



Annual Report 2021



United by
Common Values

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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 should fail.

Details about Assuris' protection are available at www.assuris.ca or by calling the Assuris Information Centre at 1-866-878-1225.

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.

Focus is the first of the six core values that we advocate every day and share with our partners and mutualists. Throughout the various sections of this annual report, you will have the opportunity to discover how each of our values guides our actions and reflects our corporate personality.

Our vision

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

Our mission

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

“Insure” peace of mind.



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 insured members and partners.

Board
of Directors

Message from the Chairman of the Board

Richard Fortier



Staying on Course

We forged on with our activities as planned, despite a global pandemic that showed virtually no signs of letting up in 2021. Amid widespread weariness of this situation beyond our control, we remained steadfast and continued to adapt in order to provide unmatched service, while delivering on several major projects. Through its team's quality, agility and creativity, UV Insurance distinguished and positioned itself admirably in the Canadian insurance market in recent years.

Despite a still difficult economic environment marked by small increases in interest rates and rising inflation, in addition to significant investments in technology, we achieved our budget planning and carried out our strategic plan, as reflected in our financial results as at December 31, 2021. Our solvency ratio remains above 200%, making UV Insurance particularly strong financially.

Looking Back at Five Years as Chairman

My term as Director and Chairman of the UV Insurance Board of Directors ended in 2021. When I took on the role of Chairman just over five years ago, I identified two priorities, namely sustainability and strong governance, to achieve a major transformation of our mutual company and enable it to stand out in a particularly competitive market.

Ensuring the Sustainability of a Century-old Mutual

The appointment of a new CEO, Christian Mercier, by the Board of Directors in 2016 kicked off efforts to ensure the company's sustainability, with many positive changes having resulted from his arrival. With a common vision, we first embarked on a mission to reform the internal culture and implement a total compensation policy to enhance employee retention and attract new talent. These measures paid off, as they led to more than 100 new hires needed to carry out our major transformation.

With innovation becoming our key theme, we focused on renewing our brand in 2019 to solidify our image across the country and better reflect our energy. Meanwhile, we developed two important initiatives to ensure our future growth. First, we committed to pursuing an unprecedented digital transformation that crossed a decisive milestone in December 2021 and will continue to evolve over the coming years.

In five years, we completed the analysis and implementation of several major technology projects to support the electronic management of our documents, including a brand new individual insurance platform launched in 2020, dubbed “My Universe”, which includes both the internal administrative system and the advisor and client user portal. In 2018, we also acquired Magik-Net, a company specializing in group insurance management software. This transaction enabled us to accelerate and streamline the redesign of our group insurance administrative system, with work completed at the end of 2021. And finally, we also took advantage of the implementation of IFRS 17 to completely revamp our financial management by implementing, also in late 2021, a brand new accounting system that facilitates day-to-day transactions. All of these upgrade projects that were necessary to develop new business and provide excellent service were completed in record time through our teams’ determination and the collaboration of our partners and suppliers.

The second major project was selling our place of business in downtown Drummondville and building a brand new modern, high-tech head office. Boasting five storeys and providing increased visibility along Highway 20 in Drummondville, this project was developed with the clear objective of expanding UV Insurance and providing employees with more than just a workplace, but a real living environment. Since the summer of 2020, and in keeping with the public health measures in effect, employees have had access to a user-friendly environment with state-of-the-art offices and equipment, common and relaxation areas, indoor bicycle parking, a gym and a group classroom. This modernization aligns with the company’s major health and wellness shift, another project we initiated to put the well-being of our teams at the heart of our priorities.

Fostering Strong Governance

Our ability to innovate took root in a new strategic planning cycle that was developed in collaboration with my Board colleagues and senior management, enabling rigorous monitoring of all our projects. In this regard, we improved our governance structure over the past few years to fully leverage our directors’ expertise and create value for our mutual through our work.

In line with regulatory guidelines, we instituted a robust governance program by reviewing all of our working documents and processes. For example, we updated our internal policies, introduced a code of ethics and developed an annual work plan to guide our meetings and the operation of our committees. We also built a comprehensive self-assessment process for the Board and its members. As the insurance industry is evolving at incredible speed, a continuing education program was developed for directors to update their skills and to stay on top of inputs that could influence our decisions. We also conducted extremely constructive workshops aimed at implementing a renewed approach to risk management. With the assistance of the Investment Committee, the Board of Directors also led the implementation of a long-term strategy to improve our asset-liability matching, while operationalizing the diversification of our investments to give us the necessary flexibility to support our major investments in recent years.

I am very pleased with the new direction we have taken to optimize our oversight work and I’m confident that the Board of Directors will continue this legacy. After a decade of involvement, I firmly believe that UV Insurance is well positioned today to continue achieving its ambitions with a robust governance culture, a team of dedicated professionals and the best technological tools on the market.

Looking Back at 2021

More recently, the Board paid particular attention to the pressures caused by labour shortages, and I'm happy to report that senior management and all managers have done an outstanding job at not only hiring, but also retaining the existing team.

Despite the ongoing pandemic, whose impact on us has been minor thus far, my Board colleagues and I are very pleased with the work that has been done to carry out the transformation of UV Insurance, and we are optimistic about how activities will continue to unfold. Together with senior management, we have laid the foundation for the new strategic planning that will guide activities in coming years.

