



**PUBLIC
ACCOUNTABILITY
STATEMENT**



WHO WE ARE

For 145 years, Canadians have trusted Economical Insurance to protect their homes, automobiles and businesses. Today, Economical is one of Canada's leading property and casualty (P&C) insurance companies.

Headquartered in Waterloo, Ontario, we're proud to serve more than one million customers across the country through a national independent broker force and our digital direct brand, Sonnet. As a multi-channel insurance company, we provide Canadians with great service no matter how they choose to purchase their insurance.

Behind the scenes and in the field, it's our employees and valued broker partners that make all the difference. They're the reason we've come as far as we have, and the reason we'll go much further still.

OUR MISSION

Be the insurance partner Canadians choose to protect what they value most.

OUR VISION

To be one of Canada's top P&C insurers, recognized for our business innovation and how well we take care of our customers.

WE'RE GUIDED BY OUR VALUES

- we focus on customers first
- we bring our best
- we're stronger together

Our public accountability statement provides a snapshot of our social responsibility efforts through financial contributions, charitable giving, respect for the environment, and support for our employees, brokers, and customers. This statement is about Economical Mutual Insurance Company and the following affiliates:

- Perth Insurance Company
- Waterloo Insurance Company
- The Missisquoi Insurance Company
- Sonnet Insurance Company

*Economical purchased Western Financial Insurance Company ("WFIC") from Desjardins Financial Corporation Inc. effective January 1, 2017, and at that time WFIC's name was changed to Petline Insurance Company. WFIC is included in Desjardins Group's 2016 Social and Cooperative Responsibility Report accessible online at www.desjardins.com.



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WE'RE STRONGER TOGETHER

A MESSAGE FROM ROWAN SAUNDERS, PRESIDENT AND CEO

As one of Canada's leading providers of home, auto and commercial insurance, we're in the business of protecting Canadians from coast to coast. With more than one million policyholders, we remain steadfast to our original promise: we'll be there when our customers need us most.

We're a company with big aspirations. We have a clear vision, strong values, and an innovative strategy that position us for future growth and continued success.

Economical has major initiatives underway that demonstrate how committed we are to becoming one of Canada's top P&C insurers, recognized for our business innovation and how well we take care of our customers.

Success wouldn't be possible without great people. The commitment and dedication of our employees helped us generate a 93% satisfaction rating¹ from customers with claims. Our values-based culture puts the customer at the centre of everything we do. We bring our best every day and understand that we are stronger together, which guides us in our daily collaboration and decision making.

Our 2016 public accountability statement describes our social responsibility through taxes paid, support for our employees, brokers and policyholders, our charitable giving, and our respect for the environment.

In 2016, we provided approximately \$1.2 million towards making a difference in Canadian communities. Our employees across the country also generously contributed more than 3,800 volunteer hours during the work week to deserving causes.

Our ambitions are high, our broker relationships are strong, and our employees continue to raise the bar as we deliver on our mission to be the insurance partner Canadians choose to protect what they value most.



A handwritten signature in black ink that reads "R. Saunders". The signature is fluid and cursive.

ROWAN SAUNDERS
President and Chief Executive Officer

¹Percentage based on 91,254 Economical claimant survey responses measuring customer satisfaction with claims services from January 2007 to December 2016

OUR SOCIAL RESPONSIBILITY

Social responsibility at Economical is about being accountable to all stakeholders, supporting our communities, and respecting the environment. It demonstrates how we put the customer at the centre of all we do, our integrity, and how we give back to Canadian communities where we operate.

OUR CODE OF BUSINESS CONDUCT

At Economical, we work to protect and strengthen our reputation by living our values. The high standards of professionalism to which we hold ourselves are reflected in our Code of Business Conduct (Code of Conduct).

Our employees, officers, and directors must review the Code of Conduct and agree to comply when hired and on an annual basis.

The Code sets standards for all Economical employees — regular or temporary — by outlining our responsibilities when conducting business.



BOLSTERING CANADA'S ECONOMY

We support local communities by making major contributions to public revenues.

