



**EGI Financial Holdings Inc.**  
Annual General Meeting  
May 5, 2011

**Steve Dobronyi,**  
Chief Executive Officer



**EGI** Financial Holdings Inc.



# Forward-Looking Statements

This presentation contains “forward-looking statements” which reflect the current expectations of the Company. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management.

Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, without limitation, those listed under the heading “Risk Factors” in the Company’s Annual Information Form and other filings. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements in this presentation.

All forward-looking statements presented herein should be considered in conjunction with such filings. Except as required by Canadian securities laws, the Company does not undertake to update any forward-looking statements; such statements speak only as of the date made.

**Staying on course over a bumpy  
road requires focus...**

**...a clear goal...**

**...and a plan to get there.**



**In 2010, we again achieved our  
primary objective...**

**6<sup>th</sup>** consecutive profitable year

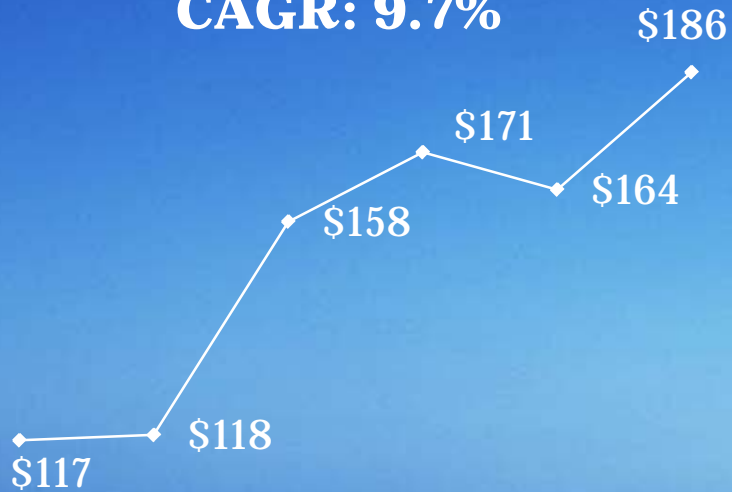


# \$4.2M

## net income

2005 – 2010 Direct Written Premiums  
(In \$millions)

**CAGR: 9.7%**





**...and reached our performance targets**

**95%** combined ratio Q4 2010

**4** consecutive quarters of  
improved underwriting results

**How did we get there?**



- Disciplined approach to growth
- Increased sophistication in risk selection
- Best-in-class service
- Cautious, targeted expansion
- Deep and experienced management team