In 2021, for the first time ever, our annual general meeting was 100% virtual, a formula that proved successful and allowed more partners and mutualists to participate and exercise their right to vote. On that occasion, a new director was elected, namely Gilles Pepin, a seasoned entrepreneur with a long track record in the business community. He quickly put his expertise to work, particularly in the areas of human resources and operations management.

With the interests of our mutualists being top of mind, we updated a number of programs during the year, in line with Autorité des marchés financiers (AMF) guidelines. We received training in the fight against money laundering as well as the new IFRS 17 accounting standard. The latter was particularly beneficial in view of adequately overseeing the standard's implementation within the company. We have also been trained in cybersecurity and have monitored each meeting in this regard.

Closing Remarks

Having contributed to this great period of UV Insurance's transformation, I leave it to my successor to lead the company into a new era, under the theme of growth, fuelled by its innovations and fully leveraging them. I'm especially proud of our accomplishments and I believe that UV Insurance is in an enviable position to ensure its sustainability and build on its success. I would like to thank each and every member of the Board for their dedication and expertise, which have enabled us to operate in a high-level governance environment, as the AMF was able to attest to during the most recent visit by its representatives last May.

I would be remiss if I did not mention the exceptional contribution of our CEO, Christian Mercier. Without his undisputed leadership, which has proven to be a real lever for the organization's success, we would have been unable to realize all of our achievements. I would also like to congratulate senior management and all those employees whose daily efforts help make our projects successful. My sincerest thanks also go out to our partners, clients and mutualists for their unfailing trust year after year.

As my last full year as Chairman of the UV Insurance Board of Directors comes to an end, I will pass the torch to the next Chairman at the 2022 annual general meeting. I'm truly honoured to have been able to serve the interests of the great UV Insurance community and contribute to the pan-Canadian development of one of Quebec's flagship mutuals. Over the years, I've had the privilege of working with competent leaders and highly qualified directors who carry out their roles with remarkable professionalism. They have my deepest thanks for their contributions.

I relinquish my office with a sense of accomplishment and the pride of leaving mutualists, employees and partners with a healthy and prosperous insurance company.

My best wishes for continued success, and long live UV Insurance!



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

Members of the Board of Directors



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



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



Alain Bédard
IAS. A, FSA, FCIA
Second Vice-Chair of the Board
Member, Audit and Risk Management
Committee and Ethics and Governance
Committee



Marc Boisselle
LL. B.
Director
Chair, Ethics and Governance
Committee



Gérard Guilbault
CFA, ASC
Director
Chair, Investment Committee



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



Gilles Pepin
P.Eng., M.Sc.A
Director
Member, Ethics and Governance Committee



Jean Vaillancourt
FCAS, FCIA, ASC
Director
Member, Investment Committee



Geneviève Verrier
ASC, MBA, DESS
Director
Member, Investment Committee

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.

Senior
Management

Message from the Chief Executive Officer

Christian Mercier



Building Strong Support

Through adversity, we grow stronger and recognize our true allies. I can count on a highly engaged team that has demonstrated impressive agility and unfailing resilience since the onset of the pandemic. As we continue along the path of our major technological transformation, all business units have shown exceptional commitment over the past year towards delivering major projects that have since positioned us ahead of our competitors.

After a winter spent in lockdown mode that eroded morale, a lull occurred in the spring and we were able to partially return to our offices and resume face-to-face business meetings. However, the majority of our employees continue to work remotely across the province or in hybrid mode—a new reality reflecting the current labour market.

Individual Insurance and Investment & Retirement

In terms of individual insurance, we completed a full first year with our new My Universe technology platform, and the market response has been extremely positive. In the spring, we continued to expand our offering of simplified issue term products to meet our customers' need to access insurance coverage quickly and easily. Our Business Development team ramped up meetings with our partners to promote a beneficial repositioning of our term life insurance premiums.

In terms of investment and retirement, our investment campaign from January to March was so successful that we decided to maintain our generous interest rates throughout the year. This decision paid off, as our results were 200% over target. Constantly looking for new opportunities, we dared to think outside the box by establishing a unique partnership with Assumption Life. Driven by similar objectives and values, we implemented a new approach to managing and jointly distributing segregated funds to gain market share together across the country.

Because we believe in our current distribution model and the added value of expert advice, we continued to support our general agents, firms and partner advisors, and we pursued our outreach with the Association de la relève des services financiers (ARSF) while exploring new digital opportunities. Many new advisors joined our distribution network throughout the year, demonstrating their confidence in our products and services and the reputation of our technological tools.

Our business development, administration, customer service and new business teams spared no effort to deliver on projects and achieve our goals.

Group Insurance

In terms of group insurance, we capped off a pivotal year in which we finalized the replacement of our administration platform while boasting very successful business development that exceeded our expectations.

The ups and downs of the global pandemic continued to impact our group insurance clients. We kept tabs on the situation to ensure we were providing our insured members and policyholders with the right service, in line with provincial and federal recommendations.

During the year, we joined the eClaims direct billing service as part of Telus Health's efforts to expand its program nationally. Now more than ever, companies want to offer services through group insurance aimed at improving their employees' quality of life so that they can stand out from the competition. With this in mind, we continue to listen to the needs expressed by our advisors and clients, and we are doing everything in our power to improve our product line and technological tools.