TAXES PAID

The following table shows the taxes paid to federal and provincial governments in 2016 (\$):

Province	Income taxes	Premium and fire taxes	GST/HST/QST	2016
Newfoundland	3,195	73,348	19,409	95,952
Prince Edward Island	1,532	235,766	42,735	280,032
Nova Scotia	16,132	2,807,169	468,522	3,291,823
New Brunswick	12,185	2,321,867	380,601	2,714,652
Quebec	31,462	4,719,995	908,166	5,659,622
Ontario	211,151	38,626,506	6,893,179	45,730,836
Manitoba	2,187	439,727		441,914
Saskatchewan	964	273,645		274,609
Alberta	56,749	10,115,582		10,172,331
British Columbia	49,734	12,606,057		12,655,791
Yukon	47	3,322		3,369
Northwest Territories	66	8,085		8,151
Nunavut	25	3,561		3,586
Total Provincial	385,429	72,234,629	8,712,611	81,332,669
Total Federal	470,975		7,397,096	7,868,071
Total	856,404	72,234,629	16,109,707	89,200,740

DEBT FINANCING

We sometimes provide debt financing to our broker partners to support their development and growth.

	<\$24,999	\$25,000 - \$99,999	\$100,000 - \$249,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000 - \$4,999,999	\$5,000,000+	Total (all levels)
Authorized amount ¹	\$4	\$140	\$574	\$1,050	\$3,471	\$21,538	\$58,311	\$85,088
Number of clients ²	2	3	3	3	4	9	5	29

¹In thousands of dollars. Represents the ending balances for debt financing authorized to firms as at December 31, 2016, and include all new commitments for 2016.

²As at December 31, 2016, we had no debt financing activity in British Columbia, Saskatchewan, Manitoba, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories or Nunavut. Data for all other Canadian provinces has been consolidated to preserve client confidentiality.

WE BRING OUR BEST

RECOGNITION FOR OUR ACHIEVEMENTS

A.M. BEST RATINGS FOR ECONOMICAL INSURANCE AND ECONOMICAL SELECT



For the fourth consecutive year, A.M. Best affirmed the financial strength rating of A- (Excellent) and issuer credit rating of a- for Economical Mutual Insurance Company and its wholly-owned subsidiary, Waterloo Insurance Company. The outlook for all ratings is stable. This rating is recognition of our excellent financial strength and strong operating performance. It reinforces confidence in our customers and broker partners that we will be there when they need us most. A.M. Best also recognized that Economical has broadened its distribution with the introduction of its digital direct brand, Sonnet.



P&C INSURER OF THE YEAR

Recognizing our strategy, momentum, and amazing people, Economical was honoured as *P&C Insurer of the Year* at the 2016 Insurance Business Awards. The award distinguishes the insurer that provides top-tier property and casualty insurance products to consumers and businesses in Canada.



WATERLOO AREA'S TOP EMPLOYERS FOR 2017

For the second year in a row, Canada's Top 100 Employers honoured Economical as one of Waterloo Area's Top Employers for 2017. Winners were chosen for providing exceptional places to work in Guelph and Canada's Technology Triangle (Cambridge, Kitchener, and Waterloo). Economical was recognized for its dependent children's scholarship program and for how we embrace diversity in an inclusive environment, helping us attract and retain top talent.



2016 WATERLOO REGION HEALTHY WORKPLACE AWARDS

Economical won Platinum in the 2016 Waterloo Region Healthy Workplace Awards for sustaining Gold Level standing for three years. This award recognizes our health promotion strategies in awareness raising, skill building, supportive environment, and policy development.

WE FOCUS ON CUSTOMERS FIRST

SUPPORTING OUR POLICYHOLDERS



We delivered on our promise of being there when our customers need us most and paid more than **\$1 billion in claims in 2016.**

After filing a claim, 93.3% of our policyholders indicated that they are satisfied or very satisfied with the quality of their service experience¹. We're proud to live up to our promise by delivering superior claims service when our customers need us most.

Expert claims representatives guide our policyholders through the claims process to make each claim as easy as possible.

Our claims service includes:

- 24-hour claims support, seven days a week
- 700 claims professionals servicing policyholders in several languages
- Repair guarantees for auto and property claims
- Access to quality medical services for policyholders
- Catastrophe response teams
- Specialized units dedicated to ensuring customized claims services

If a policyholder's property or vehicle has been damaged, they can take advantage of our convenient Economical Service Program (ESP) developed to provide superior claims service to our policyholders while ensuring the quality of repairs. We set stringent performance standards and certify only those repair facilities that meet or exceed our standards. Location, quality, reputation, integrity and environmentally-friendly procedures are essential elements in meeting our ESP standards.

For repair facilities that meet or exceed our ESP standards, we designate them as a Certified Economical Repair Facility (CERF). As part of our commitment to the environment, we enhanced our criteria to create an elite status for shops that achieve a clean, eco-friendly designation.

