



Annual General Meeting  
December 11, 2020

EFH

# Forward-looking Statements

This presentation contains “forward-looking statements” which reflect the current expectations of the Company. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management.

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, without limitation, those listed under the heading “Risk Factors” in the Company’s Annual Information Form and other filings. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements in this presentation.

All forward-looking statements presented herein should be considered in conjunction with such filings. Except as required by Canadian securities laws, the Company does not undertake to update any forward-looking statements; such statements speak only as of the date made.

# About us

EFH owns 75% of ICPEI. The Insurance Company of Prince Edward Island is the largest Maritime based insurer in Canada that provides automobile, home and commercial insurance through a network of independent insurance brokers throughout the region.



**ICPEI is an Maritime Company  
...growing and moving West**

**PEI, Nova Scotia and  
New Brunswick**

**Now in Quebec**

**Expanding to Newfoundland  
and Ontario**



Stock ticker  
**EFH**

Market capitalization\*  
**\$21M**

Book value\*\*  
**\$18.6M**

Gross Written Premium\*\*  
**\$31.6M**

\*AS AT DECEMBER 7, 2020

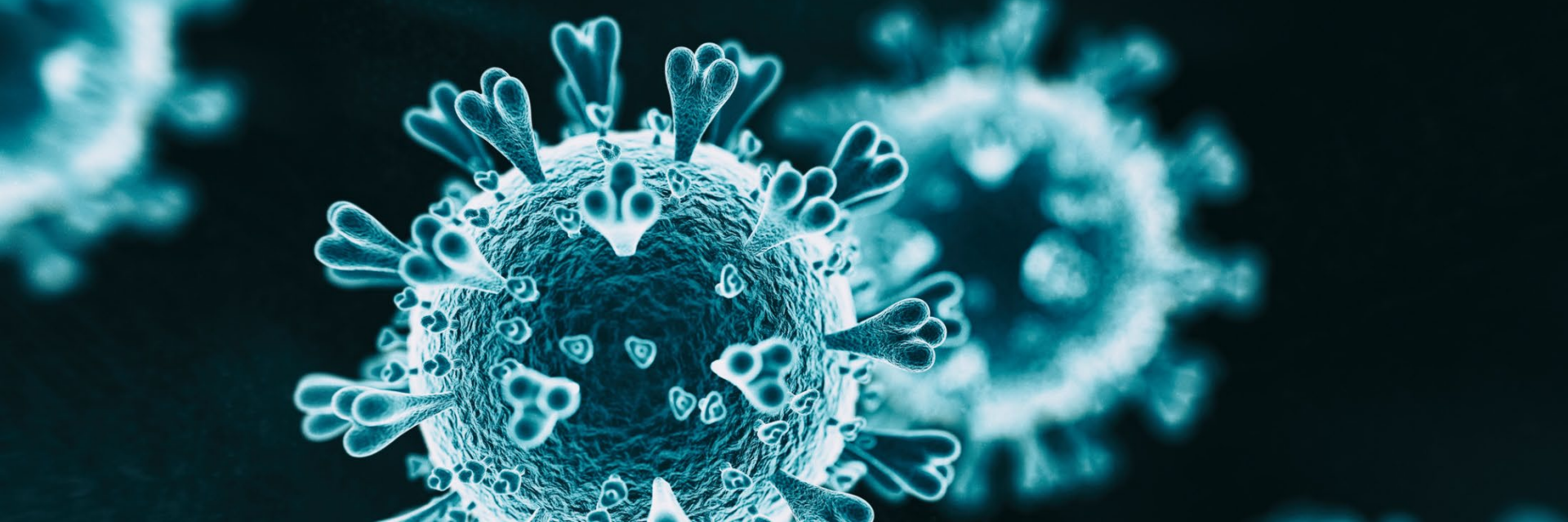
Based on results at the end of September 30, 2020

# COVID-19

Employees quickly transitioned to working remotely maintaining 100% service to both brokers and clients

Clients were provided with discounts related to vehicle usage and rate increases were delayed for added relief

Payment flexibility was provided to accommodate clients with income interruptions and this provision remains in place





# Starting a new Chapter

## 2020 and beyond

- Settlement of Qudos lawsuit
- Large portion of the shares being held by Insurance people and management, ensuring stability for all stakeholder