In recent years, UV Insurance has undergone many transformations to adapt to the quick response time demanded by the market. One thing that's not about to change, however, is our innate willingness to provide a profoundly human and responsive service that clearly sets us apart within the insurance industry. Despite a steady workload, we remain true to this culture of staying close to our community, which is something I'm particularly proud of.

Information Technology and Cybersecurity

Information technology is the cornerstone of our ambitions. This year marks the end of a huge technology project that was completed on time and on budget. We are aligned with our vision of a high-tech mutual, thanks to the openness and efficacy of our IT team, which carried out the projects with steadfast rigour. Feedback from our distribution network and our partners is a testament to the success of our technological implementations and our sales teams' agility in rolling them out in the field.

Through our projects and day-to-day interventions, data security, cybersecurity and physical security remain on top of our priorities. I'm extremely satisfied with our continuing education programs, prevention campaigns and the vigilance of our employees, who demonstrate the great value of the internal expertise we have developed.

A special shout-out as well to the members of our technical support team, who are consistently prompt and effective, particularly in the context of the pandemic and teleworking, where we have the opportunity to carry out our activities in a modern, high-performance and secure environment.

Human Resources

The pandemic has created two new noteworthy challenges for human resources, namely accommodating health measures and labour shortages. Despite this, our turnover rate has remained extremely low over the past two years, a true example to our strong and healthy corporate culture. We have developed a variety of initiatives to demonstrate our appreciation for our employees and add to our highly competitive benefit package. These initiatives didn't go unnoticed, as we had the honour and privilege of receiving "Healthy Enterprise" certification by the Bureau de normalisation du Québec (BNQ) at the end of the year. With only four companies having received this certification in the Centre-du-Québec region, we are positioned favourably in the workplace through our promotion of healthy lifestyles, as demonstrated through our everyday operations. An annual allowance for sports clothing and sporting activities, healthy snacks, team challenges, virtual fitness classes, psychological support, visit by an ergonomist and indoor bicycle parking are just a few examples of initiatives to improve our employees' physical and mental health.

Over the course of the year, I've had the opportunity to meet with our employees and managers on a number of occasions, whether in virtual chats or informal meetings, and each time, I've been amazed by their level of engagement, creativity and effectiveness. One of the major elements that distinguishes our mutual from other insurance companies is undoubtedly our internal strength. I'm lucky to be able to rely on such a high-performance team day after day.



Actuarial and Finances

In March 2021, I welcomed Pierre Parenteau as the new Senior Vice-President, Actuarial and Finances. During the year, Pierre also took on the role of Appointed Actuary to replace our long-time colleague of the past 28 years, Luc Pellerin, who is planning to retire in 2022. The transition is going smoothly and the team continues to be highly engaged in two important projects for our mutual, namely transformation of our accounting system and implementing IFRS 17 by 2023. I'm very pleased with the work to replace the accounting system, which was successfully implemented last December.

We also continued our work on risk management and compliance to stay ahead of regulatory changes and facilitate governance that draws on the guidance proposed by regulatory authorities. Over the past year, we were able to mobilize our managers and team members in these two areas, which helped strengthen our lines of defence.

Closing Remarks

My senior management colleagues and I embarked on a long-term strategic planning process to position decisions effectively in the coming months and start work on the next Strategic Planning Guide. We had productive discussions with Board members and obtained guidance that will help us advance our work ahead of upcoming meetings in 2022. I would especially like to thank our Chairman, Richard Fortier, who will be leaving in March 2022 after nine years on our Board of Directors, including more than five as Chairman. Mr. Fortier has been of invaluable help in completing our impressive transformation by assiduously performing his oversight role. I would also like to thank all the members of the Board of Directors for their time, energy and sincere commitment to achieving our objectives in 2021.

In closing, I would be remiss if I didn't mention the excellent work of our employees, whose tireless efforts every day make them the true architects of our success. Thank you for your trust and openness to change.

I would also like to tip my hat to my senior management team, whose members share my vision in exercising strong leadership in their own way, and who give me their unwavering support despite an often complex environment. My sincerest thanks also go out to our valued clients in both the Group and Individual Insurance and Investment & Retirement. It's for their well-being and peace of mind that we make every effort and find the motivation to go above and beyond every day.

And lastly, if our mutualists feel strongly supported, it's thanks as well to our partners and the members of our incredible distribution network, who embody each of our values and whose expertise, combined with our customer service to the local community, is an unparalleled guarantee of quality.



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



Julie Michaud

ASA, ACIA, M.A.P.