- A Certified Economical Quality Contractor provides quality property restoration and repairs, with a guarantee from us on the quality of work for up to two years from the time of the repair
- Our Preferred Provider Network provides medical care and rehabilitation services to accident benefits claimants who incurred minor injuries from an automobile accident

¹Percentage based on 91,254 Economical claimant survey responses measuring customer satisfaction with claims services from January 2007 to December 2016.

FORT MCMURRAY RESPONSE

When the evacuation order came, many of the 88,000 people of Fort McMurray left with only the clothes on their back. It was in these overwhelming circumstances that people from Economical conveyed, witnessed and experienced acts of kindness that showed another side of how insurance companies and their employees deliver on their promise to be there when they are needed most.

Even before the mandatory evacuation order was given, our catastrophe response team was already in motion, offering first-hand assistance at the scene and compensation for additional living expenses to its stranded customers on the spot.

It was often the small gestures and acts of kindness that meant so much at the time.

“

We provided water bottles to everyone, including people who weren't our customers. We gave out snacks to the kids. We put smiles on people's faces at a time when they didn't have much to smile about.

- Janet Stalmans, Regional Claims Manager

”

At the Lac La Biche evacuation centre, one of our claims adjusters volunteered at the temporary shelter set up for evacuees' pets. At the beginning and end of every day, he helped out with cleaning, dog walking, cat sitting, feedings, and playtime. He also reunited two cats with their family in Red Deer.

Putting customers first, we also waived the premium for any customer in the Regional Municipality of Wood Buffalo whose personal or commercial property renewal had come up during the evacuation, and who experienced a complete total loss from the wildfire. We are covering these premiums until the building is rebuilt, or settlement of the loss is agreed upon.

“

We used technology to give people peace of mind about the state of their home. We showed them aerial images of their property because they were eager to know if their home had been destroyed or if it was still standing.

- Chris Weber, Regional Vice-President, Alberta and the Prairies

”

WE'RE STRONGER TOGETHER

ENGAGING EMPLOYEES

Our people are the reason we have come so far, and the reason we'll go much further still. Employees tell us what makes Economical special: our goals are ambitious, our workplace is fun, and our work is rewarding. We're committed to encouraging this employee experience and to rethinking insurance, together. Our innovations in Sonnet, advanced analytics, and people programs are made possible by our employees who experience our values-based culture every day.

WORKING TOGETHER ACROSS THE COUNTRY

We foster a respectful and inclusive environment where our people are valued. We're proud of our diverse workforce that strengthens our business through an array of perspectives and experiences, and understands the needs of our diverse customers.

As of December 31, 2016, Economical had 2,226 active employees, which includes 2,181 full-time and 45 part-time employees.

Province	Regular full-time	Temporary full-time	Regular part-time	Temporary part-time	Total
British Columbia	137		2	1	140
Alberta	113	2	4	2	121
Ontario	1,674	28	12	21	1,735
Quebec	165		1	1	167
Nova Scotia	62		1		63
Total ¹	2,151	30	20	25	2,226

CREATING A HIGH PERFORMING CULTURE

Our culture is guided by our core values, and fulfills our promise to employees. It helps us deliver on our business strategy, strengthens our brand, and encourages employees to bring their best every day. We invest in our people so they can provide the best service for our customers.

Here are a few ways we're living our values to create an engaging and high-performing culture:

- **Leader training** — A nation-wide learning program for our leaders was delivered in 2016. It was thought-provoking, experiential, and deliberate in driving the right mindset and behaviours, so leaders left with a better understanding of how to lead while living our values.
- **Diversity and Inclusion Think Tank** — The success of our Women's Leadership Network inspired us to grow our diversity initiatives in scope and impact. In 2016, we held our first Diversity and Inclusion Think Tank with select employees from across the company. We are leveraging the participants' unique perspectives and experiences to shape our diversity and inclusion strategy and help us strengthen our work practices.
- **Values-aligned onboarding** — The onboarding experience provides new employees with a welcoming and inspiring connection to Economical as soon as they join.
- **Evolving workplace flexibility** — We're piloting a new flexible work framework, allowing our employees more flexibility to meet work and personal needs.

¹Total includes active employees only

ENGAGEMENT — A YEAR OF POSITIVE ACTION

Listening to employee feedback is one way we foster employee engagement and deliver relevant programs. Our 2015 employee engagement survey gave us insights that led to several initiatives in 2016 that made Economical an even better place to work.