# Starting a new Chapter

- New Board members aligned with management and buying into the business plan



Sharon Ranson



Robert Ghiz



# Focus on growing ICPEI

- Expansion into Quebec for all lines of business – October 1, 2020
- Application for Ontario Commercial License – 2021
- Application for Newfoundland – currently underway



**2020 and beyond**

# More specifically for ICPEI

- Our strategy for growth in the Atlantic Provinces is to expand our share of the “wallet” from existing brokers
- With the market hardening. We will promote ICPEI as having “new capacity” and offer easier access for brokers to complete their placement
- In Quebec we will focus on commercial growth through a short list of exclusive partners who are also meaningful shareholders with EFH.





# ICPEI Commercial Line Growth

- ICPEI's growth focus is on commercial lines of business which is less regulated and tends to have better results.
- The Company has obtained a license in Quebec and has begun writing commercial business in Q4 2020
- In Quebec, the growth in 2020 (\$4 million) will be limited to the 4th quarter and in 2021 we expect annual premium of approximately \$11 million
- The Company also plans to write business in Ontario and Newfoundland in 2021



# ICPEI Personal Line Growth

- For personal lines, the majority of the premium growth will come from rate increases until the industry has achieved profitability.
- There will be some growth from book transfer from other carriers in conjunction with the commercial business.
- With our rate increases underwriting results should improve.
- Overall expense ratio will improve as business grows; however, commission rates will increase as commercial business has higher commission rates.

# Q3 & YTD Results

## Direct Premium Written

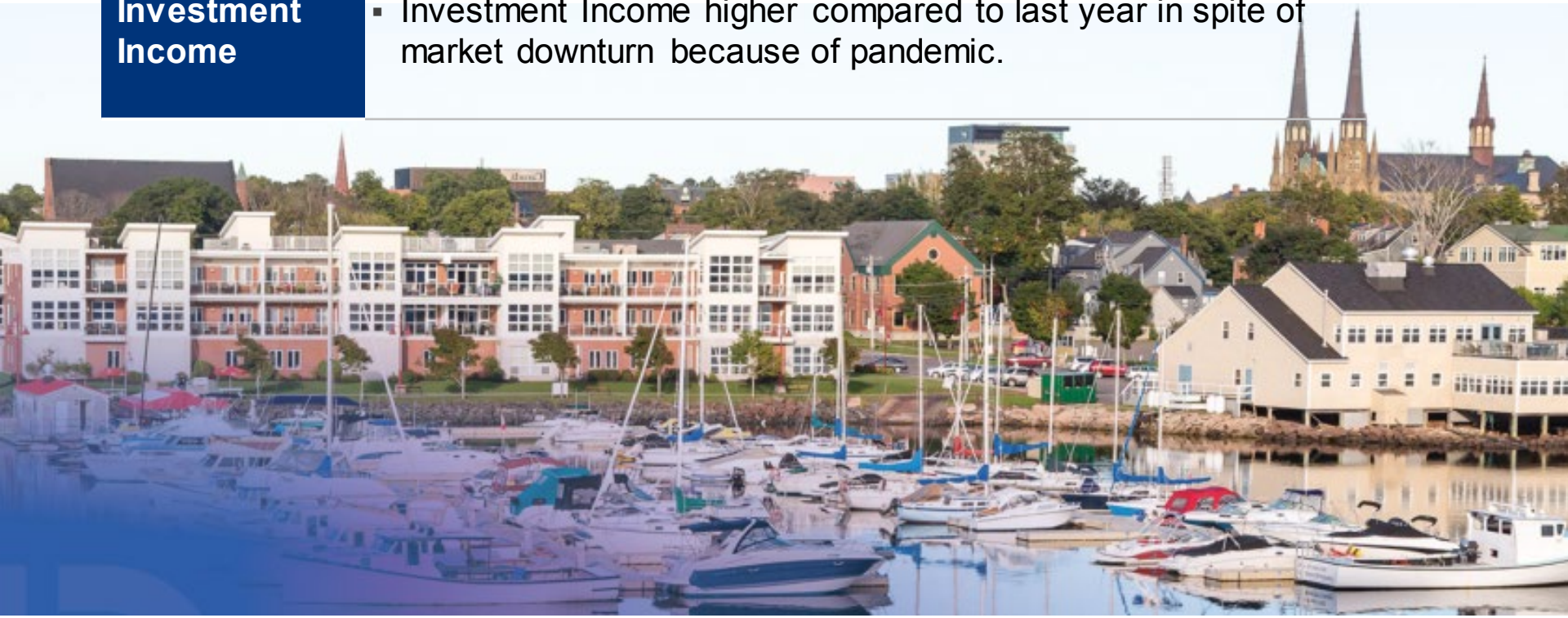
- An increase of 12% over the same period in 2019 as company implemented rate increases. However the DPW was lower than the Budgeted figure.