Senior Vice-President
Individual Insurance and
Investment & Retirement



Pierre Parenteau

FSA, FCAS, FCIA, CERA

Senior Vice-President
Actuarial and Finances
& Appointed Actuary



Luc Pellerin

FSA, FCIA

Senior Vice-President
Strategy and Transformation



Jean-Mathieu Sigouin

BA

Senior Vice-President
Technology & Innovation



Guillaume Fauteux

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



François Girard

ASA

Vice-President, Business
Development and Administration
Group Insurance



Maryse Galarneau

CPHR

Director
Human Resources

Competence



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

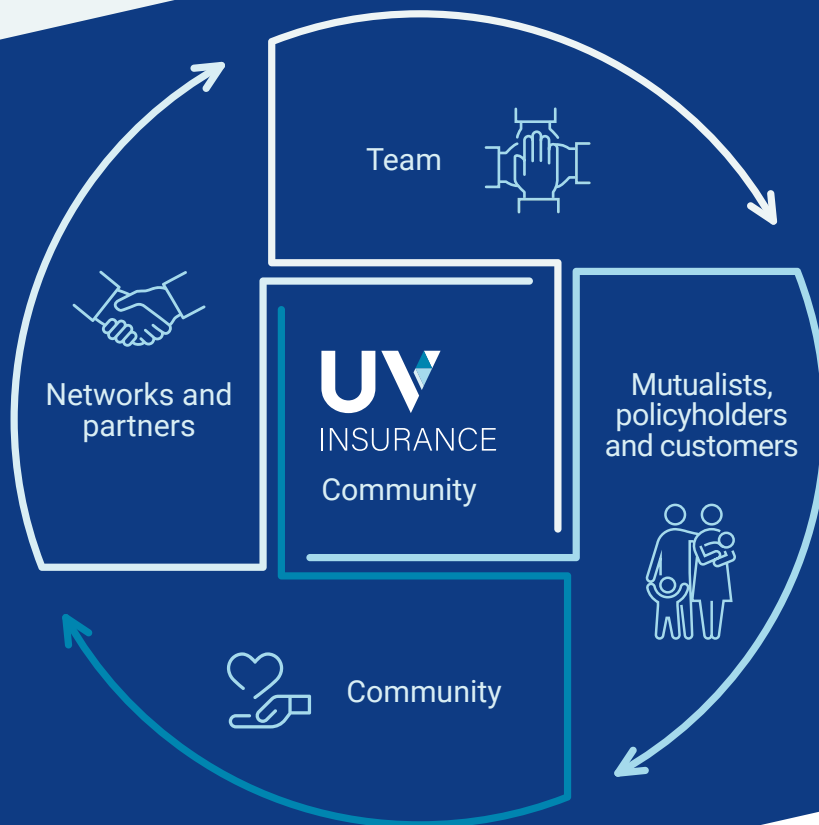
Networks
and Partners

Better Together

At UV Insurance, we can count on an extensive network of highly qualified advisors across the country. Their expertise, combined with our highly competitive products and local service, helps ensure thousands of Canadian families have peace of mind every day.



Together,
we are
committed
to building a
prosperous
society!



Fostering the next generation in financial services

In 2021, UV Insurance reached out to the Association de la relève des services financiers (ARSF) and became the official presenter of its annual conference, a major event that brings together the best young talent in Quebec! Several other initiatives have resulted from this partnership, including financial literacy messaging and training workshops.

Highlights of the Year

Net
Income of
\$5,3M

+200 %
Solvency Ratio

Almost
\$140M
in Paid Benefits



UV Insurance, Proud Recipient of a Napoleon Award

In 2021, UV Insurance made its mark in the “Service Company” category in the E37 competition held annually by the Chambre de commerce et d’industrie de Drummond (CCID).

How did we stand out?

Through the strength of our small team that has focused its efforts, over the past few years, on a pan-Canadian strategic vision, while rebranding itself and undertaking an ambitious technological transformation.

A Surprising Alliance That Paid Off!

Last fall, **UV Insurance** joined forces with **Assumption Life** to market segregated funds and registered investment accounts. Through this alliance, the two mutuals can share their expertise to focus and strengthen their presence in the investment market across Canada. This unique and innovative partnership has generated a lot of interest in the network and specialized media.



Facilitated Claims in Group Insurance

Last summer, **we joined eClaims services powered by Telus Health**, which lets our insured members claim their amount of coverage directly from participating health professionals. Osteopaths, psychologists and optometrists are just a few of the professionals whose services are added to eligible benefits, in addition to dental offices and pharmacies.



Record Broken in Investment & Retirement

Our Investment Campaign ran throughout the year and was an unparalleled success. With competitive rates on our GICs, we **exceeded our target by 200%**!

Acquisition of a New Insurance Portfolio

Our individual and group insurance business lines have been working together to take over a new **portfolio of insurance contracts administered by the Société Saint-Jean-Baptiste de la Mauricie**. We are pleased to welcome these 13,000 new mutualists!



New Type of Underwriting for Individual Insurance

In the spring, we launched a **new simplified issue process for term life insurance up to \$500,000**. This is the latest addition to our line of simplified issue products and provides advisors and their clients with the opportunity to get an immediate decision in just a few clicks, without any medical exams or tele-interviews.

Replacement of our Financial Management System

We ended the year on a strong note by introducing a new financial management system that facilitates day-to-day transactions for our employees, while enhancing our technological arsenal for our partners and suppliers.



