



2019 Annual Report



New
name

New
image

Same
values

Same
mutual

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UV Insurance is a member of Assuris. Assuris is the not for profit organization that protects Canadian policyholders if their life insurance company fails. Details about Assuris' protection are available at www.assuris.ca or by calling the Assuris Information Centre at 1-866-878-1225.

Our mission

A team dedicated to delivering innovative experience and solutions that promote financial and overall health.

“Insure” peace of mind

Our vision

A high-tech, high-performance mutual company recognized for its quality products and its experts who deliver outstanding, personal based service.

Our values, our strengths

Focus

Our passion and commitment drive us, collectively, to exceed and succeed. This notion of excellence nurtures our sense of belonging to our team and makes us all extremely proud of our mutual company.

Open-mindedness

We listen and are willing to think outside the box. We are a dynamic team that encourages consultation and initiative, with a focus on constantly acting in the best interests of our insureds and partners.

Respect

We deliver high-quality customer service driven by empathy and utmost respect. Respect also consists in applying the highest standards of ethical conduct in the performance of our duties.

Competence

Our team is talented, professional and highly skilled. Our professionalism and expertise ensure we deliver service with excellence.

Engagement

We are committed to providing tangible support to community action and we are determined to contribute to the social, cultural and economic development of our community. Engagement also consists in promoting the causes that are dear to our mutualists.

Solidarity

We are individuals who are concerned about each other's well-being. We are committed to working together in an effort to optimize our effectiveness and service. We all have our place and importance within our team.

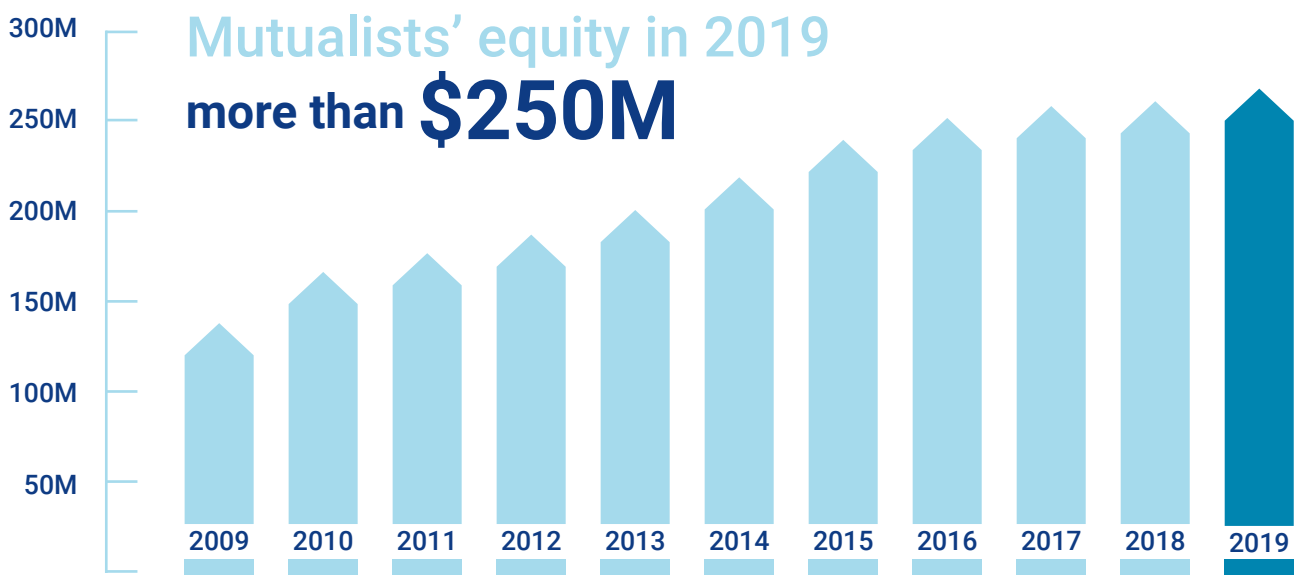


| Highlights in Numbers

\$4.5M
net income

+200%
solvency ratio

More than
\$125M
paid benefits



more than
150,000
mutualists

almost
250,000
insureds

130 years

of commitment, expertise and
success propelling us to new heights.

Thank you
for following us!



130 years of history and still growing



A new logo with modern accents

The new logo maintains links with the past including the use of the colour blue and the letters U and V. The solid upright typeface is reminiscent of the company's financial and structural strength. The arrangement of the shapes and colours highlights the company's business evolution and its technological shift.