Here's a sample of what we did to inspire engagement in 2016:

- Made continued benefits improvements, such as an increase in core life insurance coverage to match employee base salaries
- Enhanced our short-term incentive plan
- Created even more roles for employees to explore future career development through the launch of Sonnet
- Preserved and grew our popular health and wellness programs
- Improved senior leadership visibility and accessibility through symposium events, articles, and video and audio presentations that encourage transparency and dialogue

REWARDING OUR EMPLOYEES



**COMPETITIVE
PAY**



**FLEXIBLE
BENEFITS**



**RETIREMENT
SAVINGS**



**WORK-LIFE
BALANCE**



**LEARNING AND
DEVELOPMENT
OPPORTUNITIES**

We offer competitive pay, great benefits, company-matched registered retirement savings programs (RRSPs), health and wellness programs, flextime, and an award-winning focus on learning and development.

Employees receive bonuses for completion of certain professional designations and also for successfully referring new employees.

Our bright and open workspaces make coming to the office an enjoyable and collaborative experience.

CREATING A SAFE AND HEALTHY WORKPLACE IS A PRIORITY

We provide a safe and healthy work environment, personal health and lifestyle resources, a supportive culture, and a socially responsible organization. We promote mental health awareness and, through the services of our employee and family assistance program, offer an avenue where employees and their families can seek help for what may affect their mental or emotional health.

For the past seven years, we've held semi-annual wellness challenges to enhance employee awareness of healthy choices and to promote positive lifestyle changes.

Our 2016 wellness programs were focused on mental health, and we encouraged employees to “mind your health” through programs and challenges supporting their mental and physical well-being:



1,517 employees participated in the 2016 Stride into Summer Challenge — a record number of participants in the seven years since the challenge began



Employees walked a total of **136,235 km**, and surpassed our collective goal



1,809 employees formed 233 teams and participated in the 2016 Fall Mindful Living Challenge which encouraged employees to improve their mental and physical health

As part of our wellness offering last year, we participated in the Not Myself Today campaign for the first time, with the goal of educating employees about mental health and creating a supportive work environment. We had a great response to the campaign, which included employee surveys about self-awareness, mental health stigma awareness, and work environment.

SELF-AWARENESS

MENTAL HEALTH STIGMA AWARENESS

SUPPORTIVE WORK ENVIRONMENT



94%

of respondents confirmed they are aware or very aware of their own mental health. An increase of **2%** from the pre-campaign survey.



92%

of respondents were aware or very aware of the stigma after the campaign. An increase of **7%** from the pre-campaign survey.



66%

of respondents said that Economical has a good or outstanding work environment for individuals facing mental health challenges. An increase of **22%** from the pre-campaign survey.

Economical complies with the occupational health and safety (OHS) legislation of the various provinces in which we operate. Our OHS program includes health and safety committees or representatives in all locations, totaling **123 employees** who are committed to supporting our policies and procedures.



RECOGNIZING GREAT WORK IS PART OF OUR CULTURE

We believe non-monetary rewards are part of a reward mix that supports engagement.

Recognition is something we do throughout the year, including celebrating our annual Economical Appreciation Week. Throughout this dedicated week of appreciation, we formally recognize all employees, as we're all unique individuals, and how together we make ONE Economical.

Aspire Higher is our cornerstone recognition program. Our employees recognize their peers' great moments and extraordinary efforts from all areas of the company. Our leaders also nominate employees for awards through this program. Employees recognized with an award are invited to select a gift from an online catalogue.

We sustained high levels of recognition activity for two years in a row, with average traffic of more than **1,000 e-Cards posted per month** expressing appreciation messages across the company.

Award nominations are also on the rise, with an all-time high of **695 approved** nominations for great work aligned with our core values.

WE CELEBRATE COMMITMENT, DEDICATION, AND SERVICE

We celebrate milestone anniversaries beginning with five years of service and every five years thereafter.

The Yearbook, an online tool to celebrate careers at Economical, was supplemented in 2016 with a website where employees can access the anniversary list and write congratulatory messages for anyone celebrating across the company.

In addition to receiving a gift selected from a catalogue, employees celebrating milestones receive their Yearbook as a digital keepsake featuring notes from leaders and peers as a reminder of great work done.

SUPPORTING FINANCIAL WELLNESS FOR TODAY AND TOMORROW

We offer opportunities to help our employees develop strategies to build their savings. Throughout 2016, employees took the challenge with Sun Life's Money Up program – a fun, game-inspired way to learn more about our pension and savings program.

Last November, in support of the national Financial Literacy Month, we promoted interactive webinars and investment-planning seminars to encourage employees to save for the future, and to understand their financial rights and responsibilities. In 2016 we also added Sun Life Financial advisors to our local wellness fairs to introduce a financial wellness component.