Technological Innovation

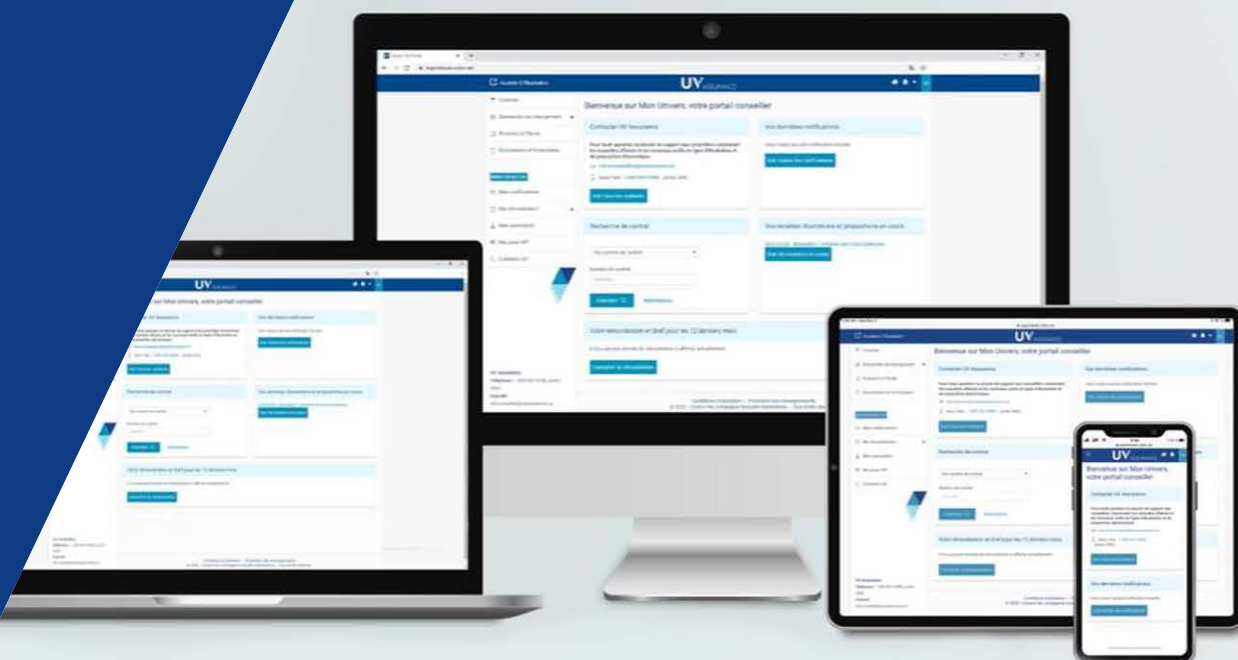
my universe

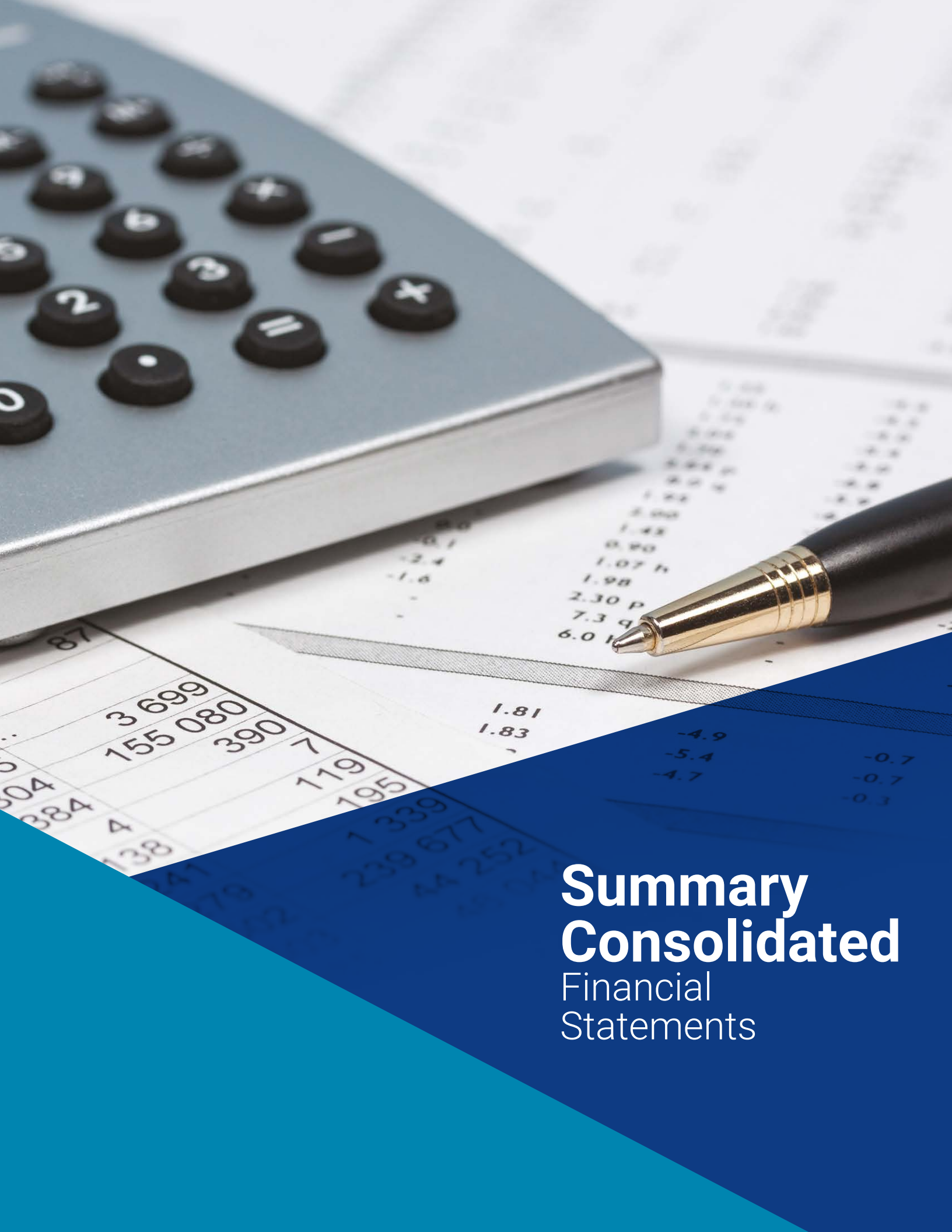
Users have now fully adopted My Universe Individual Insurance technology platform, launched in 2020, which continues to evolve to meet market needs.

