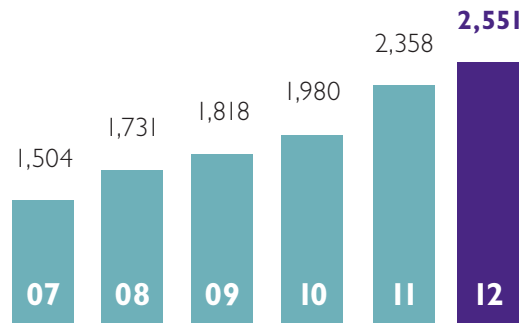


# RSA CANADA

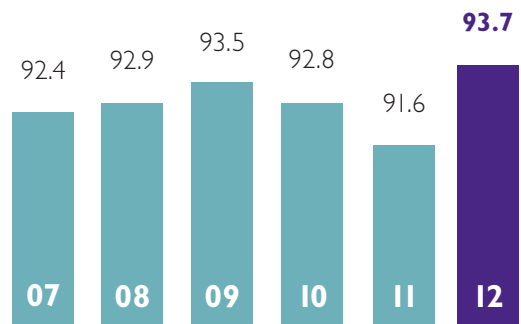
## RSA CANADA FAST FACTS

- We are Canada's third largest general insurer, and with our latest acquisition, L'Union Canadienne, we are the insurer with the broadest national Personal and Commercial proposition.
- We distribute our products through intermediaries under the RSA brand and through our affiliated broker network, Noraxis. Our direct offering is distributed through Johnson.
- 4,400 employees across Canada with Head Office located in Toronto.

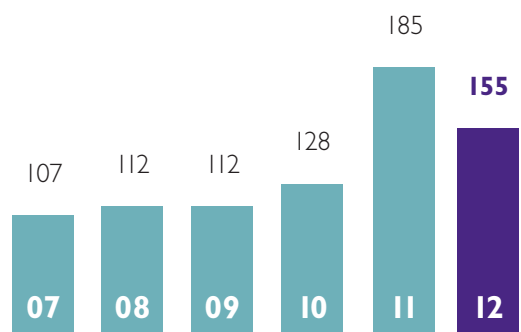
### NET WRITTEN PREMIUM (\$M)



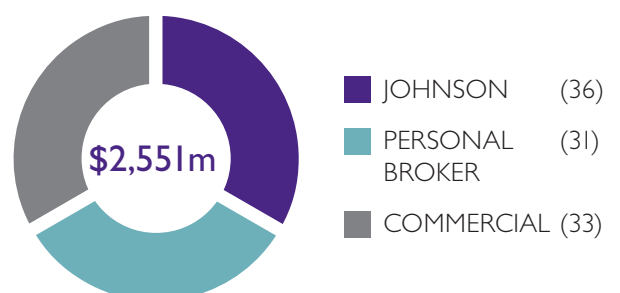
### COMBINED OPERATING RATIO (%)



### UNDERWRITING RESULT (\$M)



### 2012 NET WRITTEN PREMIUMS (%)



## CANADIAN P&C INDUSTRY OVERVIEW<sup>1</sup>

P&C insurance in Canada is a \$43 billion industry with over 100 companies and groups actively participating.

Canada is a dynamic and competitive market place, with opportunities for growth and enhanced profits. The industry has been able to maintain its growth momentum despite continuing uncertainties in the global economy.

While deemed to be a mature market, the industry remains somewhat fragmented, with the Top 10 insurers controlling approximately 65% of direct written premiums in 2012; well below the concentration of other financial service sectors in Canada. There has been an uptick in market consolidation in recent years, driven primarily by industry leaders.

The industry is split approximately 64% personal lines, 36% commercial lines.

Personal automobile is the largest line of business and is regulated by province, with the Ontario auto portfolio constituting the largest insurance portfolio in Canada. Personal auto and home premium growth has been driven by a combination of rate increases and unit growth. Commercial market rates have remained stable since 2011.

The industry has generated an average ROE of approximately 12% over the last 10 years and is currently trending favourably with improved underwriting results offsetting lower investment income over the last two years. That being said, there are geographic, distribution channel and product niches that are significantly more attractive than the overall market.

## GEOGRAPHIC DISTRIBUTION OF PREMIUMS

The Canadian market is divided between ten provinces and three territories, each with distinct characteristics and regulation. The Ontario market is the largest in terms of premiums while the Quebec market is the most profitable. The Western region has been the fastest growing market over the last 5 years.

