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MSA Research Inc. Releases Summary Year-end 2009 P&C Data
March 15, 2010

Commentary:

- The attached data sheet contains aggregated information on 215 insurers and reinsurers of which 176 are federally licensed and regulated by OSFI and 39 are regulated at the provincial level. The data excludes Lloyd's.
- The industry experienced a minor underwriting loss of \$276 million down from a loss of \$465 million in 2008.
- Overall underwriting results indicate a slight improvement over 2008. This minor change, however, masks significant differences amongst the companies with almost as many showing deterioration as improvement.
- Overall industry ROE's improved to 7.06% from 5.79% as a consequence of the turnaround in investment returns.
- Premium growth of 3.1% was driven mostly by hardening in personal lines in several regions. Commercial lines remained soft as a result of competition over capitalization and recessionary impacts.
- Many personal lines insurers, especially those exposed to Ontario auto experienced deep underwriting losses. In quite a few cases, these underwriting losses resulted in overall net losses for these insurers. Capital erosion, however, has been muted by reversal of market values of their investments.
- The supreme court decision to uphold the minor injury cap in Alberta resulted in a one time release of reserves that caused the 2009 Alberta auto loss ratio to drop abnormally low to 55.2%. This reserve release also benefitted the industry combined ratio.
- MSA will post high level company by company results on www.msaresearch.com on March 17 and release extremely detailed information to clients via its MSA Researcher P&C software later this week.

Year-End 2009 P&C Industry Results
From MSA Research Inc. www.msaresearch.com
 Tuesday, March 16, 2010

Two Hundred and Fifteen (215) Companies.
 Representing approximately 96% of Canadian premium volume*

Summary Statistics (C\$'000's)	2009	2008	%Change
Direct Premiums Written	38,547,726	37,372,749	3.1%
Net Premiums Written	36,308,081	35,135,998	3.3%
Net Premiums Earned	35,832,201	33,632,566	6.5%
Net Claims Incurred	25,477,098	24,059,351	5.9%
Net Underwriting Income	(276,451)	(485,287)	-43.0%
Net Investment Income (and Gains)	3,425,835	2,881,918	18.9%
Net Income Before Tax	3,300,268	2,555,116	29.2%
Net Income	2,492,960	1,932,502	29.0%

Ratios

Net Loss Ratio	71.1%	71.5%	-0.40%
Expense Ratio	29.7%	29.9%	-0.23%
Combined Ratio	100.8%	101.4%	-0.63%
Return on Equity	7.06%	5.79%	1.27%

Net Loss Ratios

Personal Property	75.54%	75.80%	-0.26%
Commercial Property	66.31%	68.30%	-1.99%
Auto	76.93%	77.60%	-0.67%
Liability	64.56%	59.00%	5.56%

Direct Loss Ratios

Ontario Auto	90.70%	84.30%	6.40%
Alberta Auto	55.20%	75.30%	-20.10%

Other YoY Metrics

Number of Co.'s with Higher DPW	107
Number of Co.'s with Lower DPW	61
Number of Co.'s with Lower COR	106
Number of Co.'s with Higher COR	86
Number of Co.'s with Higher Net Income	109
Number of Co.'s with Lower Net Income	106

* Notable exclusions from this aggregation are: Lloyds, ICBC and MPI

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