

Intact Financial Corporation completes acquisition of Canadian Direct Insurance Inc.

TORONTO, May 1, 2015 /CNW/ - Intact Financial Corporation (TSX: IFC) announced today that it has completed its acquisition of Canadian Direct Insurance Inc. ("CDI" or "Canadian Direct"), thereby extending its direct-to-consumer operations from coast to coast.

In Alberta, the Canadian Direct operations will be integrated with belairdirect, IFC's existing direct-to-consumer brand. In British Columbia, the Canadian Direct brand will be maintained and will continue to offer its products directly to customers.

"The completion of this transaction represents a great opportunity to grow our direct operations while improving our ability to respond to the evolving needs of our customers," said Louis Gagnon, President Service & Distribution. "The benefits of combining this experienced local team and their track record of strong underwriting performance in Western Canada with the dynamic team at belairdirect will help the organization achieve its goals of growth and innovation," added Gagnon.

For the past three months, belairdirect has been reviewing CDI's administrative practices, processes and systems in order to develop an action plan for the orderly and efficient integration of CDI. With this integration planning nearly complete, IFC anticipates a smooth transition and expects to benefit from the transaction as the formal integration begins.

The acquisition has been financed by IFC exclusively with excess capital. Annual synergies amounting to \$10 million after tax are expected from a combination of reinsurance cost reductions, systems-related cost savings and claims efficiencies. IFC expects to maintain its strong capital position on closing with an estimated MCT above 200%.

About Canadian Direct Insurance

Founded in 1996, Canadian Direct Insurance is a property and casualty insurance company that provides personal insurance solutions throughout British Columbia and Alberta. Its pioneering telephone and internet distribution model was the first of its kind in BC – enabling it to pass on cost-savings, and giving it the ability to provide sales, service and claims functions direct to customers. As a provider of home, automotive and travel insurance, CDI is committed to providing competitively priced products and a fair and timely response to claims.

About belairdirect

belairdirect has been providing complete car and home insurance solutions to Canadians for 60 years and was the first property and casualty insurer in North America to sell insurance products online. Today, belairdirect customers have 24/7 access to enhanced online tools. Extended contact centre hours mean customers can also speak to knowledgeable licensed insurance agents by telephone.

About Intact Financial Corporation

Intact Financial Corporation (www.intactfc.com) is the largest provider of property and casualty insurance in Canada with \$7.3 billion in premiums. With over 11,000 employees, the company insures more than five million individuals and businesses through its insurance subsidiaries and is the largest private sector provider of P&C insurance in British Columbia, Alberta, Ontario, Québec and Nova Scotia. The company distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly owned subsidiary, BrokerLink, and directly to consumers through belairdirect.

Forward Looking Statements

Certain statements included in this press release, including without limitation, management's estimates and expectations in relation to annual synergies and MCT, are forward looking statements. The words "will", "expected to" and 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 the terms and conditions of, and regulatory approvals relating to, the proposed acquisition, timing for completion of the proposed acquisition, as well as the factors discussed in IFC's most recently filed Annual Information Form and annual Management's Discussion & Analysis. These factors are not intended to represent a complete list of the factors that could affect IFC. These factors should, however, be considered carefully. All of the forward looking statements included in this press release are qualified by these cautionary statements. Although the forward looking statements are based upon what management believes to be reasonable assumptions, IFC cannot assure investors that actual results will be consistent with these forward looking statements and the reader should not place undue reliance on these assumptions and such forward looking statements. IFC and management have no intention and undertake no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE Intact Financial Corporation

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