



## **EGI Acquires SGI CANADA's Ownership in the Insurance Company of Prince Edward Island**

**TORONTO, March 28, 2014**

EGI Financial Holdings Inc. ("EGI") (TSX: EFH) today announced that it has entered into a definitive agreement with SGI CANADA ("SGI") to acquire SGI's share of the Insurance Company of Prince Edward Island ("ICPEI"). ICPEI is the largest Maritimes-based property and casualty insurance company in Canada operating through independent brokers in Prince Edward Island, New Brunswick and Nova Scotia.

"This is an important acquisition for our company, as it accelerates our strategy of growing our Personal Lines auto insurance business in Canada," said Steve Dobronyi, Chief Executive Officer of EGI. "We are very excited to have the opportunity to join up with the ICPEI team of professionals to grow our insurance operations in the Maritimes."

EGI will purchase SGI's 75% ownership of ICPEI. SGI is committed to work closely with EGI to ensure a smooth transition for customers, brokers and employees. In addition, EGI has also entered into a perpetual software licence agreement with SGI for the use of SGI's policy management system for all of EGI's business.

"We are very pleased to be joining the EGI family," commented Charlie Cooke, President and Jim Revell, Chief Operating Officer of ICPEI. "Our businesses and capabilities complement each other nicely and we're looking forward to building a profitable and successful operation together. This is a very positive development for all of our stakeholders – our customers, brokers, employees and business partners."

The acquisition is expected to provide a number of strategic benefits for EGI:

- Added scale of \$26 million of premiums
- Immediate accretion to earnings and return on equity
- A Maritimes-based office location for sales, marketing, customer service, underwriting and claims
- Deeper expertise in auto insurance, which comprises approximately 70% of the business
- Added expertise in homeowners insurance, small commercial and other supporting product lines
- Market synergies with EGI's Nova Scotia auto business, sold through independent brokers
- Access to ICPEI's distribution partners
- A broader product offering for EGI's existing distributors
- An upgrade of EGI's policy administration system to a more automated, multi-product, customer-based system

The transaction is expected to close in early summer, subject to satisfaction of customary closing conditions.

### About EGI

Founded in 1997, EGI operates in the property and casualty insurance industry in Canada and Europe, primarily focusing on non-standard automobile insurance and other specialty P&C insurance products. EGI operates in Canada as Echelon Insurance. EGI's common shares are traded on the Toronto Stock Exchange under the symbol EFH. More information on EGI can be found at [www.egi.ca](http://www.egi.ca).

### About ICPEI

The Insurance Company of Prince Edward Island is the largest Maritime province based insurer in Canada which provides automobile, home and commercial insurance through a network of independent insurance brokers. In 2013, it wrote \$26 million of premiums. With its head office in Charlottetown, Prince Edward Island, it also operates in New Brunswick and Nova Scotia. Cooke Holdings Inc., a minority shareholder of ICPEI since its founding in 1987, remains a 25% owner of ICPEI. For more information, see [www.icpei.ca](http://www.icpei.ca).

### About SGI CANADA

SGI CANADA sells property and casualty insurance in four provinces. It operates as SGI CANADA in Saskatchewan, Alberta and Manitoba, and Coachman Insurance Company in Ontario. It sells its products exclusively through independent insurance brokers in all jurisdictions. Visit SGI CANADA at [www.sgicanada.ca](http://www.sgicanada.ca).

### Forward-looking Information

This news release contains forward-looking information 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 EGI for 2014 and subsequent periods.

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 EGI's control, affect the operations, performance and results of and its business and could cause actual results to differ materially from the expectations expressed in any of this forward-looking information.

EGI does not undertake to update any forward-looking information. Additional information about the risks and uncertainties about EGI's business is provided in its disclosure materials, including its Annual Information Form and Management Discussion & Analysis, filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

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