



UV
INSURANCE

Annual Report 2022

**Committed to
care for each other.**

Table of Contents

Who We Are	Mission, Vision and Values	3
Board of Directors	Message from the Chairman of the Board	5-7
	Members of the Board of Directors	8
Senior Management	Message from the Chief Executive Officer	10-13
	Senior Management Team	14
Networks and Partners	Teaming up for a Prosperous Society	16
	Highlights of the Year	17-21
Summary Consolidated Financial Statements	Management Report	23
	Appointed Actuary's Report	24
	Independent Auditor's Report	25
	Summary Consolidated Financial Statements	26-27
Internal Strength	Fostering People-Focused Leadership	29
	Being Attentive to Needs	30
	Employee Engagement	31
Community	Community and Social Involvement	33-35
Conclusion	Acknowledgments	36



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.

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 insured members and partners.

Respect

We deliver high-quality customer service driven by empathy and utmost respect. Respect also means we follow a strict code of conduct in everything we do.

Competence

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

Engagement

We are committed to making a difference through our support for community action. We strive to contribute to the social, environmental and economic development of our community and to provide equal opportunities for all.

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.

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-performance, high-tech mutual company, recognized for its quality products and its experts who deliver outstanding, people-centered service.

At UV Insurance, our corporate culture is driven by people-focused leadership that supports the engagement and well-being of our employees.

The promise of strong support is the inspiration behind our all-new employer brand which we are rolling out at the same time as the annual report.

As you browse through the sections that follow, you'll discover the key messages of our employer brand and see the true faces of UV Insurance, the people who contribute to the success of our mutual every day.



Work/life balance?
**We're all about
flexibility.**

Board
of Directors

Message from the Chairman of the Board

Alain Bédard



Recap of My First Year as Chair

I am very excited and honoured to be addressing our mutualists, employees and partners as part of our year-end review and for the first time ever as chair of the UV Insurance Board of Directors since I was elected in March 2022. Despite an uncertain economic environment, we're wrapping up the year with impressive results. After a few years of major shifts involving technology, governance and our workforce, we can reap the rewards of our hard work.



After a few years of major shifts involving technology, governance and our workforce, we can reap the rewards of our hard work.



Appointments to the Board of Directors



Fabienne Lacoste
CFA

A Dedicated Team

First, I would like to acknowledge the contribution of two people who retired from the Board in 2022. A special thanks to our immediate past chair, Richard Fortier, who implemented a robust and effective governance culture throughout his tenure. Thanks also to Jean Vaillancourt for drawing on his insurance experience to provide sound advice to the team and safeguard the interests of our mutualists.

In my first year as chair, I was fortunate to have the support of highly skilled directors whose fields of expertise align perfectly with our business. We have also brought on board two new directors. Marco Fillion and Fabienne Lacoste who bring a new perspective to our discussions. I have witnessed first-hand professionalism of the broader UV Insurance management team, which



Marco Fillion
Dir, FICA, FSA

includes our Human Resources, Communications, Compliance, and Internal Audit directors, as well as the senior vice-presidents. They make up a team of experts that embodies the values of our mutual company every day. Together, we now hold most of our meetings, as well as the annual general meeting, virtually. It's a more efficient approach that ties in with our environmental, social and governance (ESG) goals by reducing travel-related greenhouse gas emissions.

All UV Insurance employees play a critical role in the success of our projects, and we are particularly grateful that they have chosen to place their trust in us to further their careers. Our managers and board members are committed to the well-being of our employees and are more dedicated than ever to support professional development and deliver a highly competitive benefits package. With that in mind, the Ethics and Governance Committee reviewed the succession plan during the year, and I can confirm that we have a strong team in place to ensure the organization's viability for the short, medium and long term.



Rest assured that we have a strong team in place to ensure the organization's viability for the short, medium and long term.



Our Proactive Approach

The Board of Directors has followed its roadmap through various committee meetings, board meetings and a strategic session with senior management – all of which led to the deployment of a new strategic planning guide to drive the company's actions over the next five years. The objectives of the previous guide have all been successfully achieved.

In a time of rapid evolution, geopolitical instability and economic uncertainty, we have introduced a new quarterly report on risk management, including the identification of emerging risks in order to better regulate our level of readiness to face the current economic situation. We continue to closely monitor cybersecurity issues, and UV Insurance is working hard to maintain and enhance our level of protection. We also oversaw work related to the adoption of Bill 25 on the privacy act and the implementation of the internal audit function. To remain agile and monitor operations efficiently, board members have taken IFRS 17 accounting standard and cybersecurity training.