The triangles symbolize stability and success, while their interlocking evokes the closeness of the relationship between UV Insurance, its partners and its mutualists.

New
name

New
image

Same
values

Same
mutual



Founding of L'Association de secours mutuelle L'Union Saint-Joseph by **François-Xavier-Édouard Demers**.

1889

1971

The company reaches new heights with **\$100M** in in-force **premiums**.

1957

1989



L'Union Saint-Joseph changes its name to **Union Life**.
Start of a major expansion.

Celebration of **100th anniversary**.



Union Life changed its visual identity and its brand to **UL Mutual**.

2010

2020

Move to **new company head office** scheduled for the summer of 2020.

2019



Change of identity to UV Insurance to support the company's development across Canada.

| Board of Directors



Richard Fortier
IAS.A, FSA, FCIA, CFA
Chairman of the Board



Marc Boisselle
LL. B.
First Vice-Chair of the Board
Chair, Ethics and Governance Committee



Louise Turgeon
CPA, CA, ASC
Second Vice-Chair of the Board
Chair, Audit and Risk Management Committee



Gérard Guilbault
CFA, ASC
Director
Chair, Investment Committee



Alain Bédard
IAS.A, FSA, FCIA
Director
Member, Investment Committee



Paule-Anne Morin
Adm.A., CMC, ASC, C.Dir
Director
Member, Audit and Risk Management Committee



Jean Vaillancourt
FCAS, FCIA, ASC
Director
Member, Audit and Risk Management Committee



Jacques Bégin
Engineer
Director
Member, Ethics and Governance Committee
Member, Investment Committee



Brigitte Bourdages
CRHA
Director
Member, Ethics and Governance Committee



Message from the Chairman of the Board

Richard Fortier

The end of 2019 was a momentous occasion for our mutual company, which celebrated its 130th anniversary by launching a new visual brand identity. I am very proud of this redesign, as it heralds the arrival of the UV Insurance brand. It also evokes the stability and expertise that we have built over the years. At the same time, we are turning the page of a new year characterized by boldness, during which several major initiatives have been implemented, while others are being deployed.

I present a positive report on this landmark year, despite the fall in interest rates that affected the returns on our investments. We are evolving in an increasingly complex and competitive environment and a changing market, while the global economic cycle persists. We need to remain agile and offer innovative solutions to meet the needs of our distribution network, which remains our main gateway to new mutualists.

Strategic Planning

In accordance with our strategic plan, a lot of efforts were put into the modernization of technology platforms in both individual and group insurance. The first phase of the development of our new individual insurance technology platforms will be completed in the spring of 2020. The replacement of the old group insurance platform is proceeding on schedule. The major redesign of these two environments will simplify internal management and facilitate the work of advisors and plan administrators, while offering insureds a highly secure access to their data.

The issue of security remains one of our priorities, and we have dedicated both time and money in 2019 to ensure data security for all our stakeholders. We have implemented the best practices in cybersecurity and have also improved security at our physical facilities. We will continue to work tirelessly to improve our processes to prevent security threats and protect the confidential information with which we have been entrusted.

The Board of Directors and the employees are fully committed to the major shift taken by the company. We all work together to ensure the success of our projects. There is also a lot of excitement about the new five-floor head office that is currently under construction along Highway 20 in Drummondville. Work is progressing very well, and is on schedule and on budget. The project has generated a great deal of interest in Drummondville and across our network. We are very enthusiastic about this new building and we are eagerly looking forward to the inauguration.

Board of Directors

I'm pleased to inform you that Mrs. Brigitte Bourdages, Director General of the Cégep de Drummondville, joined the Board in 2019. I truly feel that the expertise brought to the table by Mrs. Bourdages, who has been involved in many initiatives in the Centre-du-Québec region, will be very valuable.

Over the past year, the Board has sought to update our various programs, including the orientation program for directors, and the integrated risk management program for which we held two working sessions. Our committees have worked closely with senior management, with the result that the Board has been able to better understand the major issues of our mutual company. We also had a very efficient strategic meeting with senior management. The on-going exchange of information and expertise between senior management and the Board has significantly enhanced our projects in past and recent months, while still allowing the Board to play its oversight role more effectively.

With the help of experts, we also continued our training and planning for the implementation of the new IFRS 17 accounting standard, scheduled for 2022. Last September, we had positive exchanges during a visit with l'Autorité des marchés financiers (AMF) with regard to regulations, which enhanced our desire to have closer links with regulatory entities. We will closely monitor the implementation of the action plans proposed to the AMF during their last visit so as to better serve and protect our customers.