Our pension and savings program offers company core and matching contributions to employee defined contribution pension plan accounts. As of December 2016, 65% of employees have self-elected contribution levels that enable them to take full advantage of the company matching program.

TUITION SUPPORT

We maintain a robust tuition and certification reimbursement program. We provide tuition support and financial rewards to employees who complete professional insurance certifications, as well as other professional certifications related to their job role and responsibilities. We also support continuous professional and career development through external education and conference participation.



When you choose to do something, do something that you're passionate about.

— Rowan Saunders, President and CEO



DEVELOPING HIGH PERFORMANCE TEAMS

We focus on the potential for our employees to grow, develop, and succeed. We identify talent throughout the organization and accelerate the development of high-potential individuals.

TALENT MANAGEMENT

We continue to improve how we attract, develop, and reward our talent. The actions we take will help us build a strong talent pool that is engaged, high performing, and recognized for their contributions.

Our talent management strategy:

- Attracts and develops the right people for the right roles
- Empowers employees with tools and resources to manage their career decisions
- Provides opportunities and motivation to ensure our employees are satisfied and productive

LEARNING AND DEVELOPMENT

We believe continuous learning and career development are part of an outstanding work experience. Our learning experiences help drive business outcomes and provide the necessary skills and knowledge employees need to succeed in their roles and grow their careers.

We endorse an approach to learning and development that gives our employees access to a rich variety of learning opportunities that include:

- On-site and virtual instructor-led leadership, professional and technical development courses
- Paid professional memberships and tuition reimbursement
- Extensive eLearning to supplement on-the-job training
- On-the-job stretch assignments and secondment opportunities
- Internal conferences tied to advancing key strategic priorities

Our learning programs are always evolving in response to business needs. They are developed and delivered by an internal team of specialists working with subject matter experts in the business to ensure a balance of technical and core skills development.

PARTNERING WITH BROKERS

We partner with 733 independent insurance brokers from coast to coast to ensure our policyholders receive unbiased, first-rate service and personalized advice.

Our long-lasting, strategic relationships with brokers thrive on mutual respect and support. Every day we value the advice of our brokers as we continuously improve our broker value proposition and enable our brokers to deliver the service and products customers expect.

Our broker partnerships are a key pillar of our growth strategy. We bring our best every day in our relentless pursuit of excellence, helping our broker partners win new business, earn customer trust, and enhance customer retention.

PARTNERING WITH OUR BROKERS IN THE COMMUNITY

Community initiatives that matter to our broker partners matter to us.



In 2016, **35%** of our sponsorships and donations were in association with our brokers across the country.

From purchasing much needed equipment at community hospitals to supporting a local camp, partnering with our brokers to enhance their communities is a priority to us.

BROKER TRAINING

We extend our award-winning training programs through targeted training and education to our independent broker partners. Training is focused on leadership and professional development and is offered to some brokers in their offices, and to a wider broker audience at various locations across the country. This value-added service supports and strengthens our commitment to the broker channel.



80
PROFESSIONAL
DEVELOPMENT
WORKSHOPS



1,500
participants from broker
partners across the country.



PARTICIPANT FEEDBACK IS EXTREMELY POSITIVE,
with brokers giving us an
overall satisfaction score of **94%**
for the quality and relevance of the training.

