



Annual Meeting of Shareholders

May 9, 2007

NEW MARKETS, NEW PRODUCTS

Comprehensive Specialized Insurance Offering

eCHELON

GENERAL INSURANCE COMPANY

**Personal
Lines**

- 3rd largest in non-standard auto in Canada

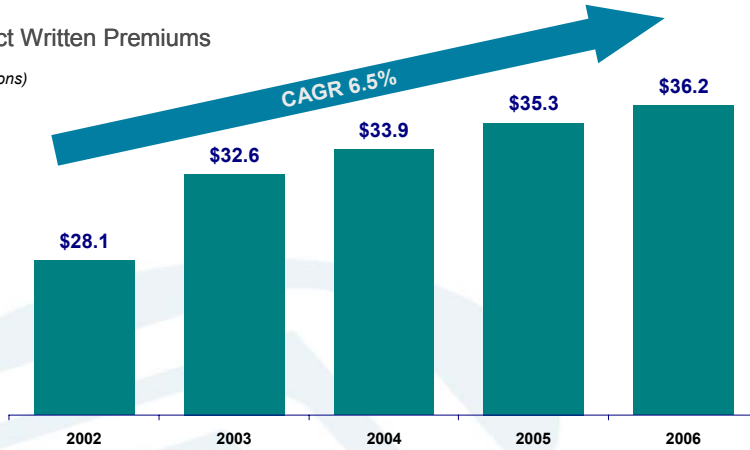
**Niche
Products**

- Rapidly growing

Steady Industry Growth

Direct Written Premiums

(\$ Billions)



Source: MSA Research



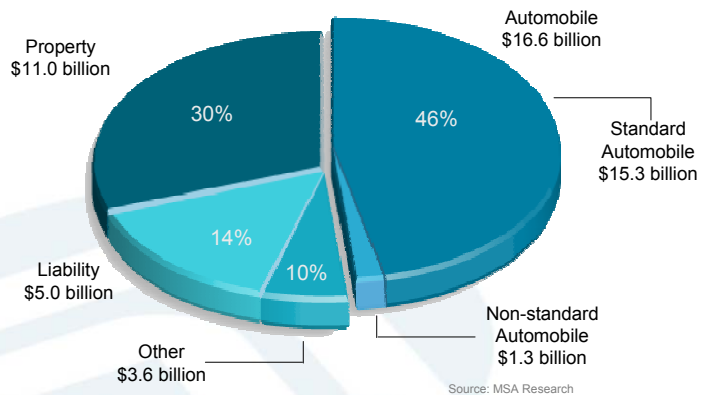
EGI Financial Holdings Inc.

NEW MARKETS. NEW PRODUCTS

3

Automobile Segment Drives Industry

2006 Direct Written Premiums by Line of Business



Source: MSA Research



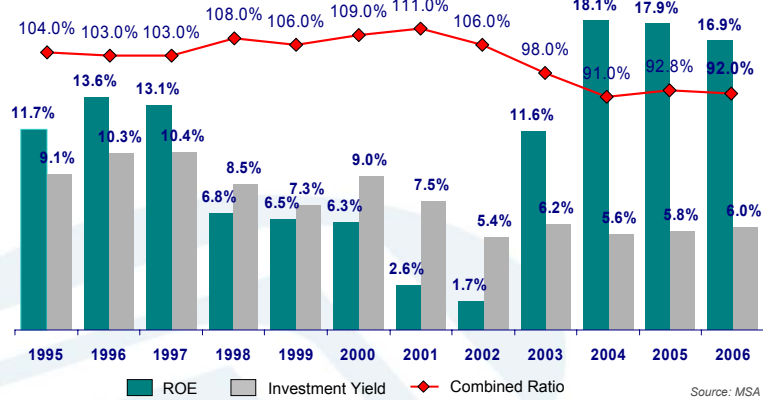
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NEW MARKETS. NEW PRODUCTS

4

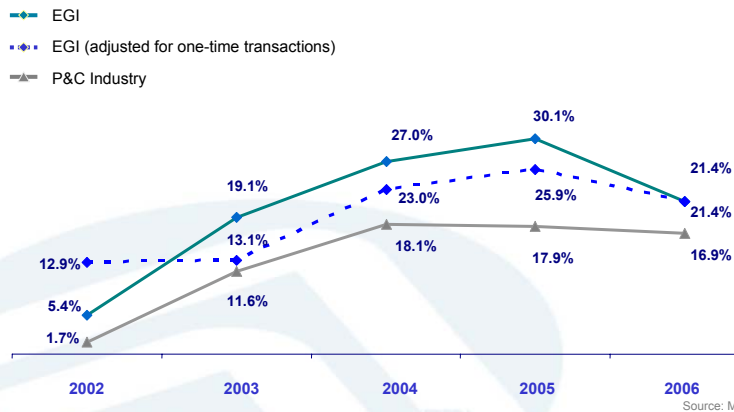
Improved Industry Performance

Combined Ratios, Investment Yield and ROE



Strategic Objective: Superior Return on Equity

EGI and P&C Industry Return on Equity



Personal Lines



Antique automobiles



Non-standard Automobile
(Includes U.S.)

