

# Together, for 120 years

Desjardins General  
Insurance Group (DGIG)



## Adapting to the needs of members and clients

Message from DGIG's president



In 2020, we celebrated 2 very important milestones: the 120th anniversary of Desjardins Group and the 75th anniversary of DGIG. From the start, we've supported members and clients by putting their needs first. And despite all the challenges of the past year, we've continued to do so throughout the COVID-19 pandemic.

### Supporting members and clients during the pandemic

In 2020, our surplus earnings were up, in part because we saw a strong improvement of the loss ratio due to changes in driving habits during the pandemic and weather conditions that were better overall than last year's. Staying true to our values, we gave back to our members and clients by providing a variety of relief measures to help them deal with the impact of COVID-19. Our teams mobilized in record time. DGIG was the first Canadian insurer to offer premium refunds: in total, we quickly returned over \$155 million to over 2.1 million auto insurance policyholders across Canada.

We also rolled out other measures, like flexible premium payments for members and clients experiencing financial difficulties, and temporary property insurance coverage limit increases for telework.

To ensure service continuity for members and clients and help our employees keep working safely, we moved over 97% of our workforce to teleworking in just 4 weeks. It was a huge feat, and our teams really delivered!

### Making progress beyond the pandemic

2020 was also remarkable for the many initiatives we put in place to keep going above and beyond and better meet the changing needs of members and clients. One of our focuses was to improve our digital platforms. Users can now access more details about their home insurance claim and track

its progress on our mobile apps. We completed nearly 10,000 vehicle damage assessments using our photo-based estimate feature, saving our policyholders a trip to the auto body shop. We also achieved important milestones in our journey to modernize our systems so we can provide an exceptional client experience no matter what channel members and clients choose to contact us.

To make sure the Desjardins experience meets members' and clients' expectations, we created multidisciplinary teams dedicated to listening to their feedback. Because they take an agile approach, these teams can quickly identify opportunities to optimize the member/client experience and put in place initiatives that will make a real difference.

We also contributed to Desjardins Group's collective climate action efforts, which include reaching net zero emissions by 2040. As a signatory to the Principles for Sustainable Insurance by the United Nations Environment Programme Finance Initiative, we've rolled out an action plan that outlines our key initiatives, and we're already hard at work to achieve them.

2020 was also an important year for me, because it was my first full year as head of DGIG. I'm particularly proud of our employees and partners, who have worked hard to do what's best for members and clients by adapting our solutions to respond to the impact of the pandemic and by being there to listen to their feedback. I'm also thrilled with the trust our members and clients have: we're still the second largest property and casualty insurer<sup>1</sup> in Canada. Thanks everyone!

**Valérie Lavoie**  
President and Chief Operating Officer

<sup>1</sup>Based on gross direct premiums written in 2020

## DGIG at a glance

DGIG has been in operation since 1945. Through its subsidiaries, it offers a line of property and casualty insurance products and complementary services to the general public, members of partner groups, and businesses

across Canada. DGIG distributes its products through insurance agents in the Desjardins caisse network in Quebec and in several client relations centres, as well as through its network of exclusive agents and digital channels.

# 2020 Financial Results

## Selected financial data

Years ended December 31  
(in millions of dollars)

	2020	2019	2018
Gross premiums written	5,726	5,536	4,920
Net premiums earned	5,484	4,988	4,402
Underwriting income (excluding MYA <sup>1</sup> )	690	193	44
Adjusted investment income <sup>2</sup>	296	278	340
Net income	623	194	185
Portion attributable to majority shareholder <sup>3</sup>	623	148	143
Total assets	15,417	13,861	13,002
Shareholder equity	3,472	2,646	2,396

<sup>1</sup> MYA or market yield adjustment: The impact of changes in the discount rate on provisions for claims and adjustment expenses based on the change in the market-based yield of the underlying assets for these provisions.

<sup>2</sup> Investment income has been adjusted to account for the overlay approach used for the application of IFRS 9, which came into effect on January 1, 2018, and excludes gains and losses on matched bonds.

<sup>3</sup> Due to a capital restructuring, DGI's ownership is 100% starting in 2020.

## Key indicators

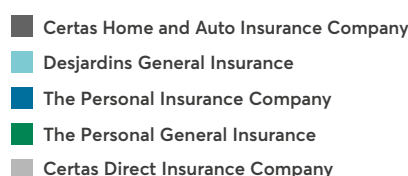
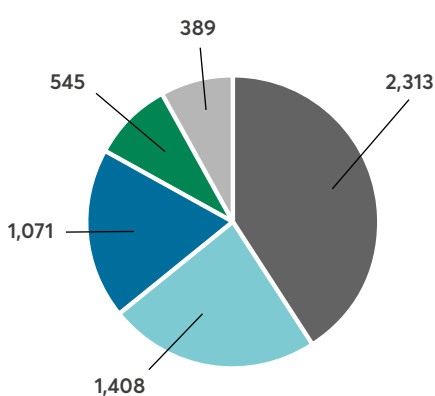
Years ended December 31

	2020	2019	2018
Loss ratio (excluding MYA)	62.6%	71.8%	73.9%
Expense ratio	23.6%	24.7%	24.9%
Combined ratio (excluding MYA)	86.2%	96.5%	98.8%
Total investment yield	5.8%	5.3%	0.1%
Return on equity	25.0%	8.6%	8.1%
Number of policies in force <sup>4</sup>	4,600,000	4,612,000	4,483,000
Number of active employees	6,733	6,659	6,630

<sup>4</sup> The definition of a policy in force is different for Certas Home and Auto Insurance Company (CHA) than for other subsidiaries. For example, if a policyholder has two vehicles, CHA issues two policies, while other subsidiaries issue only one.

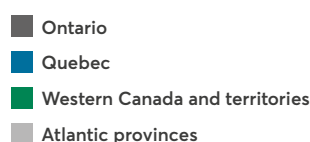
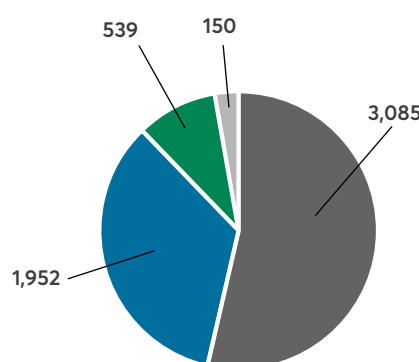
## Distribution of gross premiums written

(in millions of dollars)



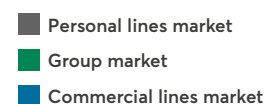
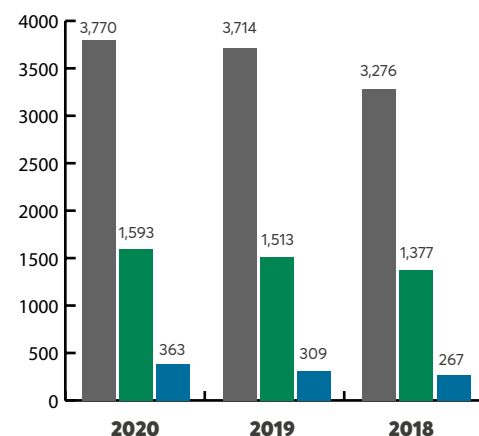
## Gross premiums written by geographic area

(in millions of dollars)



## Gross premiums written by market

(in millions of dollars)



## Desjardins General Insurance Group

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