REGION	P&C MARKET SHARE <sup>2</sup> (%)	SHARE OF TOTAL POPULATION <sup>3</sup> (%)	SHARE OF GDP <sup>4</sup> (%)
East	6%	8%	6%
Quebec	16%	23%	20%
Ontario	49%	38%	37%
West	29%	31%	37%

East includes: New Brunswick, Newfoundland, Prince Edward Island, and Nova Scotia. West includes: Manitoba, Saskatchewan, Alberta, British Columbia and the 3 Territories (Yukon, Northwest Territories, and Nunavut)

<sup>1</sup>MSA Researcher 2013. Where quoted, premiums are presented on direct written basis.

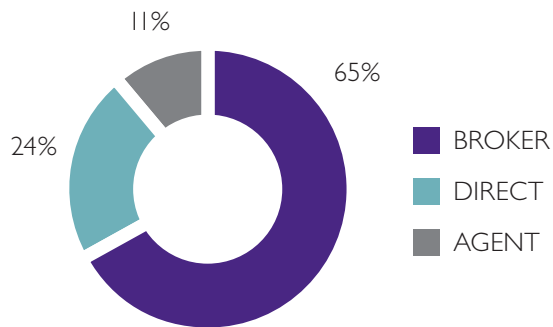
<sup>2</sup>Ibid.

<sup>3</sup>[www.statscan.gc.ca](http://www.statscan.gc.ca)

<sup>4</sup>Ibid.

## DISTRIBUTION

### OVERALL P&C INDUSTRY DISTRIBUTION (2012)



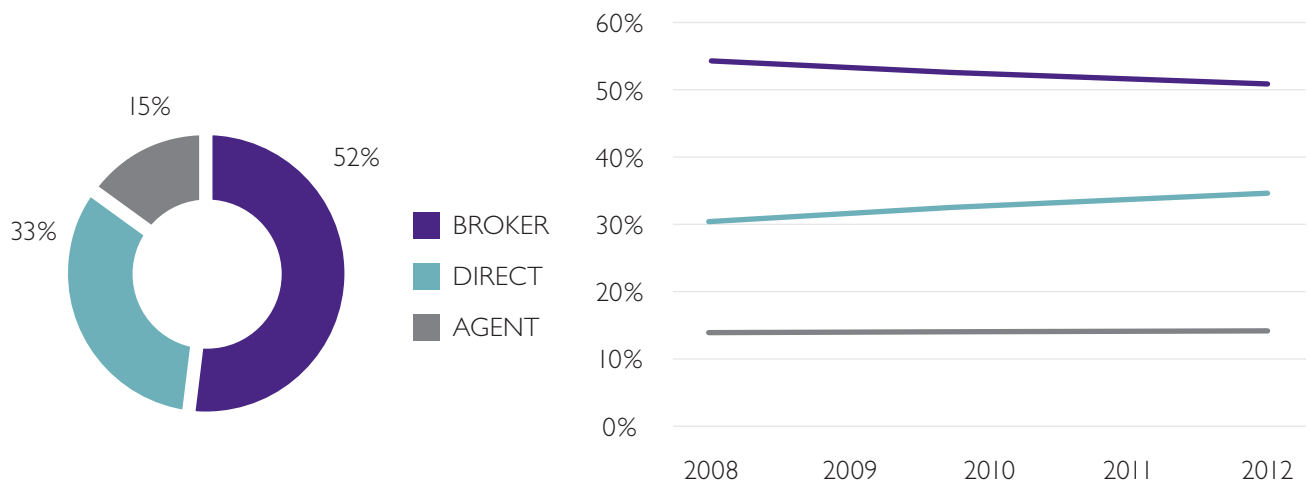
The Canadian P&C market continues to be dominated by the broker channel, with commercial lines almost exclusively distributed through brokers, in addition to over half of the personal lines market.

Within the broker market itself there is an increasing trend of consolidation, driven mainly by the aging demographics of broker owners leading them to sell, and the need to obtain scale to further fund investment in IT and marketing to compete with other channels.

The direct channel, which is largely represented by bank-owned insurers, is slowly gaining market share in the personal lines space. This gradual shift in distribution is an evolution rather than a revolution in customer preferences, and therefore the broker channel is expected to continue to play an important role in personal lines distribution.

The agent channel is concentrated with a small number of carriers, and maintains a stable market share within personal lines.