**Now, the road ahead is clear.**



**We're on our way.**





## 2010 Highlights



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## Operational Highlights

Personal Lines division recorded

**14%** increase in  
written premiums

Niche Products division recorded

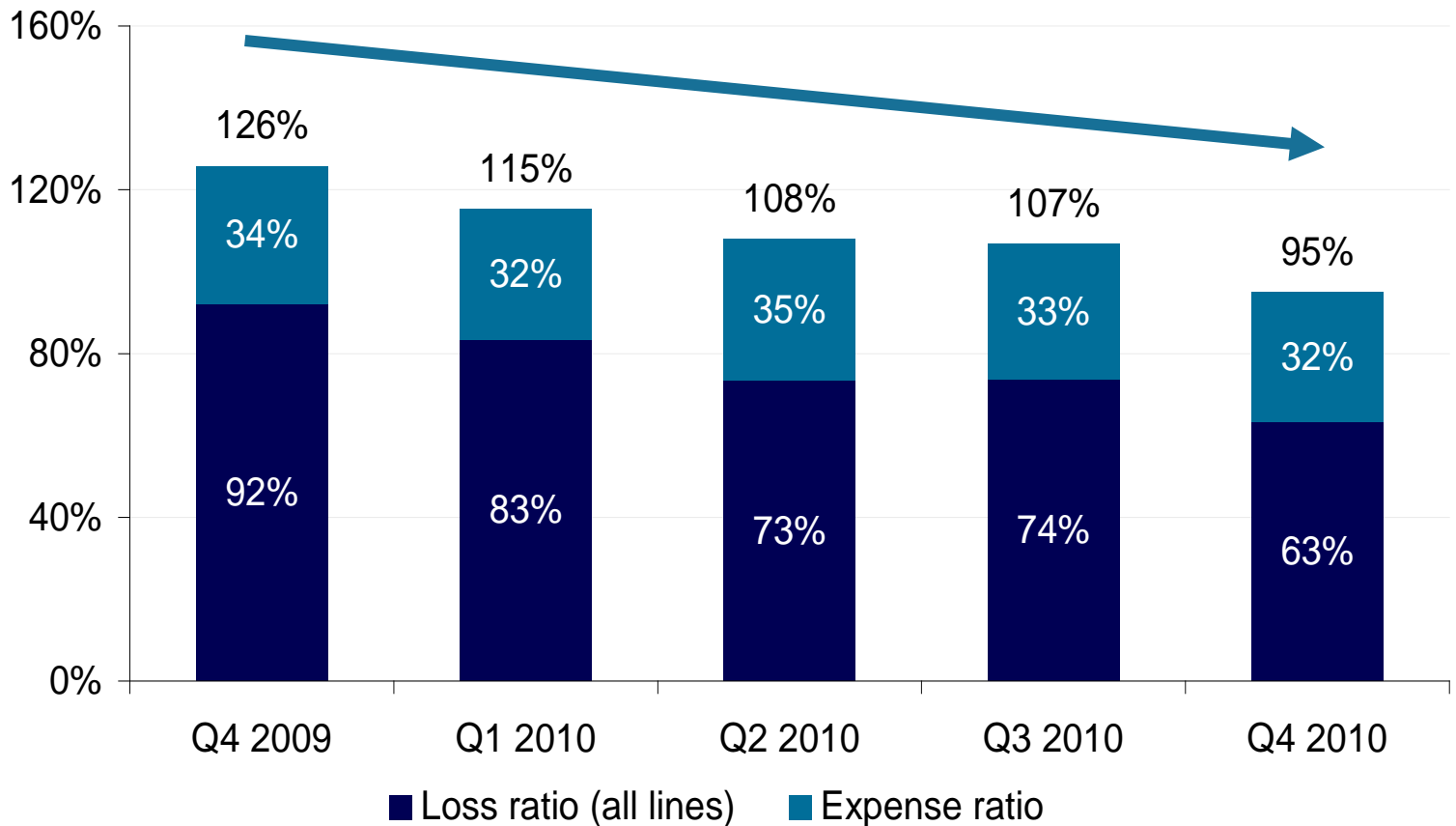
**10%** increase in  
written premiums



# Operational Highlights

## Combined Ratio

Four quarters consecutive improvement





## Financial Highlights

Book value increased by

**10% to \$146M**

Fair market value of investment portfolio increased by

**8% to \$398M**

# Our Businesses

## Personal Lines



**72%**

of premiums  
earned

Focused on non-standard auto insurance in Canada.

## Niche Products



**28%**

of premiums  
earned

Focused on specialized non-auto insurance programs in Canada.

## International Division



**<1%**

of premiums  
earned

Focused on non-standard auto insurance in the southeastern United States.

A woman with long dark hair is driving a convertible car on a paved road. The car's top is down, and the interior dashboard and steering wheel are visible. The road is flanked by trees with vibrant autumn foliage in shades of yellow, orange, and red. The sky is blue with light clouds. The text "Personal Lines" is overlaid in white on the right side of the image.