This large-scale project, which has been a resounding success, marked a major turning point in the technological transformation of UV Insurance.

New Technological Platform in Group Insurance

We completed a second major phase of the project in 2021, which was entirely dedicated to our Group Insurance business. As a result, My Universe now includes a brand new administrative system supporting 360° integrated management of Group Insurance cases. The transition from the old system to the new platform will be phased in over the coming months. Ultimately, all of our groups will benefit from a modern, easy-to-use platform for claims processing and case tracking.





Summary Consolidated Financial Statements

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 24, 2022

Appointed Actuary's Report

To the Mutualists of UV Insurance

I have evaluated the policy liabilities and reinsurance recoverables of UV Insurance for its consolidated statement of financial position as at December 31, 2021, and their changes in the consolidated statement of 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. Furthermore, the consolidated financial statements fairly present the results of the valuation.

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



Pierre Parenteau, FSA, FCAS, FCIA, CERA
Senior Vice-President & Appointed Actuary

February 24, 2022

Report of the Independent Auditor

on the Summary Consolidated Financial Statements

To the Mutualists of The Union Life Mutual Assurance Company

Our opinion

In our opinion, the accompanying summary consolidated financial statements of The Union Life Mutual Assurance Company and its subsidiaries (together, 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, 2021, comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2021;
- ▶ 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 to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). 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 consolidated financial statements in our report dated February 24, 2022.

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 to the summary consolidated financial statements.

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 24, 2022, Québec City, Québec

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

PricewaterhouseCoopers LLP

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, 2021 (in thousands of Canadian dollars)

Assets

Invested assets

Bonds
Stocks
Private equity
Loans
Derivative financial instruments
Money market securities
Policy loans

Segregated fund assets

Other assets

Cash
Accrued investment income
Accounts receivable and others
Current tax assets
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
Current income tax liabilities
Deferred tax liabilities

Mutualists' equity

Retained earnings

Accumulated other comprehensive income

2021 2020

\$	\$
1,552,192	1,599,311
326,152	238,950
36,947	18,437
16,513	16,749
4,002	2,611
7,699	6,949
8,349	7,838

1,951,854 1,890,845

- 23,317

4,407	2,163
9,559	6,984
15,423	10,349
-	2,705
5,257	5,164
18,837	19,814
14,462	15,691
8,969	7,127
348	348
724,508	747,340

801,770 817,685

2,753,624 2,731,847

2,433,979	2,399,470
5,595	7,121
18,717	13,410
1,019	430
-	23,317

2,459,310 2,443,748

10,791	10,483
10,195	18,472
1,078	1,126
311	-
2,318	2,490

24,693 32,571

2,484,003 2,476,319

267,071	254,326
2,550	1,202

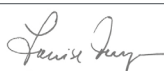
269,621 255,528

2,753,624 2,731,847

Approved by the Board,



Richard Fortier, Director



Louise Turgeon, Director

Summary Consolidated Statement of Net Income

For the year ended December 31, 2021 (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

2021	2020
\$	\$
208,482	161,840
(38,110)	(37,539)
170,372	124,301
44,590	46,818
(8,750)	153,913
35,840	200,731
1,605	1,442
207,817	326,474

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
(Gains) losses on disposal of property, plant and equipment and write-off of goodwill
Participating policyholders' dividends

138,921	122,431
(32,539)	(28,173)
106,382	94,258
19,309	16,164
(2,425)	(3,153)
16,884	13,011
17,400	254,879
22,832	(79,526)
6,093	5,514
35,514	32,906
(157)	909
38	31
81,720	214,713
204,986	321,982
2,831	4,492
(2,503)	(856)
5,334	5,348

Income before income taxes

Income taxes

Net income

Summary Consolidated Statement of Comprehensive Income

For the year ended December 31, 2021 (in thousands of Canadian dollars)

Net income

Other comprehensive income

Items that may be reclassified subsequently to net income

Change in unrealized gains on available-for-sale securities,
after \$996 in taxes (\$1,697 in 2020)

Reclassification of realized gains to net income,
after (\$510) in taxes ((\$1,653) in 2020)

Items that will not be reclassified subsequently to net income

Actuarial gains (losses), after \$2,674 in taxes ((\$911) in 2020)

Comprehensive income

5,334	5,348
2,762	4,708
(1,414)	(4,582)
7,411	(2,527)
8,759	(2,401)
14,093	2,947

NOTE

1 - Criteria for preparing summary consolidated financial statements

The Union Life Mutual Assurance Company (the "Company") prepared consolidated financial statements as at December 31, 2021, in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The Company's Board of Directors authorized publication of the consolidated financial statements on February 24, 2022.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2021. 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 related notes are not presented.

