined by A.M. Best.

Accounts Receivable

($ THOUSANDS)	As at September 30, 2020	As at December 31, 2019
Agents and brokers	11,809	9,918
Other	23	102
Total	11,832	10,020

Provision for Unpaid Claims

EFH establishes loss reserves to provide for future amounts required to pay claims related to insured events that have occurred and been reported but have not yet been settled, and related to events that have occurred but have not yet been reported to EFH. Provision for unpaid claims consists of the aggregate amount of individual case reserves established and management's estimate of claims incurred but not reported and provision for adverse development. Provisions for unpaid claims are discounted to present value. The Company determines the discount rate based on the expected return on its investment portfolio of assets with appropriate assumptions for interest rates relating to reinvestment of maturing investments. The discount rates used for December 31, 2019 and September 30, 2020 for ICPEI are as below:

	As at September 30, 2020	As at December 31, 2019
ICPEI	2.30%	2.50%

Share Capital

As of November 12, 2020, there were 12,006,558 common shares issued and outstanding.

LIQUIDITY AND CAPITAL MANAGEMENT

The purpose of liquidity management is to ensure there is sufficient cash to meet all of EFH's financial commitments and obligations as they come due. EFH believes that it has the flexibility to obtain, from internal sources, the funds needed to fulfill its cash requirements, during the following financial year and to satisfy regulatory capital requirements.

Echelon Financial Holdings Inc. is primarily a holding company and, as such, has limited direct operations of its own. Its principal assets are cash and ownership of ICPEI. Selected balance sheet items of Echelon Financial Holdings Inc. as at September 30, 2020 are as follows:

($) Thousand	
Cash and short-term deposits	$3,466
Investment in Insurance Subsidiary	$13,559
Other assets	$2,315
Liabilities	$776

Accordingly, its future cash flows depend on its investment income and the availability of dividends and other statutorily permissible distributions from ICPEI. The ability to pay such dividends and to make such other distributions is limited by applicable laws and regulations of the jurisdictions in which the insurance subsidiary is domiciled, which subject the insurance subsidiary to significant regulatory restrictions. These laws and regulations require, among other things, that the insurance subsidiary maintain minimum solvency requirements and may also limit the amount of dividends that the insurance subsidiary can pay to its parent.

The Minimum Capital Test ("MCT") ratio of ICPEI as at September 30, 2020 was 332%, which comfortably exceeds the supervisory target of 150%.

COVID-19 PANDEMIC

The rapid spread of the COVID-19 virus, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken in Canada and globally in response to COVID-19, have significantly disrupted business activities. ICPEI implemented its emergency operational plan which included transitioning most employees to work from home and only a small number of staff in the office to perform functions which could not be performed remotely. Although the office was closed to the public, claim services and support for brokers continued during this time. Since June, 2020, ICPEI has resumed full operations in its office in Charlottetown.

ICPEI has provided a number of accommodations to its policyholders if they experience hardship because of COVID-19 and have adjusted their auto premiums due to reduction of use. ICPEI has only experienced a very minor increase in the number of customer defaults and very few requests to lower monthly premiums based on lower usage of vehicles. These did not have a significant impact on both the operations and investment results of the Company.

ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS and in compliance with IAS 34 "Interim Financial Reporting." Please refer to note 4 to unaudited condensed consolidated interim financial statements for the quarter ended September 30, 2020.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by EFH is recorded, processed, summarized and reported in a timely manner. This includes controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As of September 30, 2020, an evaluation was carried out, under the supervision of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as defined under Multilateral Instrument 52-109. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of these disclosure controls and procedures was effective.

Internal Controls over Financial Reporting

As at the quarter ended September 30, 2020, the Chief Executive Officer and the Chief Financial Officer evaluated the design of the Company's internal control over financial reporting. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of internal controls as at September 30, 2020, was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For a description of EFH's accounting policies, which are on an IFRS basis, refer to note 4 to unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020. A description of EFH's critical accounting estimates and assumptions is also detailed in note 5 to unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020.

ADDITIONAL INFORMATION

Additional information relating to EFH, including the most recent annual information form, the annual financial statements for the year ended December 31, 2019 and accompanying MD&A, is available on the Company's SEDAR profile at www.sedar.com.