### PERSONAL LINES DISTRIBUTION (2012)



While the Canadian population is one of the world's most internet-savvy, the distribution of insurance online is only starting to evolve in Canada. Unlike the UK, the purchase of insurance solely online constitutes a small percentage of the Canadian market. Additionally, government regulation limits the promotion and sale of insurance through bank websites.

While aggregation is a prevalent form of distribution in the UK, the aggregator story is different in Canada. Aggregators have existed in Canada since the late 1990s but have only had gradual penetration into the marketplace due to differences in consumer behaviour; the regulatory environment in key provinces (such as Ontario which limits the ability for frequent rate changes), and strong broker relationships, among other factors.

## PERSONAL AUTO

Personal auto insurance is the largest segment with premiums of approximately \$17 billion, or 40% of the total Canadian P&C industry. Ontario is the largest personal auto market with premiums of approximately \$10 billion.

The size of the personal auto market makes it an attractive, but highly competitive line of business. Given the compulsory nature of auto insurance in Canada, it typically serves as the lead product to cross-sell personal property and lifestyle products such as recreational vehicles, travel and pet insurance.

There are approximately 100 private P&C companies that provide auto insurance in Canada. In addition to these private insurers, government-owned insurers in British Columbia, Saskatchewan, Manitoba and Quebec are the providers of the compulsory component of auto insurance in those provinces.

Auto insurance is a highly regulated product in Canada. In provinces without government auto insurance, provincial agencies regulate auto

## P&C MARKET LINES OF BUSINESS

2012 P&C Premiums by Line of Business	
Total Auto	47%
Personal Home*	24%
Commercial Property	14%
Liability	10%
Other	4%
	<b>100%</b>

*\*including Accident & Sickness*

insurance prices, and therefore insurers are required to have their rating rules and rate changes approved by regulators.

From an auto insurance claims perspective, the province of Ontario has operated under the concept of "no fault" insurance coverage since 1990. This prescribes that insurers pay for the benefits of their own clients regardless of fault, the rationale being that claims are faster and easier to process, in addition to reducing costs associated with having to prove fault. The provinces of Manitoba and Quebec operate under a pure no fault system, while the remaining provinces operate under a mix of no fault and tort-based systems where insureds have the right to sue the at-fault party for additional costs and damages above the limit of coverage.

The personal auto industry, particularly in Ontario, has been highly cyclical resulting in a great deal of political interest and consumer sensitivity to the cost of auto insurance. Provincial governments along with the industry recognize the issue of escalating claims benefits, and subsequently auto

premiums, which has led to the implementation of a number of auto insurance reforms in recent years. The most significant of these are the Ontario auto reforms that took effect in September 2010. Among other measures, these reforms limited claims benefits that had been increasing since 2005. The reforms have appeared to work well to date, with the industry direct loss ratio declining over 20pts since 2010. In May 2013 a “cost and rate reduction strategy” in respect of Ontario auto insurance was proposed as part of the provincial budget, calling for a decrease in average industry-wide auto premiums that is to be supplemented by additional reforms.

## PERSONAL HOME

Personal home insurance (excluding Accident & Sickness insurance) consists of homeowners, condominium and tenants insurance, which totalled \$9 billion in 2012.

Personal home insurers in Canada have increased rates and implemented underwriting actions in recent years to combat increasing weather and water-related losses, which are consistent with global environmental trends.

Unlike personal auto, personal home rates are unregulated in Canada.

## COMMERCIAL

The commercial market is approximately \$17 billion, and is made up of commercial auto and commercial property and liability, in addition to specialty lines such as equipment breakdown, marine, surety, fidelity, and commercial title.

The small to mid-size commercial market is highly competitive. Participating carriers in this segment typically write both personal and commercial lines.

The large commercial and specialty market in Canada is estimated to be approximately \$7 billion, and is predominantly made up of global carriers who have the capacity, requisite expertise and global broker relationships to compete in this segment.

Similar to personal property, commercial rates are unregulated in Canada.

## CANADA P&C INDUSTRY OUTLOOK

Industry premium growth is expected to continue at a rate that is comparable to recent years.

Personal auto rates could be impacted by increased government intervention, particularly in the province of Ontario, however with the proposed implementation of further reforms, we expect the outcome should be broadly margin-neutral. Personal property will continue to benefit from hard market conditions. Commercial market conditions are expected to harden at a moderate rate over time.

In respect of market consolidation, the recent upswing in M&A activity is expected to continue given the attractiveness of the Canadian marketplace and stable market conditions.