In closing, I want to extend sincere thanks to my colleagues on the Board who work with passion and determination to ensure our progress. I would like to take this opportunity to acknowledge Mr. Léonard Caya, whose mandate as director ended in 2019, and who has made a significant contribution to the success of our projects.

Finally, I would like to highlight the excellent contribution of our President and CEO, Mr. Christian Mercier, whose people-oriented leadership has had a positive influence throughout the entire organization. I would also like to congratulate senior management and all the employees who contribute daily to making our projects truly successful.

A special thanks to our partners, customers and mutualists for their trust over the last 130 years.



Richard Fortier, IAS.A, FSA, FCIA, CFA
Chairman of the Board



Message from the Chief Executive Officer

Christian Mercier

What has impressed me most over the past year has been the extraordinary commitment of our 190 employees to the company's new digital and organizational shift. I am very grateful for their sustained efforts in bringing to fruition many key projects for our mutual. As a team, we have demonstrated our ease with manoeuvring in a challenging environment that is evolving at incredible speed. We have strengthened our presence in the insurance industry by increasing our involvement on various committees.

We have also demonstrated a lot of leadership by launching new initiatives such as the Cybersecurity Forum in the insurance industry, the first of which was held last October and attracted a number of industry stakeholders. Security continues to be a priority for us in every projects implementation and in our daily activities, as we seek to mitigate risk and protect the data of our partners and mutualists.

In 2019, we listened to our network more than ever and were quick to consult it when assessing our initiatives as we seek to meet the ever-changing needs of our partners and customers. In this highly competitive financial services sector, our small size is definitely our main competitive advantage, which allows us to be agile in our decision-making and quick in implementing new initiatives.

We have continued to develop our strategic plan, using a simplified, redesigned format that facilitates continuous monitoring. This plan allows us to make quick adjustments based on market movements and drives all our decisions. As planned, 2019 was marked by the start of the construction project for our new head office, and by the implementation of a range of technology transformation initiatives that will support major growth in the coming years. From 2020 onward, we will be able to experience the positive effects of our various projects that will facilitate business development and profitability.

The new IFRS 17 standard that will shortly come into force will require greater synergy between actuaries and accountants. We thought it an ideal time to merge the Actuarial and Finances departments. This re-organization coincides with the departure of Mr. Carl Têtu, who headed the finance department for the past 25 years. I would like to thank him sincerely for his excellent contribution and, on behalf of the entire team, to reiterate my best wishes for a wonderful retirement.

2019 ended with a major transaction confirming the sale of our mortgage portfolio. This initiative is part of our strategy to improve the performance of our long-term investments. I would like to take this opportunity to acknowledge the support of Mr. François Arcand, who did a magnificent job with mortgage-related transactions for more than 25 years.

We have continued our efforts with regard to risk management by reviewing our programs to align them with the best practices in the industry. We held workshops to involve managers so that everyone is fully committed to the company's success with the same degree of rigor.

Despite the fall in interest rates, which affected our performance, our balance sheet continues to show growth in assets that are of excellent quality. This year, the actuarial liabilities have been reinforced to account for the changes expected with the IFRS 17 standard. This change will also support our substantial efforts in individual insurance growth, which caused a decrease in our net profit when compared with the previous year. Nevertheless, mutualists' equity exceeded the \$250M mark, thereby keeping our solvency ratio above 200%, which is always one of the best in the industry. These results clearly show the efforts made to achieve all of our goals and confirm that we have both the tools and the capacity to grow and ensure a bright future for UV Insurance.

For our 130th anniversary, which we celebrated at the end of the year, we modernized our image and UL Mutual became UV Insurance. Contemporary and forward-looking, this new image positions people at the heart of all our actions and highlights deep human and personal commitment, values shared by all our employees and managers. This change, along with other achievements, has really energized and mobilized the team more than ever.

I am very grateful to be able to count on the support of an experienced Board of Directors whose members perform their oversight role constructively and positively. We really appreciate the way in which they share their knowledge and sound advice. I would like to thank our mutualists, our distribution network and our dear partners whose loyalty drives us everyday to undertake our projects with energy and passion. I would like to acknowledge the management team, who will take over from here in the next pages, and the whole team at UV Insurance which has continued to grow.

Together, we are strengthening the foundation of a bright future for UV Insurance.



