



# echelon

Insurance

Annual General Meeting  
May 7, 2015



# COMPANY OVERVIEW

Steve Dobronyi  
Chief Executive Officer

# 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.

## CANADIAN SPECIALTY INSURER OPERATING IN CANADA AND EUROPE

Share Price to May 4, 2015



Stock Ticker:

**EFH**

Market Capitalization:

**\$186 M**

Book Value:

**\$189 M**

A NEW LOOK!

**echelon**  
Insurance

# LINES OF BUSINESS



- Broker-sold specialty auto insurance
- Specialized warranty and creditor insurance programs



- Specialized insurance programs distributed through managing general agencies
- Mostly specialty auto and warranty products in the UK and Denmark



# HOW WE DIFFERENTIATE OURSELVES

**SPECIALIZED  
UNDERWRITING**

**PERSONALIZED  
SERVICE**

**SOPHISTICATED  
PRICING OF  
SPECIAL RISKS**



# THE YEAR IN REVIEW

9<sup>TH</sup> CONSECUTIVE PROFITABLE YEAR  
SINCE IPO IN DECEMBER, 2005



# 2014 KEY SUCCESSES

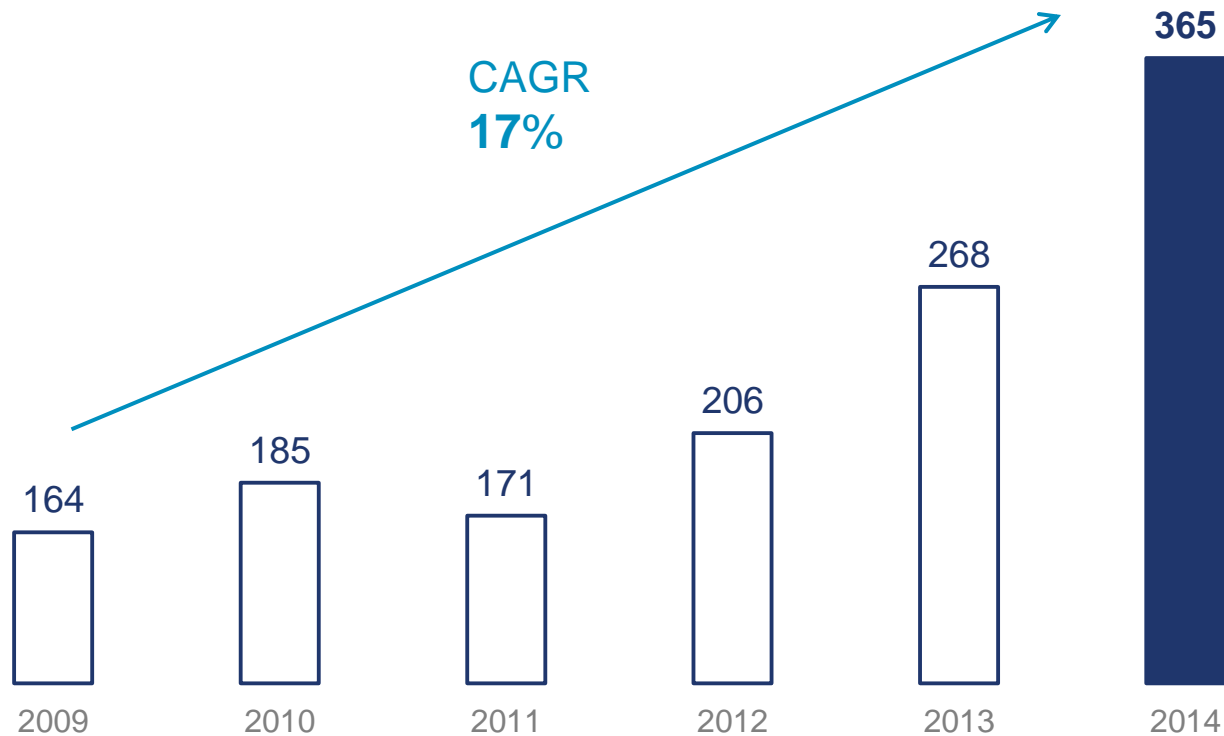
1. Best Underwriting Profit in 7 Years
2. Strong Top-line Growth
3. Acquisition of The Insurance Company of Prince Edward Island
4. Investments in Systems and People
5. Rewarding Shareholders