Whether it involves, regulations, emerging standards or the optimization of our investments, we're always on the lookout for trends and best practices to make informed decisions. In the spring, representatives of the Autorité des marchés financiers conducted their triennial inspection process. Their report was positive on many points. We take our regulatory obligations seriously and are always open to improving our processes to ensure high-level governance and outstanding customer service.

In 2022, we also decided to take a structured approach to sustainable development by setting measurable objectives directly related to our activities. This initiative is in keeping with our deeply rooted mutualist values, and we hope that by doing our part, we can help build a better world.



The board members and I are more than satisfied with the results of the 2022 Business Plan. We achieved remarkable growth driven by an exceptional team.



Closing Remarks

The board members and I are more than satisfied with the execution of the 2022 Business Plan. We achieved remarkable growth while maintaining one of the highest levels of capitalization in the industry. Driving this success is an exceptional team that deftly takes care of business to make sure we deliver on all our projects despite the uncertainty of recent years.

I would like to thank my Board of Directors colleagues for their unwavering dedication and support and for their trust in appointing me as chair. Thanks also to the management team and our entire staff; with them our mutual company stands out in the industry as a transformation leader. I would also like to acknowledge the commitment of our business partners and our distribution network. By choosing to work with UV Insurance, they recognize the quality of our technology tools and services.

Finally, special thanks to all our mutualists! They are the very core of our mission, and we strive to make the best decisions for their benefit.

Sincerely,

Alain Bédard, IAS, A, FSA, FCIA
Chairman of the Board

Members of the Board of Directors



Alain Bédard

IAS, A, FSA, FCIA

Chairman of the Board



Louise Turgeon

CPA, ASC

First Vice-Chair of the Board
Chair, Audit
and Risk Management Committee



Gérard Guilbault

CFA, ASC

Second Vice-Chair of the Board
Chair, Investment Committee



Marc Boisselle

LL. B.

Director
Chair, Ethics and
Governance Committee



Gilles Pepin

P.Eng., M.Sc.A

Director
Member, Ethics and
Governance Committee



Paule-Anne Morin

Adm.A., CMC, ASC, C.Dir.

Director
Member, Audit and
Risk Management Committee



Fabienne Lacoste

CFA

Director
Member, Investment Committee



Marco Fillion

C.Dir., FSA, FCIA

Director
Member, Investment Committee
Member, Audit and
Risk Management Committee



Geneviève Verrier

ASC, MBA, DESS

Director
Member, Ethics and
Governance Committee



We're committed
to supporting
new talent.

Senior
Management

Message from the Chief Executive Officer

Christian Mercier



Delivering on Our Commitments

I would like to begin by expressing sincere appreciation to my management team, our middle managers and all of our employees who demonstrate remarkable dedication and performance on a daily basis. Together, we have made major changes in recent years despite an unstable economy, a pandemic, global conflicts and a severe labour shortage. By fostering innovation, we have come to grips with uncertainty and moved forward with changes in how we operate. Our team has shown incredible resilience and agility along the way.

“ **We are one of the first insurance companies in Canada to use new technology to manage our individual insurance products.** ”

Today, UV Insurance stands out not only in the financial sector, but also in the business community, where we had the privilege of being ranked among the top 300 SMEs in Quebec by *Les Affaires* in 2022.

Never in our 133-year history have we been so advantageously positioned. We can now look to the future with confidence and the conviction that we have fulfilled our promises as a high-tech mutual company on a human scale, committed to its employees and the community.



Bringing People Together

In 2022, we finally had the opportunity to meet face-to-face after more than two years of restrictions during the pandemic. We organized several internal events, including the President's Dinner, the Fall BBQ and the Year-End Event. We continued to promote a healthy lifestyle among our employees, with numerous fitness activities, presentations on office ergonomics and nutrition as well as offering a benefits package that promotes mental and physical well-being. Thanks to our focus on employee health and well-being, we were awarded "Healthy Enterprise" certification from the Bureau de normalisation du Québec (BNQ) in late 2021.

We also strengthened ties with our network by holding more on-site meetings, attending various industry conferences and events and hosting an open house at our head office.