## Personal Lines

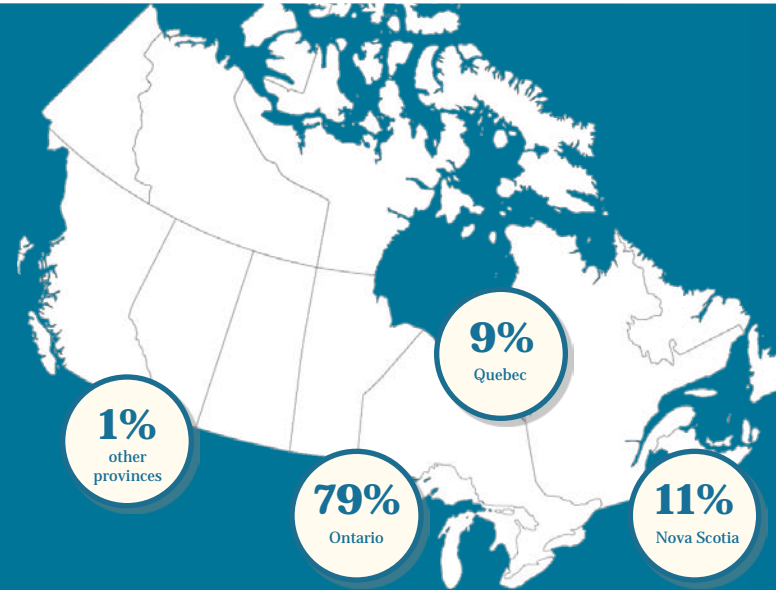
The logo for EGI Financial Holdings Inc. consists of three stylized, overlapping white curved lines that form a shape resembling a mountain range or a series of steps.

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# Personal Lines Overview

- Focused on non-standard auto insurance
  - 8% to 10% of all licensed drivers in Canada
- Growing business insuring specialty vehicles