Christian Mercier, OMM, MSM, CD, MDS
Chief Executive Officer

Management Team



Christian Mercier
OMM, MSM, CD, MDS
Chief Executive Officer



Sylvain Paré
ASA, ACIA
Senior Vice-President
Group Insurance



Jean-Mathieu Sigouin
BA
Senior Vice-President
Technology & Innovation



Steeve Desbiens
CPA, CMA
Vice-President, Accounting
Actuarial and Finance



François Girard
ASA
Vice-President, Business
Development and Marketing
Group Insurance



Luc Pellerin
FSA, FCIA
Senior Vice-President &
Appointed Actuary
Actuarial and Finance



Julie Michaud
ASA, ACIA, M.A.P.
Senior Vice-President
Individual Insurance and
Investment & Retirement



Éric Gemme
Vice-President
Technology & Innovation



Guillaume Fautoux
Vice-President, Business
Development and Marketing
Individual Insurance and
Investment & Retirement



Maryse Galarneau
CRHA
Director,
Human Resources

Group Insurance

Our group insurance sales have grown steadily over the years and 2019 was no exception. We have a reliable team that prioritizes customer service. We merged the Business Development and Administration departments at the end of last year to improve efficiency, and we promoted some managers to strengthen our structure.

I am very proud of my team and its commitment to UV Insurance's key projects.

Sylvain Paré, Senior Vice-President
Group Insurance

Sales

Group insurance sales were very successful, exceeding targets by almost 50%. The range of products is very popular in the market, as is the people-centred and solution-oriented approach used by customer service employees.

Team

All the departments were very busy and worked even harder to support this major increase in sales.

The teams have worked on several projects, including a partnership with Telus Health and the modernization of secure portals in collaboration with Magik-Net, a UV Insurance subsidiary. Work has been progressing well and will continue in 2020.

With the merging of the two departments, François Girard now assumes the role of Vice-President, Business Development and Administration, and recruited Erik Comm, a new group insurance advisor, in 2019.

An internal reorganization of the claims team led to the following three nominations:

- ▶ Marie-France Noël, Senior Director, Claims
- ▶ Annie Bouthillette, Director, Disability Claims
- ▶ Geneviève Bourgeois, Director, Health/Dental Claims

Outlook for 2020

The implementation of a tech solution with TELUS Health to facilitate complementary health care management and electronic claims management will be rolled out in 2020.

Individual Insurance and Investment & Retirement

In an effort to better meet the needs of our customers and increase efficiency, we improved the structure of our business line in 2019. Our sales and new business teams, more experienced than ever, are ready to break into the Canadian market, thanks to their expertise and the imminent deployment of innovative tools in which we have put a lot of efforts.

I am very pleased to be able to rely on a motivated team that is dedicated to the success of our projects.

Julie Michaud, Senior Vice-President
Individual Insurance and Investment & Retirement

Sales

The start of the year was marked by a significant increase in sales of our Adaptable life insurance product, which allowed us to exceed individual insurance sales targets. We were also able to exceed targets in Investment & Retirement, with a successful RRSP campaign. The new Credit Insurance rider was added to our product line and was well received in the market.

Team

In 2019, we revised the structure of the Business Development team with the arrival of Guillaume Fauteux, Vice-President, Business Development and Marketing. He then hired Simon Gélinas, a new Director, Business Development, and two internal representatives to support the sales force. We also embarked on a number of initiatives to increase the presence of UV Insurance in industry events and across the Canadian market.

In terms of new business, Martine Charron has been named Senior Director of the department, while Annie Collin is now Director, Underwriting. Pascale Di Stasio also joined their ranks as Director, New Business and Special Projects.

Outlook for 2020

The new individual insurance technology platform will be rolled out in the spring of 2020. The solution, which will be integrated into a back-office system for internal administration, will comprise four components:

- ▶ An online illustration software accessible to everyone.
- ▶ A complete, simple, fast and secure electronic application.
- ▶ A powerful portal equipped with a complete dashboard for both advisors and general agents.
- ▶ A customer portal providing all the necessary information.

Over the coming months, we will implement these four tools, which will enhance the experience of advisors, general agents and customers in the process of issuing a life insurance contract. This new platform will undoubtedly continue to create new opportunities and to break into new markets.



| Technology & Innovation

With a strong focus on the technological shift, my teams worked tirelessly in 2019 to create a new, strong brand image and to modernize our digital platforms. Soon to be deployed, these platforms support the vision of the future that we have for our mutual. We have been proactive in terms of cybersecurity, forming a committee comprising several industry stakeholders, inviting experts to speak at a forum on the issue, and implementing a range of internal initiatives.