Telework at UV Insurance has gained traction in the wake of the pandemic, and now 75% of our employees are either fully remote or on a hybrid arrangement. Communication and transparency are key to the success of this new reality. Each of our managers strives to provide caring people-focused leadership.

Individual Insurance & Investment and Retirement

Thanks to our efforts in recent years to modernize our technologies, we are one of the first insurance companies in Canada to use new technology to manage our individual insurance products. The positive feedback from our distribution network on our online platform has been phenomenal, which has boosted sales over the past year and put us on track to achieve record results. Not only have we maintained a strong presence in the field, particularly in Quebec and Ontario, and we have also entered into new partnerships and brought new competitive products to market.

For the investment & retirement line of business, it was a slow start at the beginning of the year caused by inflation and the economic slowdown, but thanks to the favourable rates offered during the fall investment campaign, we were able to come out on top and end the year with highly satisfactory results.



Our three business lines are well positioned to fuel our growth and take UV Insurance to new heights.



Group Insurance

Group insurance continues to grow and keeps our teams particularly busy. We're driving innovation with the final stages of our technology transformation and we're rolling out new services for our members, including a full range of virtual care with Canada's top physicians and a mobile app that will be available to our groups in the coming months.

With our high-performance teams and the technology tools we've developed, our three business lines are well positioned to fuel our growth and take UV Insurance to new heights.

Actuarial and Finances

The major changes called for under the new IFRS 17 accounting standards have created a significant workload for a small team like ours, but we are particularly proud to have ended the year ahead of schedule. We continued to roll out our new accounting system and acquired a new budget-planning module which is a key component for boosting operational efficiency. With the support of the Audit and Risk Management Committee, we officially introduced the internal audit function. We have also begun work related to Bill 25, which aims to better protect the personal information of Quebec residents, and we've drafted a clear plan to comply with these regulatory requirements.

Over the course of the year, we said goodbye to a key financial player at UV Insurance. Luc Pellerin was with us for 29 years as an appointed actuary and senior vice-president before leaving for a well-deserved retirement. For all those years, Luc was a tremendous asset, driven by a keen and unwavering interest in the world of insurance and the mutualist model.

Information Technology and Cybersecurity

Our Information Technology team has been at the forefront of our major shift in recent years. Team members have played a crucial role in getting almost all our mutual company's exciting projects underway, including system replacement in both individual and group insurance as well as the rollout of our new products and services.

Cybersecurity and the protection of data entrusted to us remain at the top of our list of priorities. We are working hard to improve our practices and raise security awareness among our employees and our business partners. And our efforts are paying off. According to the results of our internal phishing campaigns, our people rank among the best in the industry.

We look forward to 2023 as we continue to grow our business, while entering in the final stretch of our technology transformation by migrating data from our legacy systems to new platforms.

“ To all members of the great UV Insurance community: thank you for believing in us! ”



Closing Remarks

Last year was critical in terms of strategy. It marked the end of our final planning exercise and the beginning of a new strategy that will culminate in 2027. The new 2023–2027 Strategic Planning Guide took months of hard work and preparation and focuses on business growth in a particularly innovative way.

I am amazed at how far we've come and excited about the bright future ahead. None of our accomplishments would have been possible without the valuable contributions of my senior management colleagues, the thoughtfulness of our leaders, the hard work of our 200 employees and the wisdom of our Board.

I would also like to express my gratitude to our distribution network and our business partners for their support of our transformation initiatives, which has allowed us to remain a strong, dynamic and innovative mutual insurance company. I am proud that our mutualists and clients can rely on enthusiastic professionals who truly listen to their needs.

In closing, allow me to tip my hat to the organizations we support through our donations and sponsorships program. Whether they're working to support health or education or eliminate social inequalities, each one carries a message of hope and plays a vital role in the lives of local families and residents.

To all members of the UV Insurance community: thank you for believing in us and best wishes for 2023!

A handwritten signature in white ink, appearing to be 'C. Mercier', is positioned above the name of the Chief Executive Officer.