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



Engagement

We are committed to providing tangible support to communities and 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.

Human Resources

Our Internal Allies

We managed to thrive overall while the labour shortage brought its share of challenges in 2021, thanks to teams' energy and our many competitive advantages. Telework has become the norm across all industries, and ours is no exception. Even remotely, our managers have shown they can bring teams together and mobilize them for both day-to-day operations and larger projects.

**More than
100 new
resources**
joined our
ranks over the
last 5 years
to support our
pan-Canadian
growth.



Appointment to Senior Management

At the beginning of the year, we welcomed Pierre Parenteau as Senior Vice-President, Actuarial and Finances & Appointed Actuary to succeed Luc Pellerin, who is planning to retire in 2022. Mr. Parenteau quickly proved an asset to the management team by skilfully heading up many major initiatives.



Health and Wellness Shift

Obtaining the BNQ Standard

At the end of the year, UV Insurance was proud to receive “Healthy Enterprise” certification from the Bureau de normalisation du Québec (BNQ), which aims to foster a culture of health, wellness and healthy productivity in the workplace. Only four companies in the Centre-du-Québec region have received this certification!



Opening of the UV Insurance Gym

In 2021, when public health measures allowed us to do so, we officially inaugurated our gym and multi-purpose room to the delight of employees, who now have a vast workout area and modern equipment to stay fit. Now that's a strong competitive advantage!

November Challenge

Among the many initiatives that helped us secure BNQ's certification, the November Challenge stood out for its accessibility and unifying factor, despite the distance imposed by COVID-19. For the second year in a row, each business units committed to be more active throughout November and compiled the number of minutes of their employees' physical activity. Combining all efforts, no fewer than 13,000 minutes were spent on physical activity in November!



Employee Engagement

Christian Mercier

Chief Executive Officer

- ▶ **Canadian Life and Health Insurance Association (CLHIA)**
Director
- ▶ **Canada Company, Quebec**
Member
- ▶ **Fondation Sainte-Croix/Heriot**
Chairman of the Board
- ▶ **Soldiers Helping Soldiers (Montreal)**
Chairman of the Board

Luc Pellerin

Senior Vice-President
Strategy & Transformation

- ▶ **Fondation Palmyra**
Chairman of the Board
- ▶ **Socodevi | Société de coopération pour le développement international**
Director

Julie Michaud

Senior Vice-President
Individual Insurance and Investment & Retirement

- ▶ **Comité des dirigeants de vente du Québec (CDVQ)**
Member

Pierre Parenteau

Senior Vice-President
Actuarial and Finances & Appointed Actuary

- ▶ **Corporation des Petits Chanteurs de Trois-Rivières**
Director and Treasurer
- ▶ **Insurance International Accounting Committee**
Canadian Institute of Actuaries
Member

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**
Chair of the Board and Executive Council
- ▶ **Drummondville Relay for Life**
Honorary President 2020-2021



Here at UV Insurance, engagement is very important.

In business, community or insurance network, **our employees and managers are actively involved in sharing their expertise** and making a real difference.