STRENGTHENING CANADIAN COMMUNITIES

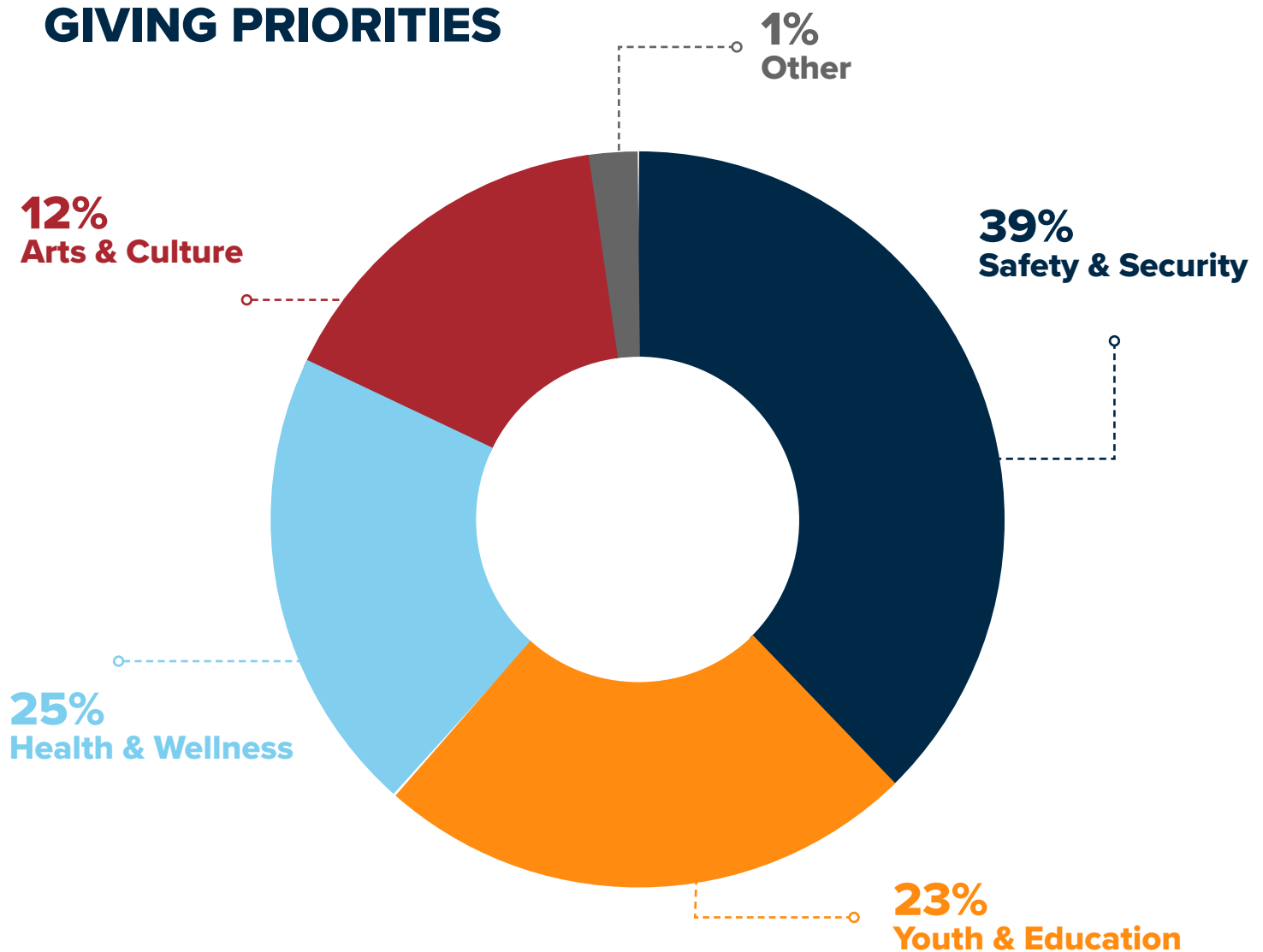
We're committed to supporting charities and causes that drive change in the communities and regions where we do business. We also partner with our brokers through our community giving program to support causes that make a positive difference in their communities.

COMMUNITY GIVING

Our community giving program funds charitable causes that align with one or more of these giving priorities: safety & security, youth & education, health & wellness, and arts & culture. Online requests for charitable donations and sponsorships are reviewed against our strategic priorities by our community giving committee.

In 2016, Economical contributed approximately **\$1.2 million** to Canadian charities and causes and **3,814 volunteer hours** during the work week to our communities.

GIVING PRIORITIES



OUR VALUES IN OUR COMMUNITIES

At Economical, we live our values every day at work and in our communities. In the fall of 2016, we introduced two new community giving initiatives to provide even more opportunity to live our values by supporting what matters to our employees.