I am particularly proud of our achievements and very excited about the launches scheduled for 2020.

Jean-Mathieu Sigouin, Senior Vice-President
Technology & Innovation

New Individual Insurance Technology Platform

A large part of the IT team has spent the last two years working on this major business project in collaboration with several departments and external providers. The project will be rolled out in 2020. The technical issues were successfully resolved thanks to the expertise of our highly qualified resources and partners. During this time, the team responsible for the legacy systems maintained an excellent level of service to ensure business continuity.

Brand Image

Under the leadership of Marilyn Baril, newly appointed director, the communications team developed the new UV Insurance brand image. It was unveiled to the public at the Life Insurance Convention in November 2019. All documents and promotional material have been or are being refreshed, and a redesigned, modern and intuitive website has been launched.

Cybersecurity

Cybersecurity was an important issue in 2019 for the entire business community, and UV Insurance took great strides to strengthen the protection of confidential data. Well-known cybersecurity expert Dominic Villeneuve was hired as Director, Cybersecurity and Infrastructure. He and his team provided training for employees and launched new phishing campaigns.

Outlook for 2020

- ▶ The relocation of the company head office, scheduled for 2020, will mobilize the infrastructure team, which is responsible for ensuring the migration of technology tools and systems.
- ▶ Security will continue to be of major importance and new awareness campaigns will be conducted.
- ▶ The phased approach deployment of the new brand image will be completed during the year and the website will be enhanced.

| Human Resources

More than 190 employees are now part of the UV Insurance family. Each employee enjoys flexible and favourable working conditions, whether telecommuting, at the head office in Drummondville or at the satellite office in Boucherville. In collaboration with the social club, we have introduced several initiatives that aim to promote health and well-being in a pleasant workplace environment.

Maryse Galarneau, Director
Human Resources

Labour

Contrary to current market statistics, the labour shortage did not affect the company, and all positions opened in 2019 were filled. UV Insurance has a very low turnover rate.

New Initiatives

In an effort to improve its practices and to provide a healthy working environment, the human resources department embarked on several initiatives, including:

- ▶ A succession plan to prepare internal talent to assume key positions in the organization.
- ▶ Improvements in the performance evaluation process to make it simple, efficient and better adapted to current realities, facilitating communication and exchanges.
- ▶ A Health, Safety and Wellness Committee was put together in order to implement new practices which will lead to a comfortable, secure and healthy lifestyle-oriented workplace environment.
- ▶ The Human Resources Department has been very involved in the relocation of the head office, and created two committees that give employees a voice; the planning committee for the selection of design and furnishings, and the relocation planning committee, responsible for planning the major aspects of the relocation to the new building.



Outlook for 2020

In 2020, we will pursue our initiatives related to health and wellness in the workplace. The new head office will be equipped with a gym, a lecture room, a small walking trail and large meeting spaces.

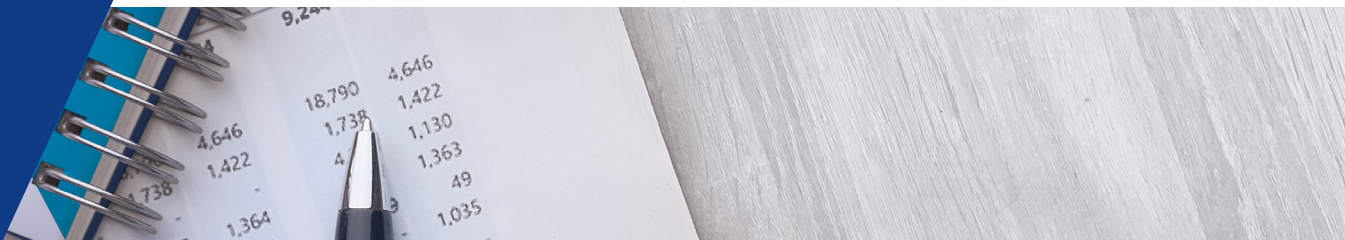
We will review the onboarding process for new employees to ensure that their integration is based on the company's values and to demonstrate a major culture shift. We will also implement a mentoring program to facilitate the integration of new talent and foster trust between long-time staff and newcomers.

The job description of all positions will be updated during the coming year to maintain pay equity.

| Actuarial and Finances

2019 was marked by the merger of the Actuarial and Finances teams to combine efforts for the implementation of the new IFRS 17 standard. I have committed to coordinate this wonderful team of professionals who have the company's financial well-being at heart. During this period of growth and investment that we are experiencing, we are, to some extent, the guardians of our excellent solvency ratio and are responsible for ensuring the longevity of UV Insurance.