# FIVE YEAR SUCCESSES

1. **STRONG LEADERSHIP**
2. **FOCUSED STRATEGY**
3. **SCALABLE INFRASTRUCTURE**
4. **EXITED THE UNITED STATES**
5. **TARGETED ACQUISITIONS**
6. **GEOGRAPHIC & PRODUCT DIVERSIFICATION**
7. **ESTABLISHED EUROPE**

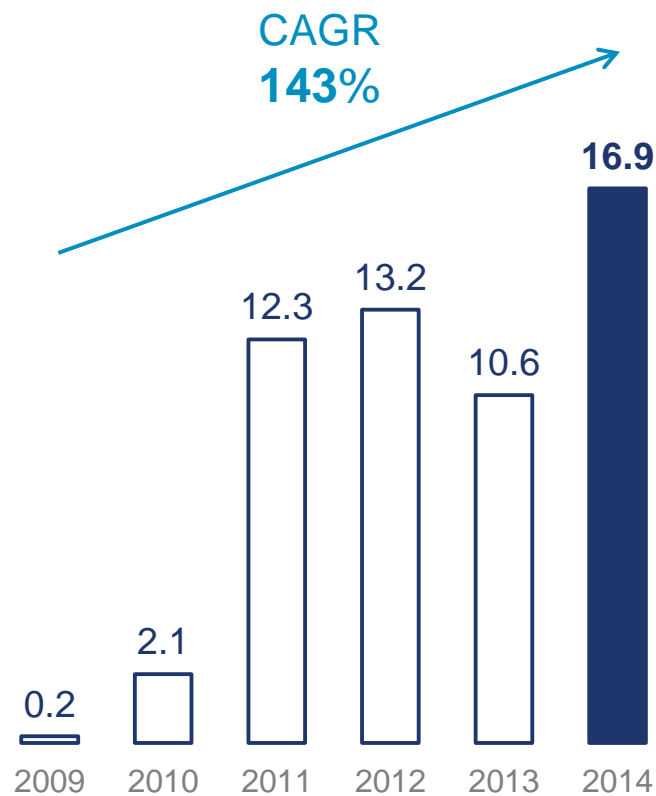
# STRONG TOP LINE GROWTH

## DIRECT WRITTEN PREMIUMS (\$CAN MILLIONS)

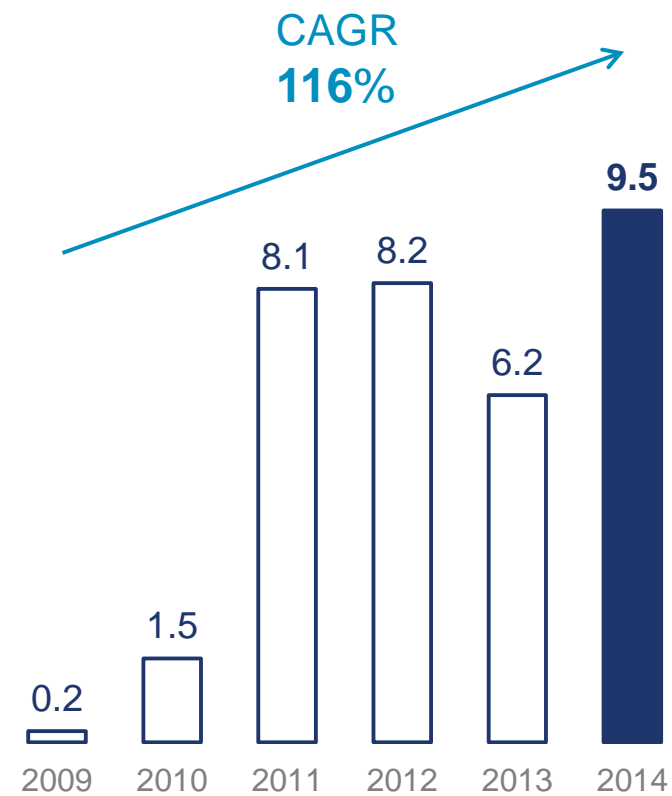


# STRONG BOTTOM LINE GROWTH

## NET OPERATING INCOME (\$ MILLIONS)

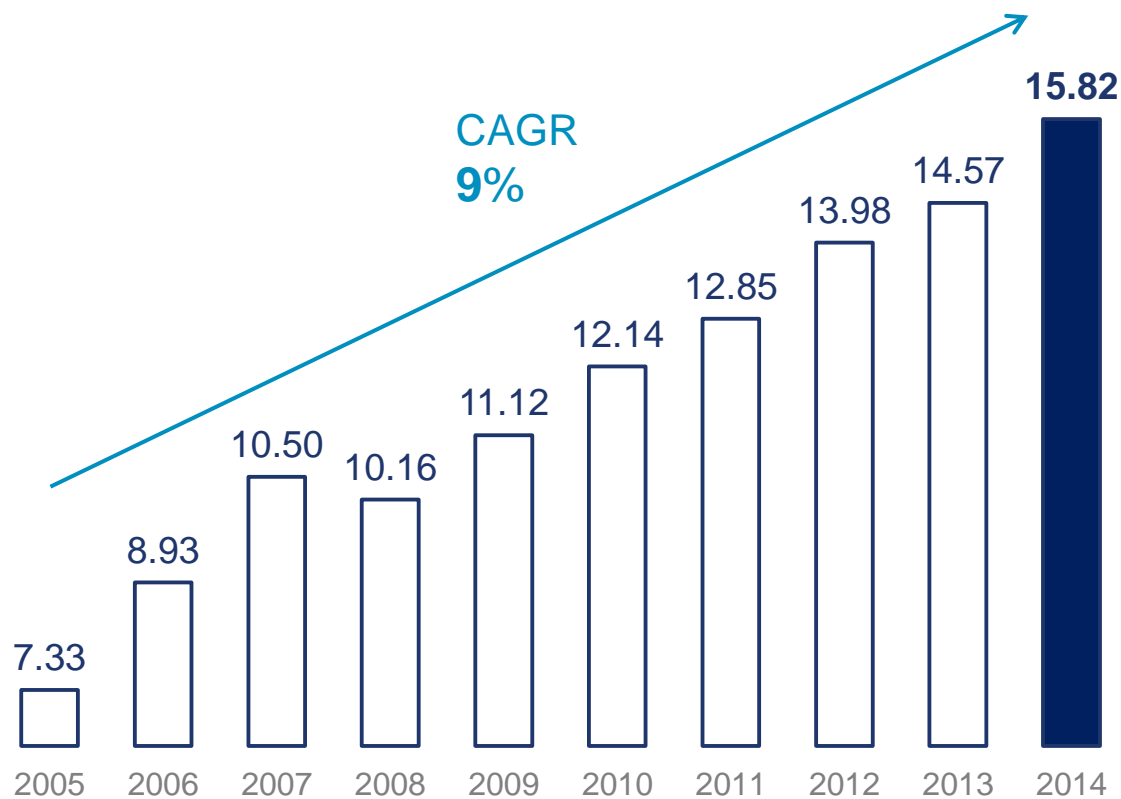


## RETURN ON EQUITY (%)



# CONSISTENT GROWTH IN SHAREHOLDER VALUE

## BOOK VALUE (PER SHARE \$)



Annual Increase  
in Shareholder  
Value since IPO

**10%**



# FINANCIAL HIGHLIGHTS

Alvin Sharma  
Chief Financial Officer

# 2014 FINANCIAL OVERVIEW



BVPS	\$15.82	<b>+9%</b>
Direct Written Premium	\$365 M	<b>+36%</b>
Combined Ratio	98.2%	<b>3 pt improvement</b>
Total Return on Invested Assets	5.4%	<b>+2%</b>
Net Operating Income	\$16.9 M	<b>+60%</b>
Quarterly Common Share Dividend	\$0.11	<b>+10%</b>