Non-standard
habitational



Motorcycles



Snowmobiles



EGI Financial Holdings Inc.

NEW MARKETS, NEW PRODUCTS

7

Focus on Non-Standard Auto Insurance

8%–10% of total
licensed drivers



45% Private Carriers

including

eCHELON
GENERAL INSURANCE COMPANY

55% Facility/
Groupement



Single male (18–24)

Drives SUV/sporty car
2+ claims, convictions



Older drivers

Rapidly growing demographic group



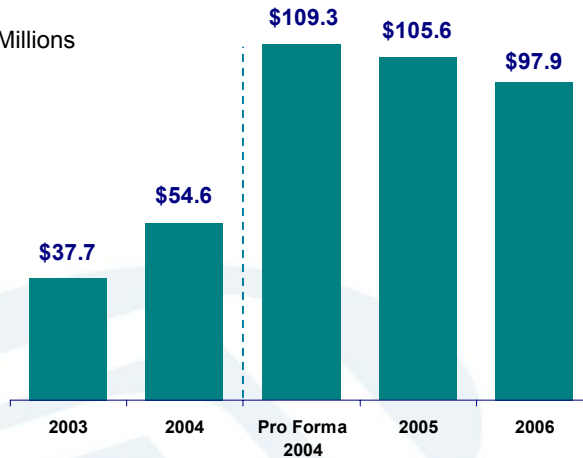
EGI Financial Holdings Inc.

NEW MARKETS, NEW PRODUCTS

8

Personal Lines – Direct Written Premiums

\$ Millions



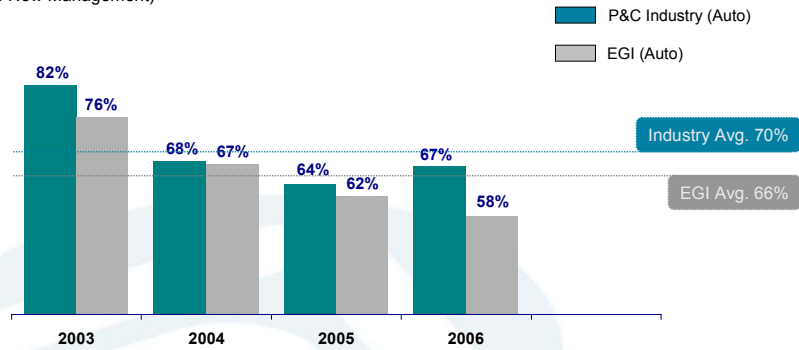
Underwriting Discipline & Claims Expertise

- Focus on 'reformers', not 'repeaters'
- Final underwriting decision with Echelon: each application reviewed individually
- Focus on unique, non-standard needs/histories
- Segment less price-competitive
- Loss ratios (non-standard auto) outperform industry



Outperformed Industry Auto Loss Ratios

EGI and Industry Auto Loss Ratios
(Since New Management)



Source: MSA research

Personal Lines Operating Highlights

Year ended December 31 (\$000s)	2006	2005
Direct written premiums	\$97,932	\$105,567
Underwriting revenue	\$91,016	\$69,644
Underwriting income*	\$15,141	\$9,372
Loss ratio	57.9%	61.6%
Expense ratio	25.5%	24.9%
Combined ratio	83.4%	86.5%

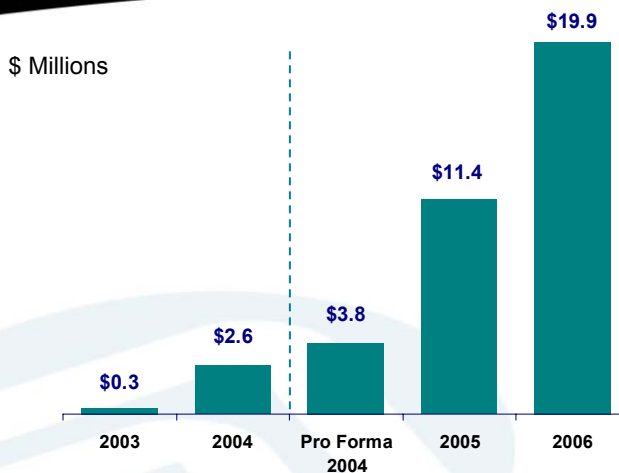
*Before unallocated corporate expenses

Growing Niche Products Division

- Insurance coverage not provided by standard markets
 - Higher-premium property
 - Primary and excess liability
 - Legal expense
 - Accident and health insurance
 - Extended warranty programs for consumer products and homes
 - Specialized coverage – business interruption for truckers