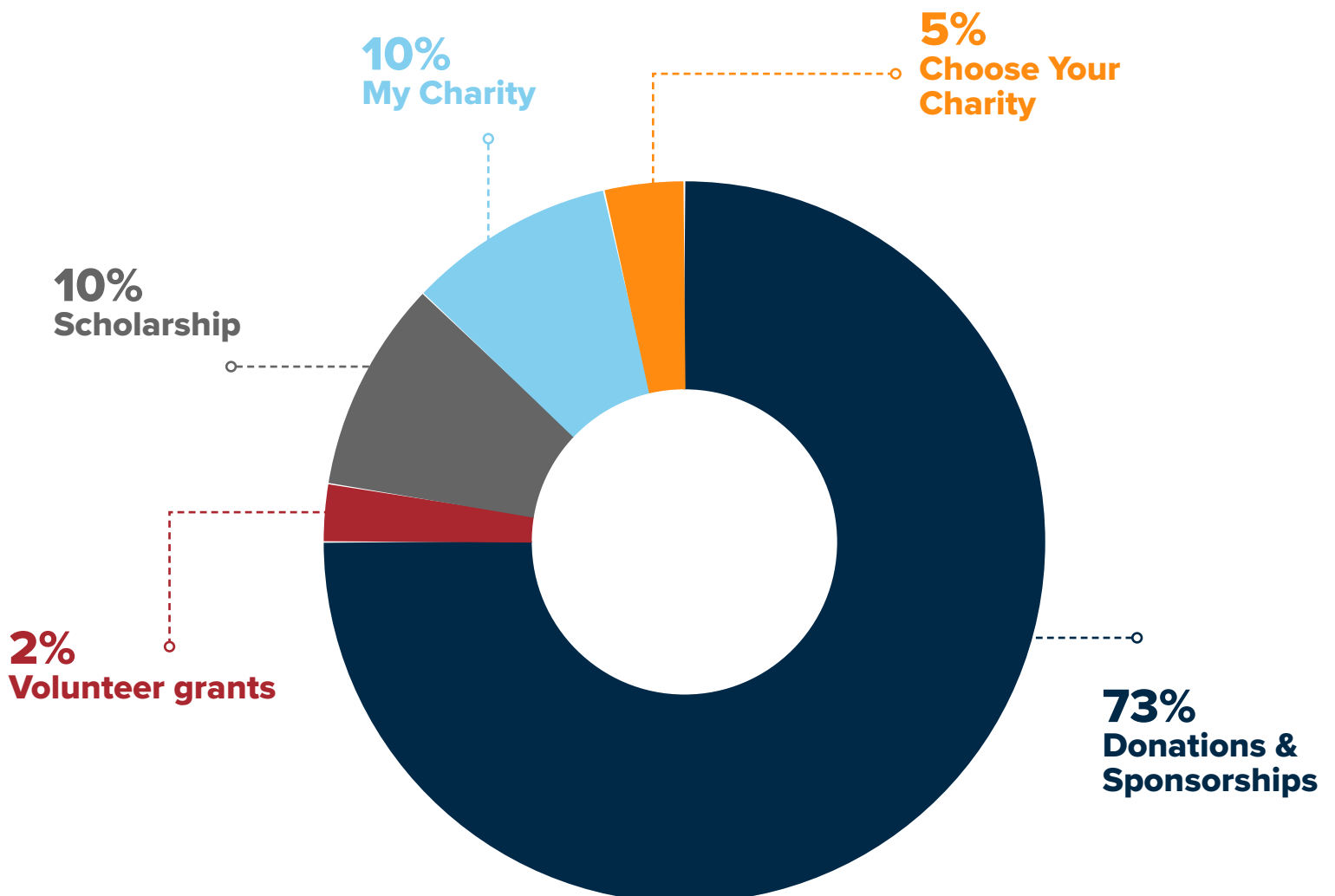
CHOOSE YOUR CHARITY

Across the country, employees had a chance to nominate and vote for a local charity to receive a \$5,000 donation from Economical. Teams from each of our 12 locations presented the donation to their local charity recipient and saw firsthand how the charity is making a difference in their community.

MY CHARITY

We launched a program in late 2016 to match employees' personal donations to Canadian registered charities throughout the year. Matching was for a minimum donation of \$25 to an annual maximum of \$100 per employee. Through this new program, we provided more than \$11,000 in donations to 115 charities.

BUDGET ALLOCATIONS



HIGHLIGHTING MAJOR CORPORATE SPONSORSHIPS IN 2016



To help Canadians develop emergency preparedness plans, we renewed our partnership with the Canadian Red Cross in 2016 with a commitment to provide \$450,000 over three years for their national disaster management program. This partnership helps deliver at least 175 emergency preparedness sessions in Vancouver, Edmonton, Calgary, London, Kitchener-Waterloo, Hamilton, Mississauga, Toronto, Ottawa, Moncton, and Halifax. Over the past three years, our partnership delivered emergency preparedness training to approximately 15,600 Canadians, instructing people on how to plan and prepare for the first 72 hours following a major natural disaster.



We have multi-year partnerships with Crime Stoppers in Vancouver, Edmonton, Halton, Peel, Ottawa, Échec au crime (Quebec), and Info-Crime (Montreal). The partnerships primarily focus on youth engagement programs where Crime Stoppers raises awareness of the critical role youth can play in keeping their communities and schools safe, and encourages anonymous reporting of crimes. In 2016, we provided \$98,600 in sponsorship funding to Crime Stoppers organizations.



