

Intact Financial Corporation to sell AXA Canada's Life Insurance Business to SSQ Financial Group

TORONTO, Sept. 26, 2011 /CNW/ - Intact Financial Corporation (TSX: IFC) today announced that it has entered into a definitive share purchase agreement to sell AXA Canada's life insurance business ("AXA Life Insurance") to SSQ, Life Insurance Company Inc. with the financial support of its majority shareholder, the Fonds de solidarité FTQ, for \$300 million. The transaction is conditional on the receipt of regulatory approvals and is expected to close in early 2012.

AXA Life Insurance, a subsidiary of AXA Canada, was acquired by Intact Financial Corporation as part of the \$2.6 billion acquisition of AXA Canada. AXA Life Insurance, which has approximately 250 employees, offers health and life insurance products through a vast network of agents. In 2010, AXA Life Insurance premiums amounted to \$169 million.

"Given our focus on home, auto and business insurance, it was important for us to identify a prospective acquirer that would pursue with success the activities of AXA Life Insurance and offer the best value proposition to its employees, distribution partners and customers," said Charles Brindamour, Chief Executive Officer of Intact Financial Corporation. "We have found in SSQ Financial Group a strong operator and are confident that the transaction will be most beneficial to all AXA Life Insurance stakeholders."

IFC intends to use the proceeds from this transaction to repay the term loan facility used to partially finance the acquisition of AXA Canada. As a result, the debt to total capital ratio of IFC is expected to be back in line with its target of 20% once the transaction closes.

Scotia Capital and Blake, Cassels & Graydon LLP acted as advisors to IFC.

About SSQ Financial Group

With over \$2 billion in annual revenue and more than \$7 billion in assets under management, SSQ Financial Group is a leading mutual diversified financial institution. The Group serves over 1 million customers and provides jobs to over 1,600 employees. SSQ, Life Insurance Company Inc.—SSQ Financial Group's flagship company—has gained distinction as a group insurance leader and is noted for its vitality and expertise in the area of investment and retirement. SSQ Financial Group has also gained distinction for sustained growth in the general insurance sector (SSQ, General Insurance Company Inc.). For more information, visit www.ssq.ca

About Intact Financial Corporation

Intact Financial Corporation (www.intactfc.com) is the largest provider of property and casualty insurance in Canada. Intact offers home, auto and business insurance through Intact Insurance, Novex Group Insurance, belairdirect, GP Car and Home and BrokerLink.

Forward-Looking Statements

Certain of the statements included in this press release about IFC's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by management in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Many factors could cause IFC's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, synergies arising from and IFC's integration plans relating to the acquisition of AXA Canada (the "Acquisition") and various other actions to be taken or requirements to be met in connection with integrating IFC and AXA Canada after completion of the Acquisition; the volatility of the stock market; IFC's ability to maintain its financial strength ratings; IFC's ability to alleviate risk through reinsurance; IFC's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers); the terms and conditions of, and regulatory approvals relating to, the sale of AXA Life Insurance to SSQ Financial Group (the "Sale") and various other actions to be taken or requirements to be met in connection with the Sale and its completion; terrorist attacks and ensuing events; the occurrence of catastrophic events; management's estimates and expectations in relation to resulting accretion, internal rate of return and debt to capital position at closing of the Acquisition, closing of the Sale and thereafter, as applicable; IFC's ability to execute its business strategy; unfavourable capital market developments or other factors which may affect IFC's investments and funding obligations under its pension plans; and litigation and regulatory actions. Other factors include those discussed in IFC's most recently filed Annual Information Form and annual Management's Discussion & Analysis (MD&A). Please read the cautionary note at the end of the MD&A.

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