## REGULATORY OVERSIGHT OF INSURANCE IN CANADA<sup>5</sup>

Canada has a system of government in which insurance and reinsurance regulation is divided between the federal government and the governments of each of the thirteen provinces and territories.

The majority of Canadian insurers are incorporated under the federal Insurance Companies Act (Canada) and regulated by the Office of the Superintendent of Financial Institutions (OSFI) as to solvency and soundness. The insurance companies within the RSA Canada group, except L'Union Canadienne, are federally incorporated as well as licensed provincially.

In general terms, OSFI conducts prudential regulation and has similar responsibilities to that of the Prudential Regulatory Authority in the UK. OSFI is a sophisticated regulator and an active participant in all of the key international financial service bodies.

The provincial regulators, which are similar in structure to the US State Departments or Commissioners of Insurance, regulate market conduct and the licensing and supervision of insurance intermediaries such as agents, brokers and adjusters. Their responsibilities are closer to those of the Financial Conduct Authority in the UK.

Auto insurance rates and policy forms are regulated by the provinces, with the approach varying by province.

A number of smaller insurers are incorporated under provincial law and regulated as to solvency and soundness by provincial regulators. L'Union Canadienne is an example of this and is currently regulated by the Autorité des marchés financiers (AMF) in Quebec.

The provincial regulators together comprise an umbrella group called the Canadian Council of Insurance Regulators.

In some provinces insurance brokers and agents are regulated in the same fashion and by the same regulator. In other provinces, for example Ontario, agents are regulated by a government regulator, while brokers are regulated by a self-regulatory organization.

The insurance regulatory laws of the provinces other than Québec are relatively uniform and are based on common law principles. The laws of Québec are typically based on a civil code system.

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<sup>5</sup> Stuart Carruthers, "Market Trends and Regulatory Framework", *Practical Law, Multi-Jurisdictional Guide 2012* [www.practicallaw.com/insurance-mjg](http://www.practicallaw.com/insurance-mjg)

## CANADIAN ECONOMIC OVERVIEW<sup>6</sup>

Canada has the 11<sup>th</sup> largest economy in the world and, as is the case with the majority of developed nations, it is dominated by the service sector, which constitutes 70% of GDP.

The largest segment of the Canadian economy is real estate, rental and leasing which accounts for 12% of GDP, followed by manufacturing (11%), mining, quarrying, and oil and gas (8%), and construction (7%). The financial services and insurance segments of the economy account for 6.6% of GDP. Canada is one of few developed nations that is a net exporter of energy, with the total energy sector representing approximately 10% of GDP.

The Canadian economy has fared relatively better than most of its peers following the 2008 economic crisis, attributable to a sound banking system, resilient housing market and strong commodity prices that have helped to maintain economic growth.

In 2012, Canada's economy was impacted by the global economic slowdown, which was reflected in the relatively subdued GDP growth of 1.8%. Overall growth was moderated by a weaker economic performance in the US and abroad, continued Euro debt crisis, and cooling domestic housing market. The Bank of Canada has kept the overnight interest rate at 1% as the economy slowed and pressure on inflation remained low. Despite this slowdown, the unemployment rate of 7.1% at the end of 2012 was the lowest in four years.

Growth at the start of 2013 was stronger than expected, however overall growth in 2013 is forecasted to be 1.5% before accelerating to 2.6% in 2014. It is expected that Canada's growth will initially be constrained by weaker US fundamentals, as exports to the US account for approximately 25% of Canada's GDP. However, US demand, especially in the housing and auto sectors, is expected to pick up in the second half of 2013 and into 2014, which will have a positive impact on Canada's growth. A low rate of inflation is expected going forward with little pressure on the Bank of Canada to increase rates in the short term.



<sup>6</sup>Source: [www.statscan.gc.ca](http://www.statscan.gc.ca), [www.bankofcanada.ca](http://www.bankofcanada.ca)



## RSA CANADA OVERVIEW

RSA is one of the oldest insurance companies in Canada, with roots dating back to 1833.

Today, RSA is one of Canada's leading property and casualty insurers, providing personal and commercial and specialty products nation-wide through our multi-channel, multi-brand strategy.

RSA Canada has a track record of outperformance with consistent and market-leading growth and profitability. This consistent market outperformance has generated strong returns on capital for RSA Group, and RSA Canada is well positioned to continue this trend going forward.