Guillaume Fauteux

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

- ▶ **Comité des dirigeants de vente du Québec (CDVQ)**
Chair

François Girard

Vice-President, Business Development and Administration, Group Insurance

- ▶ **Insurance Industry Pension Committees**
Independent member

Marie-France Noël

Senior Director, Claims, Group Insurance

- ▶ **José-Maria School**
Chair of the Governing Board

Eric Timmons

Senior Director and Chief Compliance Officer

- ▶ **Cégep de Drummondville**
Director

Marilyn Baril

Director,
Communications

- ▶ **Village québécois d'antan**
Director

Maryse Galarneau

Director
Human Resources

- ▶ **Maison des arts Desjardins de Drummondville**
Director

Philippe Morin

Head of Department, Quotes, Policy Issuance and Renewals
Group Insurance

- ▶ **Parrainage civique Drummond**
Vice-Chair of the Board

Katia Dubois

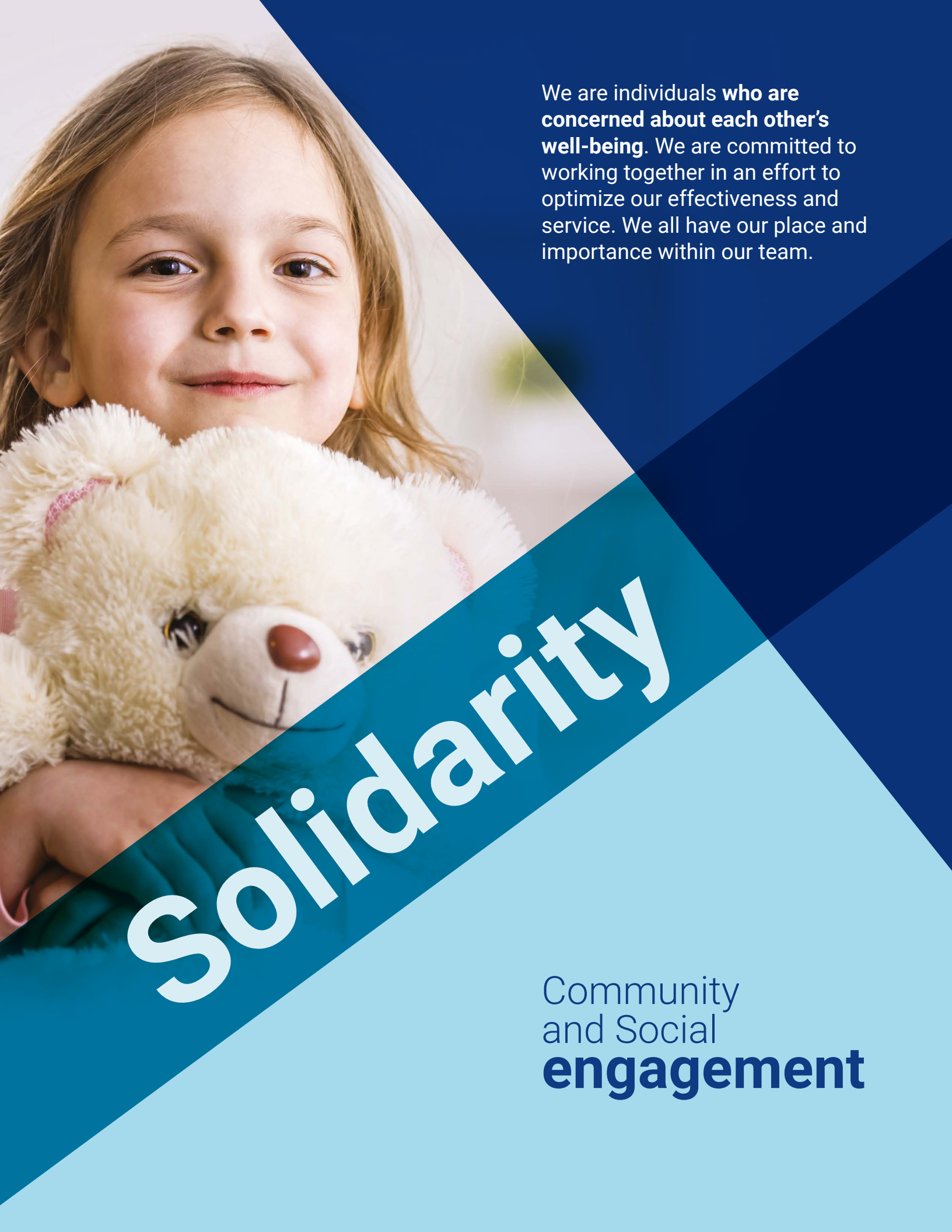
Advisor
Human Resources

- ▶ **United Way Chapter for the Centre-du-Québec Region**
Co-Director

Joëlle Girouard

Legal Analysis
Compliance

- ▶ **Fondation du Cégep de Drummondville**
Director



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.

Solidarity

Community
and Social
engagement

Community and Social **Involvement**

Standing Strong Together!

In pursuing its mission, UV Insurance is deeply involved with charities, particularly in the Drummondville area, where our head office has been located since 1889. We are part of the collective effort to reduce social inequity and provide a better quality of life to individuals in vulnerable situations.

The value of
our annual
commitment
totals
\$2,700
per employee!

More than
\$500,000
given back to communities in 2021

Numerous organizations supported including:

- ▶ United Way
- ▶ Centre de pédiatrie sociale
Les Petits Bonheurs
- ▶ Comptoir alimentaire Drummond
- ▶ Fondation du Cégep de Drummondville
- ▶ Fondation de la Tablee populaire
- ▶ Fondation de l'UQTR
- ▶ Quebec Veterans Foundation
- ▶ Fondation René-Verrier
- ▶ Fondation du Centre Normand-Léveillé
- ▶ Fondation Sainte-Croix/Heriot
- ▶ Canadian Cancer Society
- ▶ Socodevi International
Cooperation Foundation
- ▶ Village Québécois d'Antan
- ▶ Voltigeurs de Drummondville



Hopes Fulfilled



Community social pediatrics Les petits bonheurs

At UV Insurance, we believe that all children should be born with equal opportunity. That's why we increased our contribution to this organization in 2021, so that it can continue to provide quality health, social and legal services to children from disadvantaged backgrounds.



Fondation Sainte-Croix/Heriot

As a major partner of the Fondation Sainte-Croix/Heriot, UV Insurance actively participated in its activities, including the virtual heroes race that took place last summer. Our CEO is also deeply committed to this cause, as he chairs the foundation's Board of Directors and leads the major fundraising campaign.



Centraide
Centre-du-Québec
819 477-0505

United Way

Once again, our employees were extremely generous to the United Way's Centre-du-Québec chapter. In the last workplace campaign, \$25,000 was raised for individuals in vulnerable situations.





Thank you

to our employees and partners for
contributing to our success, and to our clients
and mutualists for your renewed confidence.

uvinsurance.ca | **f • in**

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