Niche Products – Direct Written Premiums



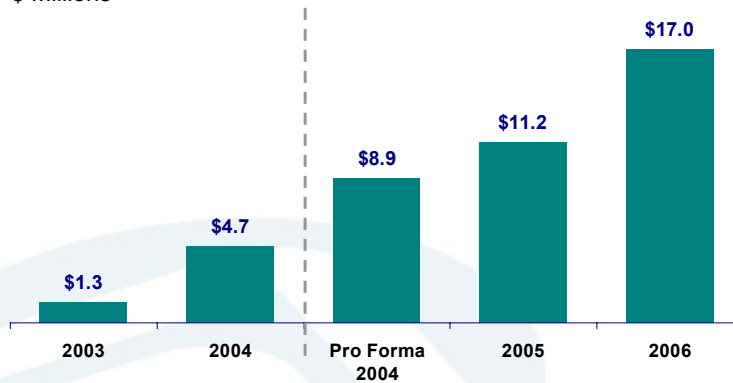
Niche Products Operating Highlights

Year ended December 31 (\$000s)	2006	2005
Direct written premiums	\$19,902	\$11,439
Underwriting revenue	\$12,927	\$6,927
Underwriting income*	\$248	\$467
Loss ratio	52.6%	46.1%
Expense ratio	45.5%	50.3%
Combined ratio	98.1%	96.4%

*Before unallocated corporate expenses

Growing Income from Continuing Operations

\$ Millions



Note: Includes results of both underwriting and investing.

2006 Income Statement Highlights

Year ended December 31 (\$000s except per share amts.)	2006	2005	% Change
Direct written premiums	\$117,834	\$117,006	0.7%
Net earned premiums	103,942	76,344	36.1%
Underwriting income	14,510	9,418	58.2%
Investment income	11,033	7,527	46.6%
Net income before extraordinary gain	16,981	11,208	51.5%
Diluted EPS before extraordinary gain	\$ 1.67	\$ 1.30	28.5%

2007 First Quarter Income Statement Highlights

Quarter ended March 31 (\$000s except per share amts.)	2007	2006	% Change
Direct written and assumed premiums	\$ 30,196	\$ 26,092	15.7%
Net earned premiums	\$ 24,790	\$ 25,075	(1.1%)
Underwriting income	\$ 1,304	\$ 930	40.2%
Investment income	\$ 2,601	\$ 2,633	(1.2%)
Net income	\$ 2,527	\$ 2,434	3.8%
Net income per diluted share	\$ 0.24	\$ 0.24	—

2007 First Quarter Segmented Highlights

Quarter ended March 31 (\$000s)	Personal Lines		Niche Products	
	2007	2006	2007	2006
Underwriting revenue	\$20,407	\$22,661	\$4,382	\$2,414
Underwriting income*	\$745	\$1,302	\$778	(\$189)
Loss ratio	65.4%	66.7%	40.8%	60.5%
Expense ratio	31.0%	27.5%	41.4%	47.3%
Combined ratio	96.4%	94.3%	82.2%	107.9%

*Before corporate expenses (2007 - \$0.2 million; 2006 - \$0.2 million) and taxes, which are not allocated by division

Balance Sheet Strength

Minimum Capital Test Ratio

- Minimum Requirement: 150%
- Industry average: 240%*
- **EGI: 330%**

* At Dec. 31, 2006

Expand Core Personal Lines Business

Growth Strategies

- Establish non-standard business in new markets
- Build personal and commercial auto lines in Quebec
- Expand product line to cover additional vehicles
 - Motorcycles in Alberta, all terrain vehicles, pleasure craft, recreational vehicles
- Acquire US non-standard automobile insurance company



NEW MARKETS, NEW PRODUCTS

Acquisitions

Growth Strategies

- Two-year reinsurance agreement with AssuranceAmerica
 - US\$15 million in 2007
 - Excellent, low risk exposure to US market
- Platform for future acquisitions of companies



NEW MARKETS, NEW PRODUCTS

Expand Specialty Niche Programs

Growth Strategies

- Growth opportunities:
 - Extended health insurance
 - Higher-risk property insurance
 - Excess general liability insurance
 - Warranty insurance
- Broaden awareness with qualified MGAs
- Maintain unique expertise and superior service
- Consider acquisitions of books of business, MGAs or an insurance company
- Offer MGAs risk-sharing arrangements



NEW MARKETS, NEW PRODUCTS

Invest in Technology

Growth Strategies

- ADAPT™ system streamlines Niche Products division
 - Imports and analyzes data directly
 - Issues thousands of certificates with small premiums
 - Represents a competitive advantage
- Make it easier for producers to do business
- MGAs now on our system
- Exploring potential with auto claims



SUPPORTIVE • INNOVATIVE • CREATIVE • ENTREPRENEURIAL ²⁴

Focus on Industry-leading Service
Growth Strategies

Brokers

Agents

MGAs

eCHELON

GENERAL INSURANCE COMPANY

- Handle policy paperwork efficiently, process claims fairly
- Enhanced producer satisfaction – stability and growth
- Ranked #1 for non-standard insurance by Ontario brokers



NEW MARKETS, NEW PRODUCTS

25



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