### **OUR SUCCESS IS BASED ON OUR SEVEN KEY STRATEGIC ADVANTAGES, WHICH POSITION US WELL TO TAKE ADVANTAGE OF INDUSTRY TRENDS, AND SECURE FUTURE OUTPERFORMANCE.**

- 1. Being part of a global Group:** Access to a strong global brand, financial strength, capacity, and technical underwriting and claims expertise from around the RSA Group are just some of the strategic benefits that assist us in competing in the Canadian marketplace. We continuously collaborate across the Group and look for ways to leverage our global experience through the sharing of best practices.
- 2. Multi-Channel Distribution:** We distribute our products through brokers under the RSA brand, and our direct offering is distributed through Johnson. This allows our customers to access us through their preferred channel, and positions us well for distribution trends within the Canadian marketplace. Many of our peers operate in only one of the two predominant distribution channels, and therefore we consider our weighting between broker and direct distribution to be a significant strategic

advantage. Noraxis, our affiliated broker network, is our value proposition that allows us to participate in the consolidating broker market.

- 3. Broker Relationships:** Our focus is on building strong relationships with a select group of high performing brokers across Canada. We offer segmented and highly tailored broker value propositions that focus on joint partnership, continued growth and the perpetuation of the broker channel.
- 4. Lowest-Cost Direct Writer:** Johnson offers a differentiated customer value proposition that combines direct and branch distribution with a commitment to service excellence. This is facilitated through an efficient, low-cost operating model, which is particularly important given the regulated auto environment in Canada.
- 5. Portfolio Composition:** We focus on segments where we have strong technical knowledge and expertise, and seek leading positions in specialty and high margin lines of business.
- 6. Technical Expertise:** The deep expertise of our people is a cornerstone of our success. We have a highly skilled and long-tenured workforce that provides a competitive advantage in the marketplace. We continue to invest in our people, promote collaboration across the Group, and maintain an employee engagement score that is in the top quartile of Canadian employers.
- 7. Acquisition Capabilities:** We are a proven market consolidator, with an excellent track record of executing bolt-on acquisitions. Since 2007 we have completed the acquisitions of 3 insurance companies and 32 brokerages. Our acquisitions support our strategic priorities, and allow us to be more selective in our organic growth.



## JOHNSON OVERVIEW

Our direct division, Johnson Inc., is one of Canada's leading home and auto insurance and group benefits organizations. With over 1,500 employees located in more than 60 locations across Canada, Johnson provides customers with local, personalized service, that is supplemented with 24/7 call centers and online assets.

Johnson is also a top three affinity and sponsor group writer in Canada with over 500 group relationships. Many educator and professional associations and groups across Canada have taken advantage of Johnson programs for voluntary home and auto, life, health, dental, disability, travel, and accident insurance. Currently, over 4 million Canadians are members of groups that sponsor insurance and benefit plans designed and serviced by Johnson.

We expect future growth for Johnson to be derived from further penetration within the affinity sector, continued bolt-on acquisitions and corporate partnerships, in addition to refining our eBusiness capabilities.

## BROKER BUSINESS OVERVIEW:

The brokered insurance market in Canada represents roughly \$29 billion in premiums which is transacted through approximately 3,000 brokerages. National brokers control approximately \$7 billion or 25% of the market.

RSA Canada utilizes a targeted approach in broker management, partnering with 800+ brokerages where we can build significant relationships. Clear broker segmentation enables us to deliver focused distribution with this select number of key partners, and we place an emphasis on being a Top 3 market in our brokers' offices.

RSA's strong broker proposition is constantly developing, and we are consistently engaged in a two-way conversation with our brokers to help shape our strategy. Our goal is to help brokers grow successful businesses. We are focused on targeted and selected growth based on the right combination of rate, new business and retention, and we continue to invest in developing tailored insurance products for the evolving needs of brokers and their customers.

RSA is committed to continuous investment in our broker partners, including eBusiness solutions that deliver ease of doing business, broker education, and ongoing technical training.



## PERSONAL BROKER

RSA is one of the leading personal intermediated insurance providers in Canada, with a differentiated strategy to diversify our portfolio by both product line and customer segment. We reach our target customers through a multi-brand strategy which provides flexibility with our rating structure.

Given our increasing focus on becoming a segmented player we have continued to build on our Advice Based Customer strategy, targeting customers who have more complex insurance needs and therefore seek the expertise that the broker channel offers.