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

Senior Management



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



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

**Our team also
relies on the
dynamism of
some forty
managers, 59%
of whom
are women.**

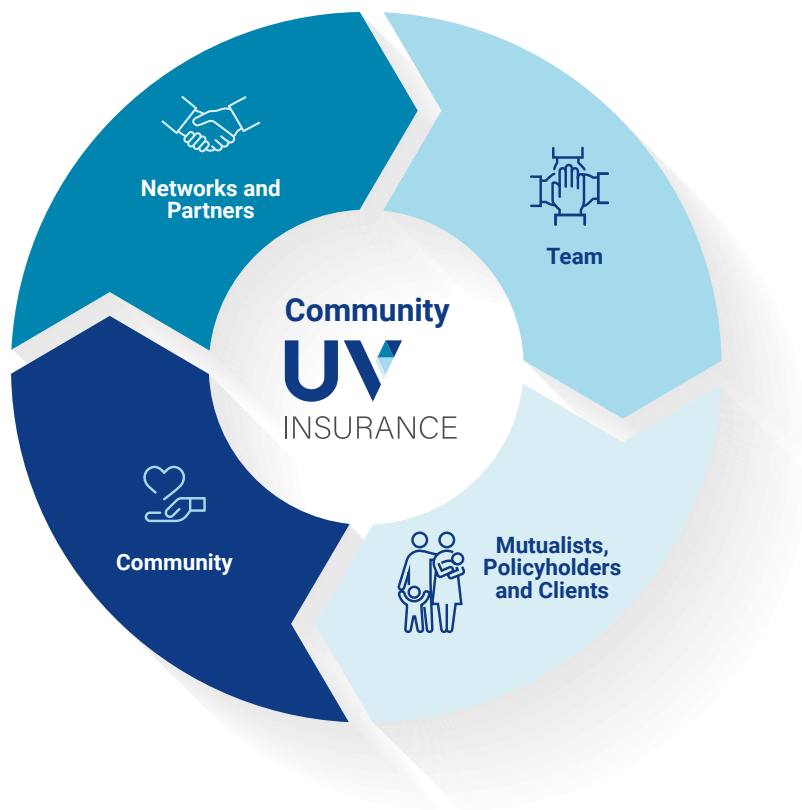


Working together
for the success of
our projects.

Networks
and Partners

Working together for a prosperous society!

At UV Insurance, we are fortunate to have an exceptional community of advisors and partners working together to provide peace of mind to thousands of Canadian families.



The next generation of insurance professionals

At the recent Life Insurance Convention in Montreal, our president and CEO, Christian Mercier, took part in a panel discussion on women in finance, a topic that is particularly close to his heart, as he encourages and promotes the rise of young women within UV Insurance.



Highlights of the Year

Net income of
\$14M

199%
solvency
ratio

Nearly
\$165M
in paid benefits



Ranked in the **top 300 SMEs** in Quebec

Last fall, UV Insurance ranked 119th among Quebec's top 300 SMEs. In a complex economic environment, this distinction recognizes SMEs that stand out for agility in facing challenges and coping with the current condition.

Our expertise and financial strength over the past 133 years have undoubtedly helped us achieve success.

Renewal of **Certification as a BNQ "Healthy Enterprise"**

The physical and mental well-being of our employees are priorities for us, and that is why we work hard to provide a healthy working environment at the office or at home.

In 2021 we were proud to receive the "Healthy Enterprise" certification from the Bureau de normalisation du Québec, thanks to the many initiatives we've introduced. The stellar results of the renewal audit that took place over the past year reflect the broad scope of our approach and how important it is to us.





Our Business Development Team Individual Insurance and Investment & Retirement

Vice President, Business Development and Marketing
Guillaume Fautoux

Directors, Business Development
Mike Minville, Nadia Boissonneault, Chantal Marquis, Simon Gélinas

Inside Sales Representative
Alex Tessier

Reassuring Rates in Investment & Retirement

With this year's economic uncertainty, many investors turned to guaranteed investment certificates (GICs) to secure some of their assets. Because our GIC products offer guaranteed principal and a fixed interest rate for the term of the investment, we have had great success with our investment campaigns.



Plan your
savings,
realize your
dreams

Significant Growth in Individual Insurance

Individual insurance saw exceptional growth in 2022. We ramped up outreach to our distribution network, both virtually and in-person which led us better than ever results in Quebec, as well as in the rest of Canada. Our new Director of Business Development, Mike Minville, helped us seize the opportunity to reorganize our sales force outside Quebec and to break into other markets and mobilize more advisors.