Luc Pellerin, Senior Vice-President and Appointed Actuary
Actuarial and Finances



Development

Jean-René Vaillant, the director of this department, was heavily involved in the implementation of the technology platforms scheduled for 2020, which also required us to reprice all our individual insurance products.

Valuation and Solvency

The Investment Management Program was updated in 2019 to support the company's growth and to offset the effect of low interest rates on the results. The calculation of the actuarial liabilities under the leadership of Sophie Lachance, its director, takes major investments into account, which has a short-term impact on the net profit.

Accounting

In addition to his duties in his new role as Company Treasurer, Steve Desbiens, Vice-President, Accounting, is heading a review of the accounting procedures to simplify our operations, in addition to playing an increased advisory role. These improvements will allow everyone to be more efficient on a daily basis.

Compliance

Following its last triennial visit, the AMF presented a favorable report on UV Insurance. Under the leadership of Eric Timmons, the newly appointed Senior Director and Chief Compliance Officer, who is also the Company Secretary, the management team has initiated an action plan to address the recommendations made by the AMF.

Risk Management

The Integrated Risk Management Program was completely revised. This update has allowed Anthony Paquin, the newly appointed Chief Risk Officer, to raise managers, directors and Board members' awareness of the risks that the company faces and the measures put in place to mitigate those risks.

Outlook for 2020

We will continue to work on the analysis and preparation for the adoption of the new IFRS 17 standard. The various programs underlying the AMF's guidelines will be revised to streamline their reports to the various committees of the Board of Directors. The Investment committee will continue its work aimed at diversifying investments to offset the effects of low interest rates and support the growth of UV Insurance.

| Management Report

The preparation of the consolidated financial statements is the responsibility of management, and they have been approved by the Board of Directors. The summary consolidated financial statements are derived from those prepared in accordance with International Financial Reporting Standards (IFRS). They include certain amounts based on best estimates and judgments that are appropriate to the Company's circumstances.

Internal control systems are in place to ensure the accuracy of financial information and control of operations.

In accordance with the provisions of the Quebec Insurers Act, the Board of Directors names the appointed actuary, who is responsible for valuing actuarial liabilities in accordance with the standards of practice of the Canadian Institute of Actuaries.

The independent auditor, appointed by the mutualists of the Company, ensures that the consolidated financial statements have been prepared in accordance with IFRS.

The Board of Directors' audit and risk management committee, composed of independent directors, ensures that management discharges its responsibility for financial disclosure. This committee is fully empowered to obtain from management any information required to form its opinion.

Christian Mercier, OMM, MSM, CD, MDS
Chief Executive Officer

February 27, 2020

Appointed Actuary's Report

To the Mutualists of UV Insurance

I have valued the policy liabilities and reinsurance recoverables of UV Insurance for its consolidated statement of financial position at December 31, 2019, and their changes in the consolidated statement income for the year then ended in accordance with accepted actuarial practice in Canada, including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations and the consolidated financial statements fairly present the results of the valuation.

The valuation complied with the Quebec Insurers Act and the related regulations.



Luc Pellerin, FSA, FCIA
Senior Vice-President & Appointed Actuary

February 27, 2020

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Mutualists of UV Insurance

Our opinion

In our opinion, the accompanying summary consolidated financial statements of UV Insurance and its subsidiaries (the "Company") are a fair summary of the audited consolidated financial statements, on the basis described in note 1 to the summary consolidated financial statements.

The summary consolidated financial statements

The Company's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2019, comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2019;
- ▶ the summary consolidated statement of net income for the year then ended;
- ▶ the summary consolidated statement of comprehensive income for the year then ended; and
- ▶ the related note.