Future growth is to be generated from further expansion into high quality home and auto lines, an increasing focus on high net worth products and expanding our lifestyle product offering. Our re-entry into the Quebec personal lines market also provides us with a significant opportunity to grow in a profitable segment of the marketplace.

## PERSONAL SPECIALTY

While continuing to write traditional home and auto insurance, we are now attracting and retaining customers by covering their specialized insurance needs. Our personal specialty division offers travel, credit card, warranty and pet insurance.

RSA has been underwriting travel insurance in Canada since 2000, and we are now a Top 3 writer of travel insurance. We offer a diverse range of products, ranging from out-of-country travel for long and short term travelers; expatriate coverage for Canadians working or living abroad, trip Cancellation, and health care coverages for Canadians and visitors to Canada not covered under government health insurance plans. The travel market offers a wealth of growth opportunities given current demographic trends.

In the credit card segment we partner with a number of major Canadian banks and international credit card providers to offer travel insurance, collision damage waiver insurance for car rentals, purchase protection, extended warranty, flight and baggage delay protection and many other coverages on an inclusive basis.

In early 2013 we launched a differentiated Pet Insurance proposition into the Canadian market, building on the expertise of RSA UK in this sector, and leveraging our multi-channel distribution network. Pet insurance represents an opportunity for growth as the market penetration for this product in Canada is approximately 1%, compared to 20 – 30% in the UK.

## COMMERCIAL BROKER

With the acquisition of GCAN in 2011, RSA is now a Top 5 insurer in the commercial insurance market in Canada, and has the most comprehensive product offering in the market from small business to large commercial and Global Specialty Lines (GSL).

We have a broad appetite in the small commercial segment, and a mid-market strategy that focuses on core segments where we have deep technical expertise, such as construction, manufacturing and realty. We are committed to being a leader in the large domestic, complex, multinational and specialty market through our GSL proposition. GSL combines our in-depth technical knowledge with access to RSA's global capabilities and expertise to provide insurance solutions both Canada-wide and across our Global Network, which is one of the most extensive in the industry.

Going forward we will look to grow further in large complex and high-margin specialty lines, enhance the transactional sophistication within our small to mid-market offering, and advance our strategic broker partnerships.

## RSA CANADA OPERATING RESULTS

for the years ended 31 December (UK IFRS)

<b>\$M</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
NET WRITTEN PREMIUM	1,731	1,818	1,980	2,358	2,551
NET EARNED PREMIUMS	1,694	1,762	1,880	2,260	2,492
NET INCURRED LOSSES	(1,102)	(1,149)	(1,230)	(1,442)	(1,650)
COMMISSIONS	(225)	(237)	(253)	(304)	(336)
EXPENSES	(256)	(276)	(289)	(350)	(365)
DPAC	1	12	20	21	14
UNDERWRITING RESULT	112	112	128	185	155
INVESTMENT RESULT	181	164	158	192	178
INSURANCE RESULT	293	276	286	377	333
OTHER ACTIVITIES	(5)	(5)	(6)	(8)	(11)
OPERATING RESULT	288	271	280	369	322
LOSS RATIO (%)	65.1%	65.2%	65.4%	63.8%	66.2%
EXPENSE RATIO (%)	27.8%	28.3%	27.4%	27.8%	27.5%
COMBINED OPERATING RATIO (%)	92.9%	93.5%	92.8%	91.6%	93.7%

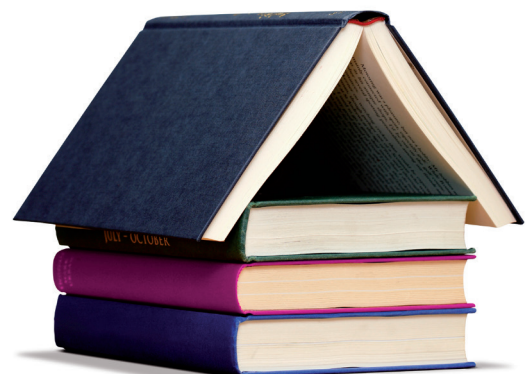
<b>£M</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
NET WRITTEN PREMIUM	884	1,021	1,245	1,483	1,614
NET EARNED PREMIUMS	864	990	1,182	1,421	1,577
NET INCURRED LOSSES	(562)	(646)	(774)	(907)	(1,044)
COMMISSIONS	(115)	(133)	(159)	(191)	(213)
EXPENSES	(131)	(155)	(182)	(220)	(231)
DPAC	1	7	12	13	9
UNDERWRITING RESULT	57	63	80	116	98
INVESTMENT RESULT	92	92	100	121	113
INSURANCE RESULT	149	155	180	237	211
OTHER ACTIVITIES	(3)	(3)	(4)	(5)	(7)
OPERATING RESULT	147	152	176	232	204