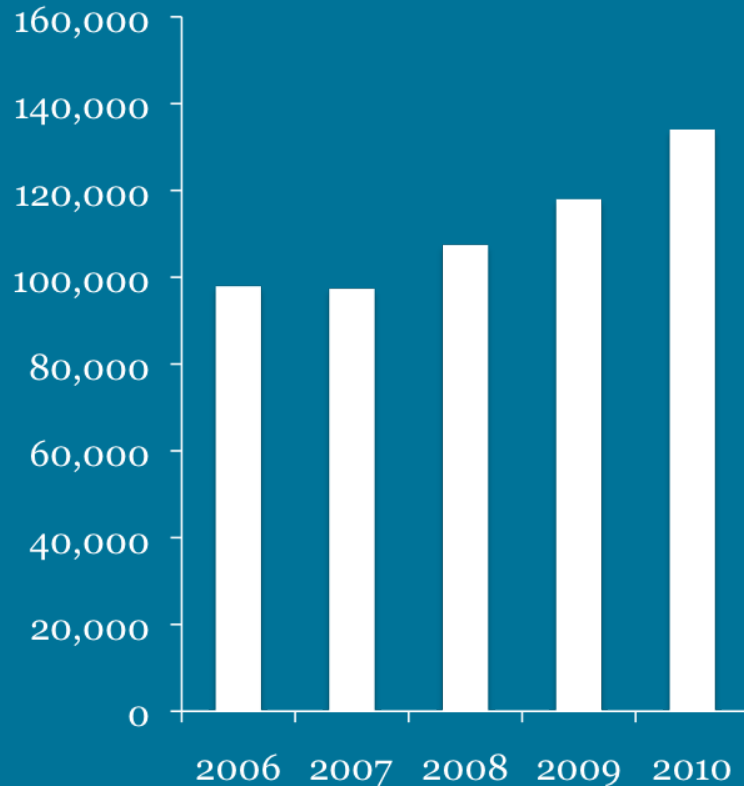
# Personal Lines – Year in Review

14% increase

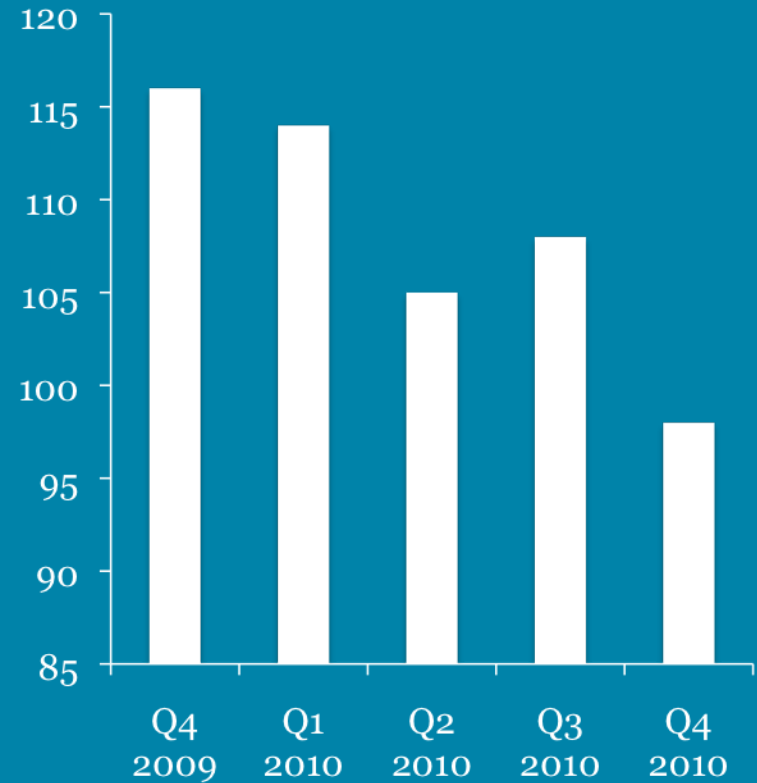
Restored profitability

## Direct Written Premiums

(\$ millions)



## Combined Ratio %





## Niche Products Division

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# Niche Products Overview

- Insurance coverage not provided by standard markets
  - Higher-premium property
  - Primary and excess liability
  - Legal expense
  - Accident and health insurance
  - Extended warranty