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 27, 2020.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers s.r.l./s.e.n.c.r.l.¹

February 27, 2020, Québec City, Québec

¹ CPA Auditor, CA, Public Accountancy Permit No. A124423

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants,
Place de la Cité, Tour Cominar, 2640 Laurier Blvd., Suite 1700, Québec City, Québec, Canada G1V 5C2

|Summary Consolidated Financial Statements

Summary Consolidated Statement of Financial Position

As at December 31, 2019 (in thousands of Canadian dollars)

Assets

Invested assets

Bonds
Mortgage loans
Stocks
Derivative financial instruments
Money market securities
Policy loans

Segregated fund assets

Other assets

Cash
Accrued investment income
Accounts receivable and others
Current tax asset
Prepaid expenses
Property and equipment
Depreciable intangible assets
Deferred tax assets
Goodwill
Reinsurance assets

Liabilities

Insurance liabilities

Actuarial liabilities
Amount on deposit
Benefits payable
Unearned premiums and other contractual liabilities
Segregated fund liabilities

Other liabilities

Accounts payable and others
Defined benefit liabilities
Lease obligations
Deferred tax liabilities


Mutualists' equity

Retained earnings

Accumulated other comprehensive income

Approved by the Board,


Richard Fortier, Director


Louise Turgeon, Director

2019	2018
\$	\$
1,491,334	1,278,444
9,920	191,930
148,307	79,671
3,917	4,039
51,509	—
8,560	7,832
1,713,547	1,561,916
22,466	25,683
2,010	2,553
7,073	6,291
13,169	8,195
3,744	608
4,374	4,060
16,018	6,344
14,530	9,920
3,103	4,540
488	488
667,814	598,075
732,323	641,074
2,468,336	2,228,673
2,144,591	1,915,060
6,329	7,156
14,054	10,462
430	574
22,466	25,683
2,187,870	1,958,935
12,408	11,335
13,669	9,919
1,345	—
463	538
27,885	21,792
2,215,755	1,980,727
251,505	249,120
1,076	(1,174)
252,581	247,946
2,468,336	2,228,673

Summary Consolidated Statement of Net Income

For the year ended December 31, 2019 (in thousands of Canadian dollars)

Revenues

Gross insurance and annuity premiums
Ceded premiums, reinsurance
Net insurance and annuity premiums
Interest and other investment income
Change in fair value of investments
Investment income
Other

Expenses

Gross benefits to policyholders and beneficiaries
Ceded benefits, reinsurance
Net benefits to policyholders and beneficiaries
Gross commissions
Ceded commissions, reinsurance
Net commissions
Change in actuarial liabilities
Change in reinsurance assets
Premium and investment income taxes
General expenses
Participating policyholders' dividends

Income before income taxes

Income taxes

Net income

Summary Consolidated Statement of Comprehensive Income

For the year ended December 31, 2019 (in thousands of Canadian dollars)

Net income

Other comprehensive income

Items that may be reclassified subsequently to net income

Change in unrealized gains (losses) on available-for-sale securities, after \$1,325 in taxes ((\$1,008) in 2018)
Reclassification of gains to income, after (\$510) in taxes ((\$223) in 2018)

Items that will not be reclassified subsequently to net income

Actuarial gains (losses), after (\$751) in taxes (\$464 in 2018)

Comprehensive income

NOTE

1 – Criteria for preparing summary consolidated financial statements

UV Insurance (the "Company") prepared consolidated financial statements as at December 31, 2019, in compliance with International Financial Reporting Standards (IFRS). The Company's Board of Directors authorized publication of the consolidated financial statements on February 27, 2020.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2019. The summary consolidated financial statements are prepared pursuant to the following criteria:

- The consolidated statements of financial position, net income and comprehensive income are prepared using the same headings as the consolidated financial statements;
- The consolidated statements of cash flow and changes in mutualists' assets as well as the appended notes are not presented.

A copy of the consolidated financial statements can be obtained by contacting the Company's head office.

2019	2018
\$	\$
159,753	144,846
(35,067)	(34,576)
124,686	110,270
40,723	32,756
146,106	(19,343)
186,829	13,413
1,888	1,143
313,403	124,826
125,483	102,910
(30,149)	(22,316)
95,334	80,594
21,550	15,276
(3,142)	(3,504)
18,408	11,772
229,531	(7,365)
(69,739)	(1,378)
5,525	5,033
29,015	26,486
53	32
194,385	22,808
308,127	115,174
5,276	9,652
818	1,991
4,458	7,661

4,458	7,661
3,657	(2,768)
(1,407)	(613)
(2,073)	1,277
177	(2,104)
4,635	5,557

| Community Involvement

Main Sponsor

Classique de golf Soucy/UV Mutuelle

Fondation Sainte-Croix/Heriot

This annual golf classic raised \$640,000 that the Fondation will use to carry out major refurbishments at senior homes.



Loto-Maison L'Union-Vie

Fondation de la Tablée populaire

The Loto-Maison, which is always popular, has once again this year given one lucky winner the jackpot that will benefit needy persons supported by La Tablée populaire.