## DIFFERENCES BETWEEN CANADIAN AND UK FINANCIAL REPORTING STANDARDS

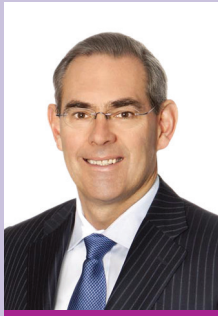
RSA Canada reports financial results on a local Canadian IFRS basis for statutory reporting and on a UK IFRS basis for RSA Group consolidation and financial reporting requirements. While these standards are conceptually the same, there are some variations in accounting treatments that lead to differences in reported results under the two standards. The two key differences are:

1. Outstanding claims liabilities for all lines of business are discounted under local Canadian IFRS standards. The impact of discounting flows through the income statement, impacting reported incurred losses and consequently underwriting income. The impact of discounting can be either negative or positive depending on the change in market yields. A decrease in market yields has a negative impact on reported incurred losses as claims liabilities are discounted at a lower discount rate. An increase in market yields has a positive impact as claims liabilities are discounted at a higher discount rate. This treatment is often referred to as the “Market Yield Adjustment” (MYA).
2. The other key reporting difference relates to the treatment for charges against Intangible Assets (i.e. broker acquisitions), which contributes to a higher reported COR under local IFRS standards. The costs related to these acquisitions, which are capitalized and subsequently amortized into income, are classified as part of operating expenses under local IFRS standards, but are reported below the underwriting result for UK IFRS.

In measuring performance against the industry and peers in the Canadian market place our results are reported on local Canadian IFRS basis, in line with the industry results.



# EXECUTIVE TEAM



**ROWAN SAUNDERS**  
PRESIDENT & CEO



**SHAWN DESANTIS**  
EXECUTIVE VICE  
PRESIDENT, RSA  
INSURANCE



**NICK CREATURA**  
EXECUTIVE VICE  
PRESIDENT & CFO



**KEN BENNETT**  
PRESIDENT, JOHNSON &  
UNIFUND ASSURANCE  
COMPANY



**IRENE BIANCHI**  
SENIOR VICE PRESIDENT,  
CLAIMS, CORPORATE  
SERVICES & STRATEGIC  
SOURCING



**MARK EDGAR**  
SENIOR VICE PRESIDENT,  
HUMAN RESOURCES



**KEN KEENAN**  
SENIOR VICE PRESIDENT,  
NORAXIS CAPITAL  
CORPORATION



**STEVE KNOCH**  
SENIOR VICE PRESIDENT,  
IT & eBUSINESS



**KELLY MARTIN**  
CHIEF AUDITOR



**COLIN SHORT**  
SENIOR VICE PRESIDENT,  
RISK & UNDERWRITING



**MIKE WALLACE**  
SENIOR VICE PRESIDENT,  
REINSURANCE &  
PERSONAL SPECIALTY  
INSURANCE

### **ROWAN SAUNDERS**

#### **PRESIDENT & CEO**

Rowan was appointed to the position of President & CEO of RSA Canada in September 2003. He is a member of the Canadian Board of Directors and in January 2012 joined the Group Executive team. Since joining RSA in 1987, Rowan has held progressive leadership positions in the areas of Underwriting, Marketing, Sales and Finance. He is Past Chair of the Board of Directors of the Insurance Bureau of Canada (IBC).

### **SHAWN DESANTIS**

#### **EXECUTIVE VICE PRESIDENT, RSA INSURANCE**

Shawn was appointed Executive Vice President, RSA Insurance in July 2007. Since rejoining RSA in 2004, Shawn has held progressive executive positions in the areas of Personal Insurance, Commercial Insurance and Distribution. Shawn has more than 20 years experience in senior leadership roles within the P&C insurance industry. Shawn currently represents the Canadian business on the Global Specialty Lines board for the RSA Group.

### **NICK CREATURA**

#### **EXECUTIVE VICE PRESIDENT & CFO**

Appointed Chief Financial Officer in June 2007 and a member of the Canadian Board of Directors, Nick has 22 years of P&C finance and operational experience both in Canada and abroad. He sits on the Board of Governors of St. Thomas of Villanova College Foundation. Nick holds a Bachelor of Commerce degree from the University of Toronto and a Canadian Chartered Professional Accountant designation.