## Combined Ratio

- Combined Ratio of 92.6% compared to 103% in same period for 2019.

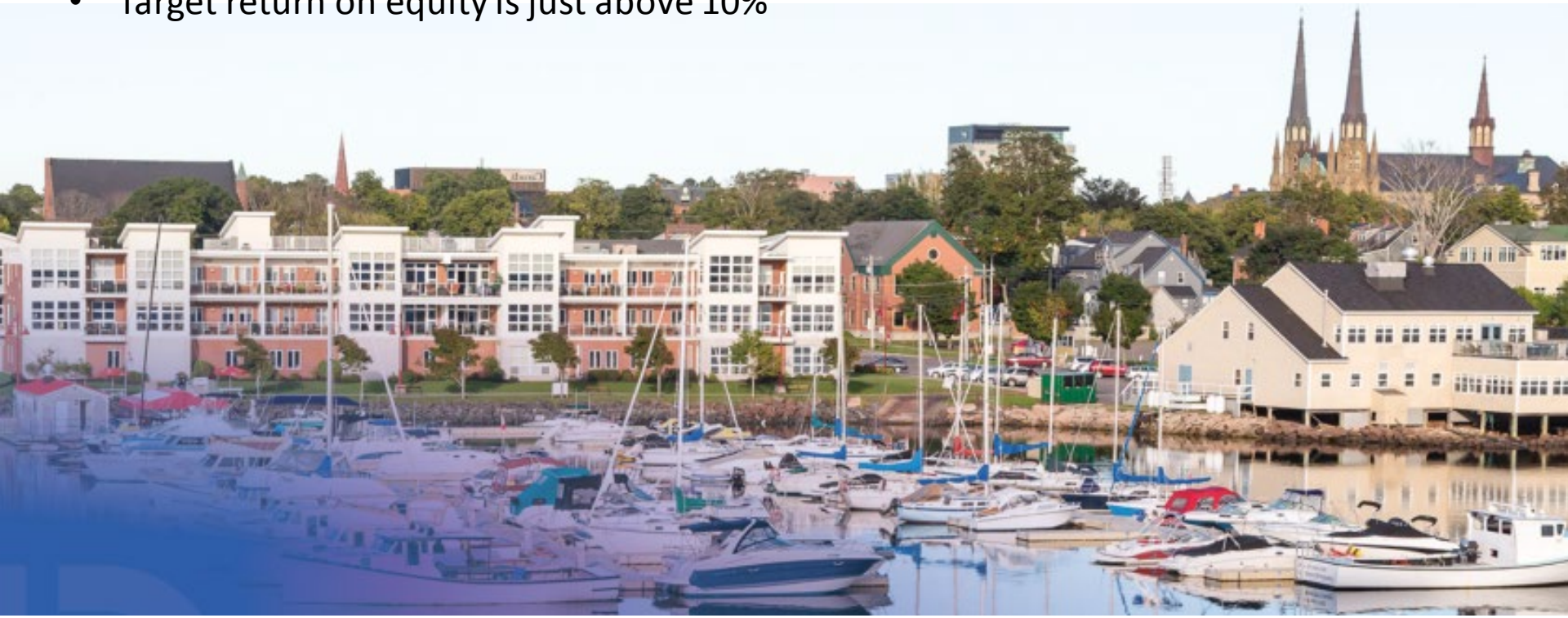
## Investment Income

- Investment Income higher compared to last year in spite of market downturn because of pandemic.



# Looking forward to 2021

- With Quebec operating for the full year and entry into Ontario, we expect significant growth in 2021 over 2020.
- Our plan is to write \$63 million in direct premiums for the year.
- Based on our most recent result of 92.6% combined ratio, our underwriting income would be \$4.7 million.
- Target return on equity is just above 10%







Questions?

Thank you.