Art Tonik

Fondation du Cégep de Drummondville

A successful first edition of this unique event that connects art and business in unexpected ways. The event raised \$22,000 to assist young people with their college studies.



Mission câlins

Fondation Sainte-Croix/Heriot

UV Insurance contributed in the community by donating robotic plush toys in senior homes. In addition to providing comfort, these plush toys help reduce anxiety and promote socialization.



Cooperation project in Vietnam

SOCODEVI Foundation

In 2019, UV Insurance, a member of SOCODEVI, an international cooperation organization, announced support of \$60,000 for the installation of a juice processing unit in Vietnam. This cooperative project is designed to assist farming families and facilitate the creation of ten new jobs for women.



Our employees also come together for causes that they hold dear!

Relay for Life

Canadian Cancer Society

While Senior Vice-President Jean-Mathieu Sigouin was involved as honorary president, our employees lent a hand in the organization of the Relay for Life 2019 in Drummondville.



United Way

United Way Centre-du-Québec campaign

Once again this year, employees were extremely generous and raised more than \$28,000 to overcome poverty and social isolation in the community.



\$700,000

donated to the community in 2019

More than 50 organizations supported, including:

- ▶ Canadian Cancer Society
- ▶ Canada Company
- ▶ Canadian Red Cross
- ▶ Centre communautaire Sintra Saint-Charles
- ▶ Centre Le Rucher
- ▶ Centre de pédiatrie sociale Les Petits Bonheurs
- ▶ Club Nordique MSA
- ▶ Comptoir alimentaire Drummond
- ▶ Fondation du Cégep de Drummondville
- ▶ Fondation du Centre Normand-Léveillé
- ▶ Fondation de l'UQTR (Drummondville campus)
- ▶ Fondation René-Verrier
- ▶ Jeune Chambre de commerce de Drummondville
- ▶ Mackenzie Health Foundation
- ▶ Quebec and Canada Music Competition
- ▶ Quebec Veterans Foundation
- ▶ Orchestre Symphonique de Drummondville
- ▶ Sinfonia de Lanaudière
- ▶ SOCODEVI Foundation
- ▶ Symposium des arts UV Assurance
- ▶ Village québécois d'Antan
- ▶ Voltigeurs de Drummondville

| Employee Engagement

Here at UV Insurance, engagement is very important. In business, in the community or in the insurance network, employees and management are actively involved in sharing their expertise and making a real difference.

Christian Mercier

Chief Executive Officer

- ▶ Canadian Life and Health Insurance Association (CLHIA)
Member
- ▶ Assuris Industry Advisory Committee
Member
- ▶ Canada Company (Québec)
Member
- ▶ Fondation Sainte-Croix/Heriot
Director
- ▶ Soldiers Helping Soldiers (Montréal)
President

Sylvain Paré

Senior Vice-President
Group Insurance

- ▶ Quebec Drug Insurance Pooling Corporation
Director

Jean-Mathieu Sigouin

Senior Vice-President
Technology & Innovation

- ▶ Village Québécois d'Antan
Chairman of the Board
- ▶ Drummondville Relay for Life
Honorary President 2019–2020

Maryse Galarneau

Director, Human Resources

- ▶ Cégep Saint-Jean-sur-Richelieu
Director
- ▶ Maison des arts Desjardins de Drummondville
Director

Marie-France Noël

Senior Director, Claims

- ▶ José-Maria School
Chair of the Governing Board

Luc Pellerin

Senior Vice-President &
Appointed Actuary

- ▶ Fondation Palmyra
Chairman of the Board
- ▶ SOCODEVI
Director



Marilyn Baril

Director, Communications

- ▶ Fondation du Cégep de Drummondville
Director
- ▶ Village Québécois d'Antan
Director
- ▶ Childcare Centre La Maison de Bécassine
Vice-Chair of the Board

Philippe Morin

Head of Department, Quotes,
Policy Issuance and Renewals

- ▶ Parrainage civique Drummond
Director

Laurence Mathieu

Agent, Call Centre and Administration

- ▶ Le Sentier School
Director of the Governing Board

Katia Dubois

Advisor, Human Resources

- ▶ United Way Centre-du-Québec
Co-Director
- ▶ Major events committee Jeune Chambre de commerce de Drummondville
Member

Construction of a new head office

along Highway 20 in Drummondville



Opening
Summer 2020

uvinsurance.ca | **f • in**

EN-3009 (2020-03)

UV Insurance is a trade name and trademark of
The Union Life Mutual Assurance Company.