### **KEN BENNETT**

#### **PRESIDENT, JOHNSON & UNIFUND ASSURANCE COMPANY**

Ken was appointed as President and Director of The Johnson Corporation and Unifund Assurance Company Boards in 2007. Ken has extensive experience working in the Canadian insurance industry and has been with Johnson for the past 20 years. Prior roles at Johnson include Chief Operating Officer; Vice President, Growth Initiatives; Vice President, Home-Auto Operations for Western Canada; and Vice President and Corporate Controller.

### **IRENE BIANCHI**

#### **SENIOR VICE PRESIDENT, CLAIMS, CORPORATE SERVICES & STRATEGIC SOURCING**

Irene was appointed as Vice President, Claims in 2002, took on the additional responsibility of Corporate Services and Strategic Sourcing in 2006, and as of January 2012, leads our Claims operations across RSA and Johnson. Since joining RSA in 1993, Irene has held various positions including National Litigation Counsel; Leader, Major Case Unit; and Chief Litigation Counsel. She is a member of the Law Society of Upper Canada, the Canadian Bar Association and the Defence Research Institute.

### **MARK EDGAR**

#### **SENIOR VICE PRESIDENT, HUMAN RESOURCES**

Mark joined RSA in January 2011 in the role of Vice President, Human Resources with responsibility for HR across all companies within RSA Canada. Mark has held HR executive positions in various sectors including energy and broadcasting, where he was responsible for supporting business units and customer facing teams. Mark holds a BSc (Hons) in Management Sciences from the University of Warwick and is a member of The Chartered Institute of Personnel and Development.



**KEN KEENAN**  
**SENIOR VICE PRESIDENT,**  
**NORAXIS CAPITAL CORPORATION**

Ken has over 25 years experience in the insurance industry in Canada, Ireland and the UK. He currently holds the position of Senior Vice President of Noraxis, an affiliated insurance broker network owned by RSA. The network's focus is mostly commercial insurance and is a top five broker in Canada. Ken previously spent three years as President, CNS Insurance in British Columbia and has held senior positions within RSA and with Zurich in Ireland and the UK.

**STEVE KNOCH**  
**SENIOR VICE PRESIDENT, IT & eBUSINESS**

Steve has spent over 30 years in the financial services industry, working in the life, wealth management, and P&C sectors. Steve has held senior management roles across Operations, IT, Marketing and Product Development and Procurement. Steve sits on the Board of Directors for Centre for Study of Insurance Operations.

**KELLY MARTIN**  
**CHIEF AUDITOR**

Kelly was appointed Chief Auditor in September 2009. Prior to joining RSA, Kelly was Vice President Internal Audit and Chief Risk Officer of the CUMIS Group and has also held executive-level positions within Internal Audit for Alliance Atlantis, Toronto Stock Exchange and Spar Aerospace. Kelly is a Chartered Accountant and a member of the Institute of Internal Auditors.

**COLIN SHORT**  
**SENIOR VICE PRESIDENT,**  
**RISK & UNDERWRITING**

Colin was appointed Senior Vice President, Risk & Underwriting in 2011. He joined RSA Canada from RSA International where he was Underwriting, Claims and Risk Director. Prior to this he was Underwriting Director of the UK Commercial business from 2000 to 2005. Colin joined Royal Insurance in Liverpool in 1980 as a graduate trainee in Marine Insurance and has held a succession of jobs in Marine Underwriting, Claims and General Management.

**MIKE WALLACE**  
**SENIOR VICE PRESIDENT, REINSURANCE**  
**& PERSONAL SPECIALTY INSURANCE**

Mike joined RSA in January 2006 and has held progressively senior roles, most recently as Vice President of Risk, Underwriting & Reinsurance, before being appointed to his current role in March 2011. Mike has 20 years of insurance experience and has held executive positions in Actuarial and Risk in Canada and Mexico. Mike recently was a Director for the Facility Association and is Vice Chair of the advisory committee for the Institute for Catastrophic Loss Reduction.

**Disclaimer:** This document may contain 'forward-looking statements' with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "aim", "outlook", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Group's control, including amongst other things, UK and Canadian domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, currency changes, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation or regulations in the jurisdictions in which the Group and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the Group's forward-looking statements. Forward-looking statements in this document are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this document should be construed as a profit forecast.