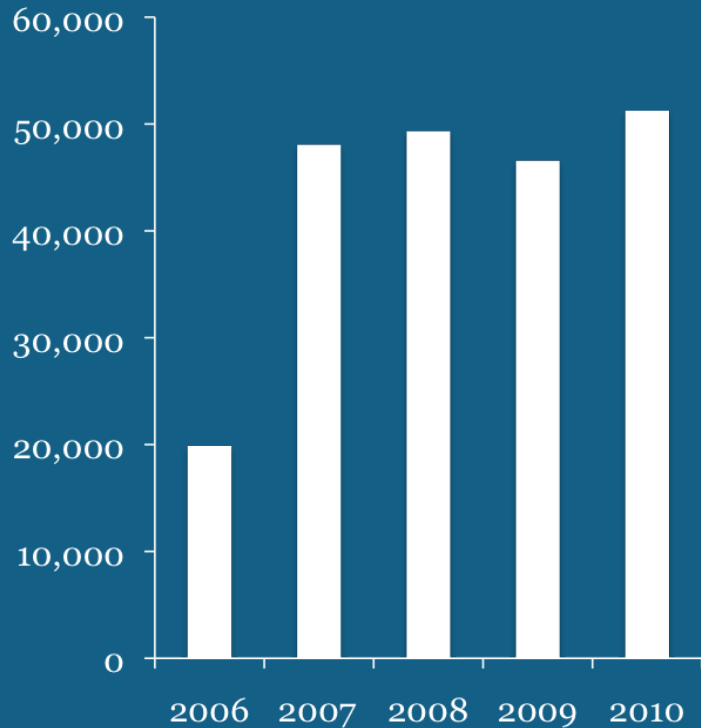
# Niche Products – Year in Review

10% increase

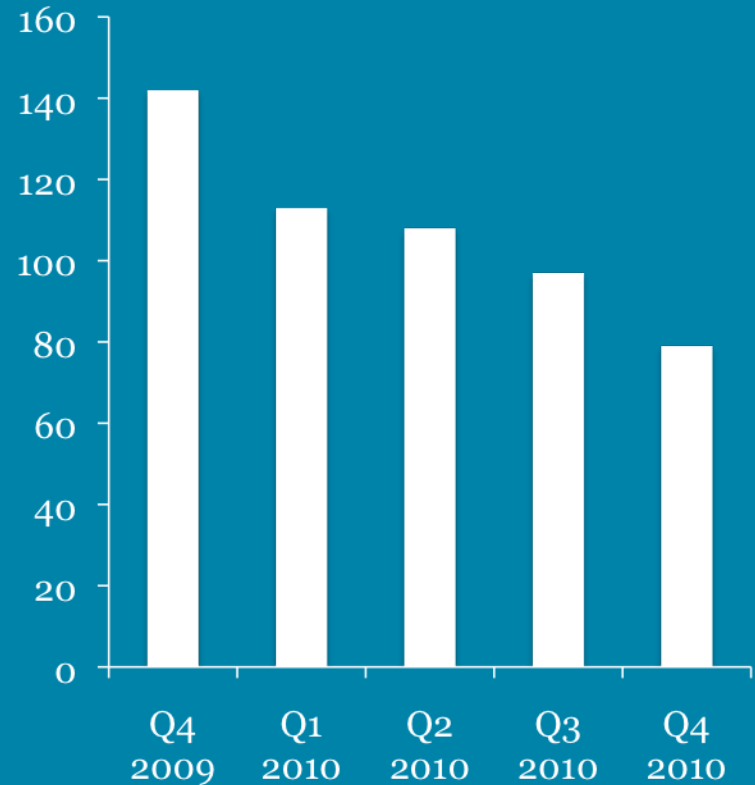
Restored profitability

## Direct Written Premiums

(\$ thousands)



## Combined Ratio %





## **International Division**



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## International Division – Year in Review

- Focused on non-standard auto insurance in southeastern U.S.
- Acquired American Colonial Insurance Company, to pursue expansion as insurer
- Launched programs in Florida and Texas in 2010
- Also licensed for future growth in Georgia, Louisiana and Alabama



## **Financial Review**

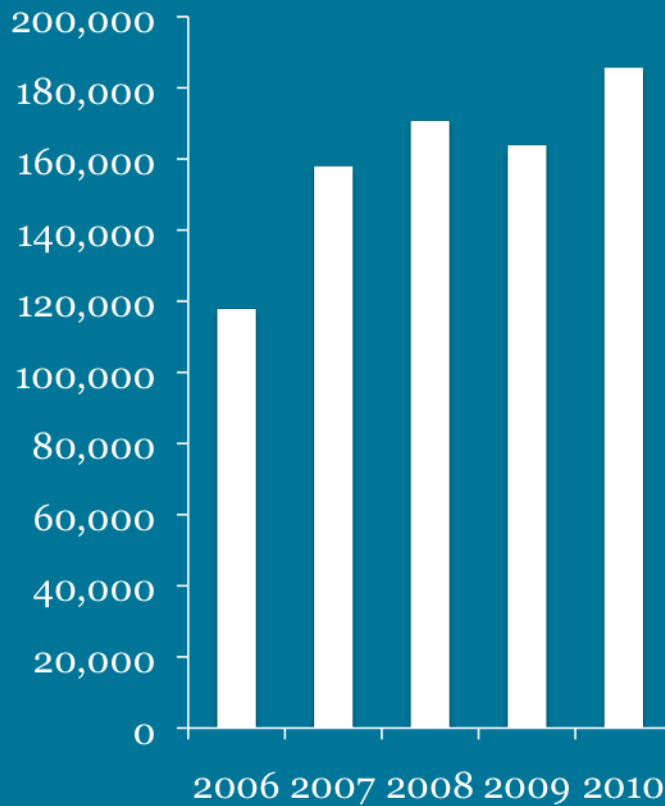
**Hemraj Singh,**  
Vice President and  
Chief Financial Officer