# SOLID BALANCE SHEET



Echelon MCT

**211%**

ICPEI MCT

**230%**

Qudos Solvency II

**127%**

A.M. Best Rating

**B++ (stable)**

Excess Capital

**\$23 Million**

**No Debt**

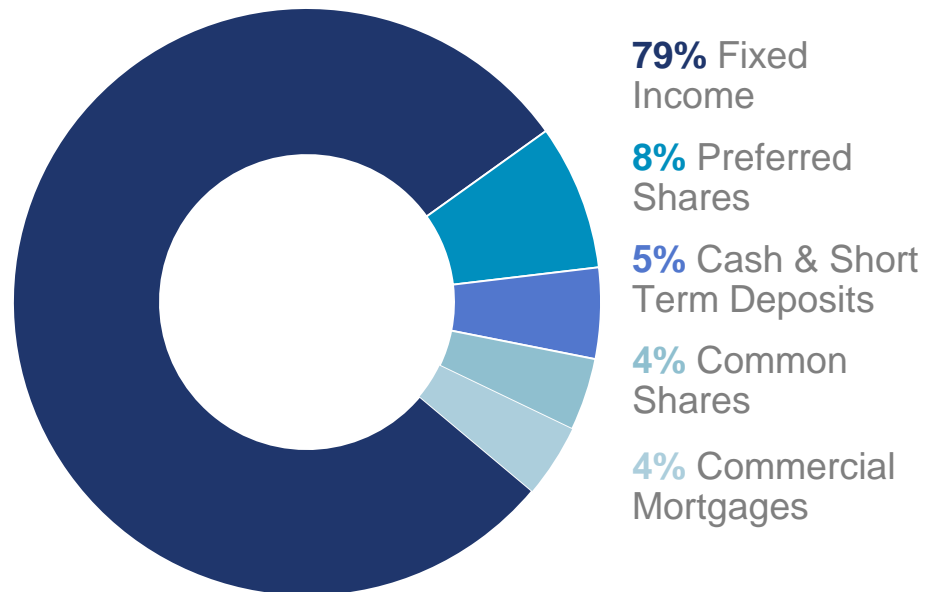
**Consistently redundant  
reserves 3-5% range  
from 2002 to 2014**

**Negligible  
level 3 assets**

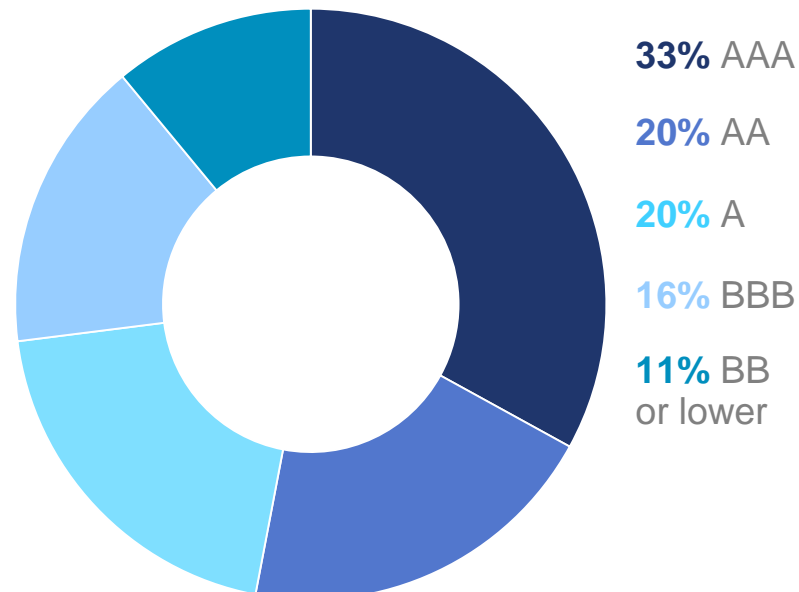


# CONSERVATIVE & DIVERSIFIED INVESTMENT PORTFOLIO

## INVESTMENT PORTFOLIO - 2015



## BOND RATINGS - 2015



# 2015 Q1 HIGHLIGHTS

BVPS	\$16.09	<b>+8%</b>
Direct Written Premium	\$91 M	<b>+14%</b>
Combined Ratio	105.1%	<b>6 pt decline</b>
Total Return on Invested Assets (annualized)	6.8%	<b>-1.2%</b>
Net Operating Income	\$2.1 M	<b>-43%</b>

Operating performance was adversely affected  
by severe weather conditions in the Maritimes

# BUILDING FOR THE FUTURE



# CANADA



Focus on Growing Broker-Sold Specialty Auto Insurance

Non-standard  
Auto

Recreational  
Vehicles

Complimentary  
Products

PERSONAL LINES BROKERS

Focus on Underwriting Profits and Bottom Line Results

Specialty  
Auto

Home  
Warranty

SPECIALTY MGAs



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