

## PRESS RELEASE

**For Immediate Release  
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### **Desjardins General Insurance Group reports increase for second quarter**

- Second quarter net income of \$49.4 million, with an ROE of 17.1%
- Direct written premiums of \$616.4 million, an increase 5.4%
- 50,000 clients registered after one year for DGIG's usage based insurance programs, Ajusto and Intelauto

**Levis (Qc), August 28, 2014** – Desjardins General Insurance Group (DGIG), a Desjardins Group subsidiary specializing in property and casualty insurance, recorded a net income of \$49.4 million for the quarter ended June 30, up 16.2% from the corresponding period in 2013.

Direct written premiums increased 5.4% to \$616.4 million compared to the same quarter in 2013. This was achieved entirely through organic growth and despite auto insurance rate decreases in Ontario and the Maritimes.

Higher property insurance losses and increased expenses related to the acquisition of State Farm's Canadian operations pushed the combined ratio for the quarter to 98.7%, an increase of 10.3 percentage points, compared to the second quarter in 2013. Excluding the expenses related to the acquisition, the combined ratio for the quarter would have been 96.2%.

#### **Half year results**

For the first six months of the year, net income was \$66.2 million, slightly under the \$67.9 million generated in the same period in 2013. The ROE for the first six months was 11.5% compared to 14.2% in 2013. These decreases were largely due to the transaction and integration costs incurred as part of the acquisition of State Farm's Canadian operations. Direct written premiums increased by 5.7% to \$1,127.6 million in the first six months, a solid increase given the soft market.

"After a challenging start to the year, we bounced back with solid results in the second quarter," said Sylvie Paquette, President and Chief Operating Officer of DGIG. "I am particularly pleased that we've maintained our record of strong organic growth, with an increase of more than 52,000 policies in force in the first six months."

Ms. Paquette said that DGIG's leadership with usage based insurance contributed to that growth, as more than 50,000 mostly new clients have registered for DGIG's Ajusto and Intelauto programs since they were launched in May 2013.

“These customers are earning on average a 12% discount in their insurance premiums,” she noted. “In addition, we surveyed our Ajusto customers to mark the one year anniversary of the launch, and about 50% told us that they’ve become safer drivers as a direct result of the program.”

### **Consolidated Highlights**

As of June 30, 2014

(In millions of dollars, unless otherwise indicated)

	<b>Q2 2014</b>	<b>Q2 2013</b>	<b>YTD 2014</b>	<b>YTD 2013</b>
Direct written Premiums	616.4	584.6	1 127.6	1 067.0
Underwriting Income (loss)	6.9	50.4	(12.4)	52.3
Investment Income	60.2	5.0	102.5	36.4
Net Income	49.4	42.5	66.2	67.9
Return on Equity	17.1%	17.4%	11.5%	14.2%
Combined Ratio	98.7%	88.4%	101.1%	94.1%
Total Assets	5,003.9	4,544.4	5,003.9	4 544.4
Policies in force (in thousands)	2,221	2,129	2,221	2,129

### **About Desjardins General Insurance Group**

A subsidiary of Desjardins Group, [Desjardins General Insurance Group](#) provides home and auto insurance to consumers across the country and commercial insurance to businesses in Quebec. With 4,000 employees across the country, a portfolio of more than 2.2 million policies in force, gross written premiums of \$2.2 billion and assets of \$5.0 billion, DGIG ranks among the largest P&C insurers in Canada.

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#### **Information (for journalists only):**

Sarah Twomey

Public Relations Advisor

416-926-2700 or 1-877-906-5551, ext. 2015

[sarah.twomey@dfs.ca](mailto:sarah.twomey@dfs.ca)

[media@desjardins.com](mailto:media@desjardins.com)