# A Solid Track Record

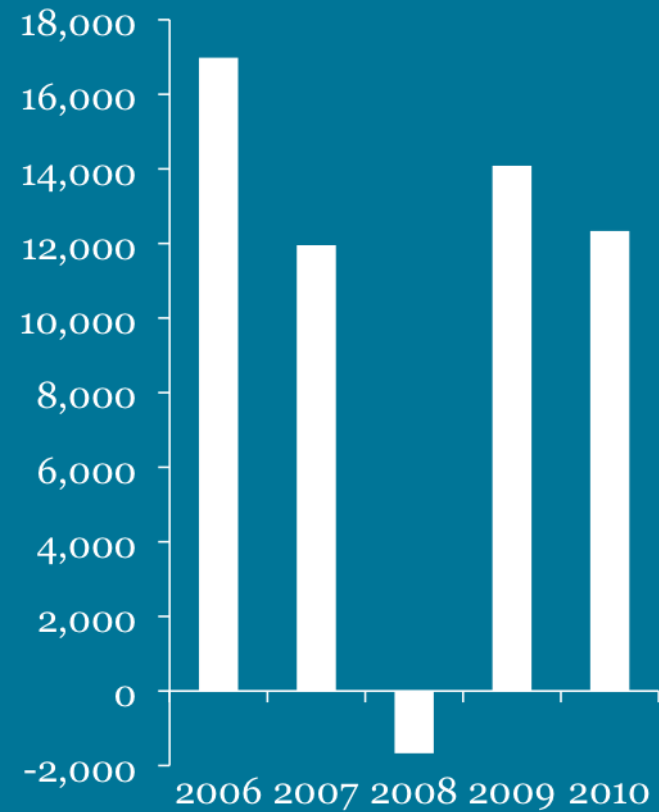
## Written Premiums

(in \$ thousands)



## Comprehensive Income

(in \$ thousands)





## 2010 Financial Highlights

Year ended December 31 (\$millions except per share amts.)

	2010	2009
Net earned premiums	162.9	149.4
Underwriting income (loss)	(9.8)	(9.3)
Investment income	17.6	17.8
Net income (loss)	4.2	4.5
Net income (loss) per diluted share	\$0.33	\$0.36



# Balance Sheet Strength

As at December 31, 2010

Minimum Capital Test Ratio\*

# 250%

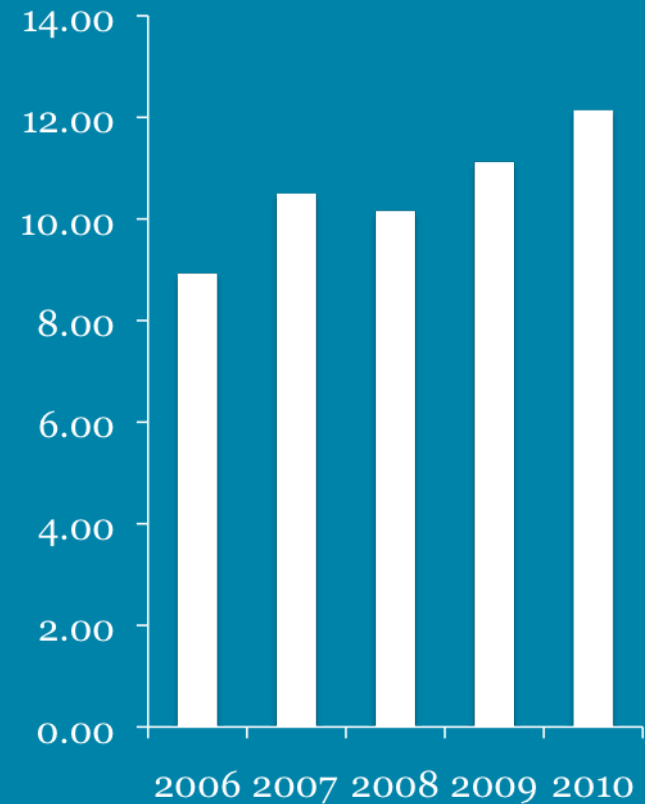
A.M. Best  
Financial Strength Rating\*

# B++

\* Echelon General Insurance Company

## Book Value

(per share)