To reward our business partners for their commitment to provide the best possible service to our mutualists, we launched a generous new recognition program at the start of the year. We also expanded our offering by marketing a new 25-year term life insurance product (T-25), as well as a Whole Life High Value policy, which has plenty of advantages as permanent life insurance coverage. Rolled out in hybrid mode due to the new post-pandemic reality, both products were very well received and helped fuel our significant growth in sales.

Feedback from the network is unanimous: clients love the customer journey of My Universe electronic platform we launched in 2020 because it's versatile, fast and user-friendly. In the past year, many advisors have switched to us specifically because of our tools efficiency. In an ongoing effort to meet the needs of our network, we continue to enhance the functionality of our platforms and add other products such as AdapCI (critical illness), which is one of the options rolled out in 2022.



Appointment | Mike Minville

Director, Business Development
Individual Insurance and Investment & Retirement



Our Business Development Team Group Insurance

Vice President, Business Development and Administration
François Girard

Advisors, Group Insurance Plans
Véronique Tarte, Erik Comm, Chanelle Cartier

Service Representatives
Hélène Bélanger, Lise Métivier, Stéphanie Dubé

Innovations in Group Insurance

We gave our group insurance lineup a makeover, and after months of work behind the scenes, several new features were launched in 2022. Thanks to the agility and determination of our team, we've developed brand new user-friendly portals for members and plan administrators. The deployment plan calls for incremental rollout, and the new tools, including portals and a mobile app, will be available to all groups in the next few months.

To make it easier for our members and their families to access health care, we have significantly enhanced our UV Health program through a new partnership with Maple, a service provider that owns one of the largest online physician networks in Canada. All of our group insurance members are now eligible for telemedicine and mental health counselling at no additional cost. They also have access to a care coordinator and articles and videos produced by health professionals. This new feature takes our services to the next level, for the benefit of our policyholders.



UV Health+
Program

In partnership with
maple

Transformation in Actuarial and Finances

All in to comply with Bill 25

Protecting the personal information of our mutualists is a top priority, and we are doing everything we can to keep data safe. Thanks to the detailed action plan we proactively crafted ahead of time, in fall we were ready to comply with the initial provisions of Bill 25, which came into force to protect the privacy of people in Quebec.

Evolution of the Finances department

The shift we began with our financial management tools and processes continued in 2022. Our teams have mastered the new system and are ready for the next phases of transformation, which will bring us into compliance with the new IFRS 17 accounting standards.



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 the 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 23, 2023

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, 2022, 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 23, 2023

Independent Auditor's Report

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 consistent, in all material respects, with 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, 2022 comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2022;
- ▶ 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 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 audited consolidated financial statements in our report dated February 23, 2023.

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 consistent, in all material respects, with 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

Québec, Quebec
February 23, 2023

¹ CPA Auditor, Public Accountancy Permit No. A124423

PricewaterhouseCoopers LLP
Place de la Cité, Tour Cominar, 2640 Laurier Boulevard, Suite 1700, Québec, Quebec, Canada G1V 5C2
T: +1 418 522 7001, F: +1 418 522 5663

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

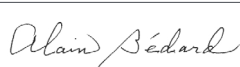
Summary Consolidated Financial Statements

Summary Consolidated Statement of Financial Position

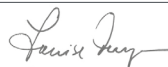
As at December 31, 2022 (in thousands of Canadian dollars)

	2022	2021
Assets		
Invested assets	\$	\$
Bonds	1,193,566	1,552,192
Stocks	216,821	326,152
Private equity	66,226	36,947
Loans	16,272	16,513
Derivative financial instruments	1,419	4,002
Money market securities	-	7,699
Policy loans	8,270	8,349
	1,502,574	1,951,854
Other assets		
Cash	6,914	4,407
Accrued investment income	10,878	9,559
Accounts receivable and others	20,475	15,423
Current tax assets	253	-
Prepaid expenses	5,132	5,257
Property and equipment	4,839	-
Depreciable intangible assets	17,635	18,837
Deferred tax assets	12,541	14,462
Goodwill	9,865	8,969
Reinsurance assets	348	348
	529,125	724,508
	618,005	801,770
	2,120,579	2,753,624
Liabilities		
Insurance liabilities		
Actuarial liabilities	1,777,357	2,433,979
Amount on deposit	4,499	5,595
Benefits payable	22,456	18,717
Unearned premiums and other contractual liabilities	2,048	1,019
	1,806,360	2,459,310
Other liabilities		
Accounts payable and others	15,159	10,791
Defined benefit liabilities	8,069	10,195
Lease obligations	875	1,078
Current income tax liabilities	24	311
Deferred tax liabilities	3,473	2,318
	27,600	24,693
	1,833,960	2,484,003
Mutualists' equity		
Retained earnings	289,929	267,071
Accumulated other comprehensive income	(3 310)	2,550
	286,619	269,621
	2,120,579	2,753,624