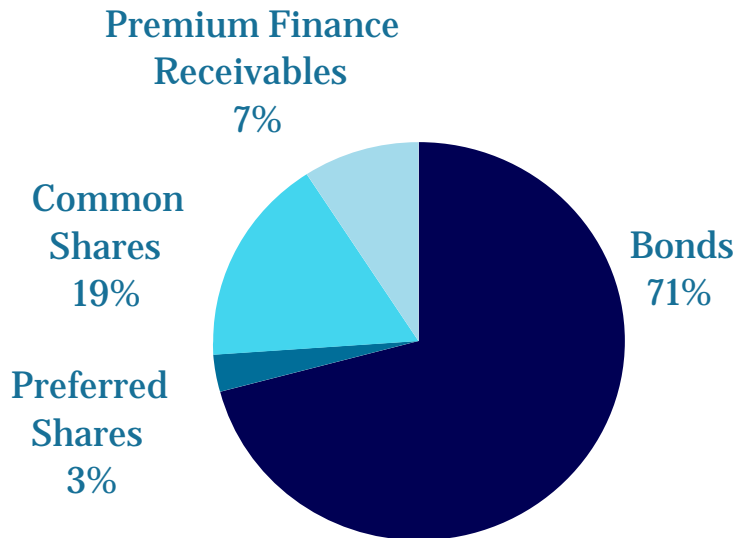


# Asset Strength

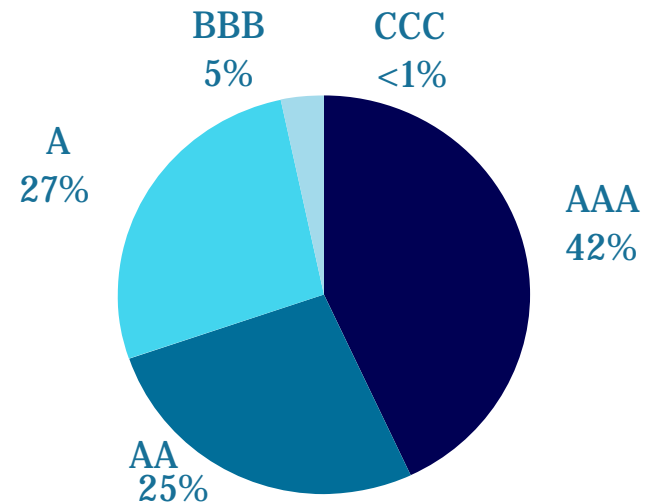
As at December 31, 2010

## Solid investment portfolio

### Invested Asset Mix



### Fixed Income Credit Quality



- Conservative asset mix

- High bond quality



# Q1 2011 Financial Highlights

Quarter ended March 31 (\$millions except per share amts.)

	2011	2010
Net earned premiums	40.3	38.2
Underwriting income (loss)	(0.1)	(5.8)
Investment income	4.4	3.6
Net income (loss)	3.0	(1.8)
Net income (loss) per diluted share	\$0.24	\$(0.14)



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**EGI** Financial Holdings Inc.

**Our Vision: To be the pre-eminent Canadian-based  
writer of specialized, niche insurance solutions**





## Strategic Focus

- Increase the level of sophistication in the selection and management of risk
- Improve service and ease of doing business with our producers



# Strategic Plan

- Protect the Core
- Diversify by Product
- Diversify Geographically
- Expertly Service Producers
- Invest in People and Tools



## Protect the Core

- Ensure dominant non-standard auto businesses in Canada remain strong and profitable
- Generate profitability and growth through sophisticated analytics and precise segmentation of risk
- Monitor provincial reforms on claims costs





## Diversify by Product

- In Niche Products, strategically develop Accident & Health business through investments in technology and service
- In Personal Lines, use existing expertise to continue growing insurance for specialty vehicles





## Diversify Geographically

- Gradually enter non-standard auto insurance in select southeastern U.S. markets
- Continue building auto lines of business in Quebec and Nova Scotia
- Explore new opportunities in other provinces
- Seek acquisitions that accelerate our strategy





## Expertly Service Producers

- Provide the optimum level of service to producers and policyholders
- Develop processes, tools and technology that make a producer want to do business with us





# Invest in People and Tools

- Attract, develop and retain talented employees
- Leverage technology to enhance risk selection and improve service





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