Approved by the Board,



Alain Bédard, Chair



Louise Turgeon, First Vice-Chair

Summary Consolidated Statement of Net Income

For the year ended December 31, 2022 (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

	2022	2021
	\$	\$
	216,838	208,482
	(39,531)	(38,110)
	177,307	170,372
	37,596	44,590
	(454,518)	(8,750)
	(416,922)	35,840
	1,537	1,605
	(238,078)	207,817
	164,875	138,921
	(32,341)	(32,539)
	132,534	106,382
	28,140	19,309
	(2,268)	(2,425)
	25,872	16,884
	(656,622)	17,400
	195,383	22,832
	6,555	6,093
	41,871	35,514
	1	(157)
	70	38
	(412,742)	81,720
	(254,336)	204,986
	16,258	2,831
	1,879	(2,503)
	14,379	5,334

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

Income before income taxes

Income taxes

Net income

Summary Consolidated Statement of Comprehensive Income

For the year ended December 31, 2022 (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 (\$4,222) in taxes (\$996 in 2021)

Reclassification of realized losses (gains) to net income, after \$2,109 in taxes ((\$510) in 2021)

Items that will not be reclassified subsequently to net income

Actuarial gains (losses), after \$3,057 in taxes (\$2,674 in 2021)

Comprehensive income

	2022	2021
	14,379	5,334
	(11,711)	2,762
	5,851	(1,414)
	8,479	7,411
	2,619	8,759
	16,998	14,093

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, 2022, in compliance with International Financial Reporting Standards (IFRS). The Company's Board of Directors authorized publication of the consolidated financial statements on February 23, 2023.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2022. 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.



For the well-being
of our employees,
**we go the
extra mile.**

Internal
strength

Fostering People-Focused Leadership

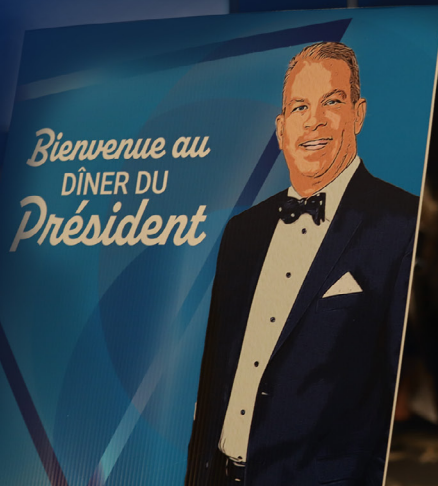
At UV Insurance, we believe that caring leadership is paramount to the well-being and engagement of our employees. To strengthen relationships among managers and help them develop their skills, we have created a network called The Leadership Circle, which brings our managers together in a variety of ways throughout the year. The annual program includes training, presentations and group workshops, and we are already seeing remarkable results.



Building on Cooperation

Since communication plays a central role in maintaining good working relationships, we have launched *Les Branchés*, a quarterly virtual get-together where senior managers have an opportunity to share our achievements and the progression of our projects.

A highlight of the year was the President's Dinner. All employees came together in person to learn more about the company's ongoing matters and business results.



Being attentive to needs

Our Health, Safety and Wellness Committee has been meeting with employees to hear their concerns and propose solutions to meet their needs. For example: we offered all employees two beneficial presentations, one on workplace ergonomics and the other on nutrition. Both topics were much appreciated by employees at the head office and those who attended remotely. The takeaways have helped everyone incorporate best practices, both at work and in their personal life.



Promoting Fitness

We have many initiatives in place to encourage our employees to stay active. In fact, we offer a fitness centre and group classes with a kinesiologist on site at our head office. Last spring, our CEO invited employees and their families to participate in the races at Course Des Chênes-toi, which brings thousands of walkers and runners together every year in Drummondville. It was a great opportunity to see each other again, get moving and cheer each other on after the pandemic restrictions.



Engaged Employees

Christian Mercier

Chief Executive Officer

- ▶ **Canadian Life and Health Insurance Association (CLHIA)**
Director
- ▶ **Centre de pédiatrie sociale Les Petits Bonheurs**
Co-Chair of the 2023–2028 Fundraising Campaign
- ▶ **Canada Company, Quebec**
Member
- ▶ **Fondation Sainte-Croix/Heriot**
Chairman of the Board
- ▶ **Soldiers Helping Soldiers (Montreal)**
Chairman of the Board

Sylvain Paré

Senior Vice-President
Group Insurance

- ▶ **Quebec Drug Insurance Pooling Corporation**
Director

François Girard

Vice-President, Business
Development and Administration,
Group Insurance

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

Eric Timmons

Senior Director and Chief
Compliance Officer

- ▶ **Cégep de Drummondville**
Director

Amélie Caya Houle

Digital Project Manager
Communications

- ▶ **Appartenance Drummond**
Director

Pierre Parenteau

Senior Vice-President,
Actuarial and Finances
& Appointed Actuary

- ▶ **Corporation des Petits Chanteurs de Trois-Rivières**
Director and Treasurer
- ▶ **SOCODEVI**
Director

Julie Michaud

Senior Vice-President
Individual Insurance and Investment
& Retirement

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

Maryse Galarneau

Director
Human Resources

- ▶ **Maison des arts Desjardins de Drummondville**
Director
- ▶ **CPE La Maison de Bécassine**
Director

Marie-France Noël

Senior Director, Claims,
Group Insurance

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

Philippe Morin

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

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

Our Expertise for the Benefit of the Community

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

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 2020–2022

Marilyn Baril

Director,
Communications

- ▶ **Centre de pédiatrie sociale Les Petits Bonheurs**
Member, Campaign Cabinet
- ▶ **Village québécois d'antan**
Director

Guillaume Fautoux

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

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

Joëlle Girouard

Legal Analyst
Compliance

- ▶ **Fondation du Cégep de Drummondville**
Director
- ▶ **Jeune Chambre de Drummond**
Member of the recruitment committee



We are committed
to reducing social
inequalities.

Community

Community and social involvement

Our organization was founded in 1889 by 12 people who wanted a shared fund to rely on in the event of illness or death, and since then, helping one another has been part of our DNA. **As a mutual company, we put as much energy into our financial services as we do into the community.**



Protecting the World Around Us

Climate change and the macroeconomic environment have inspired us to adopt a forward-looking sustainable development approach that will incorporate environmental, social and governance considerations into all of our operations over the coming years. We aim to prioritize high-impact initiatives that tie in with our mission and are consistent with emerging regulatory requirements.

For us, sustainable development is more than just a trend we need to follow. It is part of our core values and part of the very definition of a mutual company: an organization where people help people. The mutual model has stood the test of time and today, transcends borders.



More than \$530,000 donated to a host of organizations in 2022!

Fondation de l'Université du Québec à Trois-Rivières (UQTR)

We are deeply committed to education, as evidenced by our support for UQTR, from the opening of the first campus in Drummondville in 2016 to the brand new smart manufacturing hub, the Centre national intégré du manufacturier intelligent. Together, we are helping to build a knowledge-based society where critical thinking fosters reasoned, sustainable and innovative decisions.



Centre de pédiatrie sociale en communauté Les Petits Bonheurs (CPSC)

CEO Christian Mercier and Board Member Gilles Pepin are co-chairs of the 2023–2028 funding campaign. They've put together a campaign cabinet of young local professionals, for whom they act as mentors. Our efforts in this project will give equal opportunities to children and teens in Drummondville and help break the cycle of poverty and social exclusion.



Canadian Cancer Society

Our Senior Vice-President, Technologies & Innovation, Jean-Mathieu Sigouin, has been involved for a few years now as honorary president of the Relay for Life in Drummondville. The latest event brought together about 100 participants and raised nearly \$85,000 to help fund innovative research projects and provide a support network for all those affected by cancer.



Spring Cleanup

In May, many employees and their families volunteered to help with spring cleanup for the Fondation du Centre Normand-Léveillé. On a beautiful Saturday morning, we came ready to have fun as we cleaned up the lawn, tidied up the gardens, cleaned outdoor furniture, stacked wood and laid down slabs to provide a clean and safe space for the foundation's special needs clients.





Through
support,
teamwork and
dedication,

we are committed to
care for each other.

Thank you

to all members of our UV
Insurance community!

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