Since 2006, Economical has been a strong supporter of the fight against cancer through Relay for Life events. In 2016, Economical contributed \$109,500 in title sponsorships of 10 events in Woodstock, Kitchener-Waterloo, Cambridge, Mississauga, Toronto, Ottawa, and Brossard. Funds raised through Relay for Life support life-saving research, promote preventative healthy lifestyles, and the provision of compassionate services to those living with cancer and their loved ones.



In 2016, we contributed \$100,000 to JA Canada to deliver programs in the areas of financial literacy, work readiness, and entrepreneurship. A portion of the funds were dedicated to supporting JA Canada's digital strategy to reach more students through JA Excelerate. This brings our total funding to \$500,000 since 2012. Over the past two years, volunteers from Economical have delivered more than 550 hours of JA programming to help Canadian students realize their dreams and aspirations.



Economical was the title sponsor of the KWS Signature Series for the 2015/16 and 2016/17 seasons. Since 2010, Economical has provided \$50,000 annually as the title sponsor of the KWS Signature Series, bringing our total financial support for the KWS to more than \$575,000.



We contributed \$50,000 in an exclusive sponsorship of the TSO's Casual Concert Series in the 2016/17 season. The series was made up of 90-minute evening casual concerts that were performed without an intermission and featured masterworks by renowned composers.



For several years, we've been the presenting sponsor of the Rogers Insurance Run for L'Arche that raises funds for L'Arche Calgary, a community for people with disabilities. Dozens of Calgary and Edmonton employees participate in the run and volunteer alongside employees from broker partner Rogers Insurance. Last year, we contributed \$38,667, bringing our total sponsorship to \$178,168 since 2012.



For the fourth consecutive year, we provided \$17,000 as the sponsor of the pre-breakfast coffee reception at the four Wake-Up Call events in Moncton, Saint John, Halifax, and Cape Breton. Recognizing that physical fitness can help stave off prostate cancer, we also provided fitness-related prizes at each event, awarded through a draw hosted by an Economical employee at the breakfast.



We continued to sponsor the MCTI Community Day in 2016 by donating \$13,500 for the third year in a row in partnership with broker partner MacDonald Chisholm Trask (BrokerLink) in the Atlantic region. The fundraising event in support of KidSport Nova Scotia on September 23, 2016 raised \$26,364 with Economical employees working alongside staff at five MCT offices selling tickets.



For the second consecutive year, we helped Start2Finish break the cycle of child poverty. We donated \$12,500 for a Running & Reading Club at Oakwood Public School in Oakville, Ontario, where the poverty rate is 43%. In 2016, we donated an additional \$12,500 to start a new Running & Reading Club at Woodland Heights Public School in London, Ontario. After 32 weeks in the program, on average, the students' cardiovascular fitness improved by 22%, and their core and overall strength increased by 62%. 67% of the children improve their reading skills by one to two full grade levels, bringing many of them to the expected reading level for their age group and empowering them to succeed in life.



MCN — the only charity in Quebec that families can turn to when their child disappears — received another \$10,000 donation from Economical in 2016. The funds enable MCN to give local students the knowledge and tools they need to stay out of harm's way. Since 1985, MCN has assisted police in locating and recovering 1,150 children. This donation brings our total contribution to MCN to \$50,000 since 2012.



Women and children in the Waterloo region fleeing from domestic violence turn to Women's Crisis Services, the only agency of its kind in the region, to find refuge and safety. In any given year, more than 200 children in the Waterloo Region are exposed to abuse and violence in their homes — the one place they should feel the safest and most secure. Thanks to a \$30,000 commitment over three years from Economical, in association with broker partner Advocate Insurance Group, a counselling and observation room in the new Haven House is now in place and creating an environment conducive to healing, dignity and privacy.



Once again, a \$10,000 donation from Economical helped support the vital services of the Campbellford Memorial Hospital Laboratory with funding for a new chemistry analyzer. In 2014, we funded the \$12,909 purchase cost of a new microscope for the laboratory.



A \$10,000 donation from Economical helped establish a new Cardiology Management System at the Owen Sound Regional Hospital. The system digitally captures, analyzes, stores, archives, and retrieves heart tests between all hospitals in Grey Bruce County while also making them available at acute care hospitals in Southern Ontario.



Cornwall Community Hospital is integrating addiction and mental health services from multiple locations into one state-of-the-art facility on McConnell Avenue in Cornwall. To help make a positive difference in the treatment of local clients and families, we donated \$10,000 towards the purchase of a portable Smartboard and five iPad minis to engage patients and increase the benefit of their treatment.



We donated \$10,000 to YWCA Hamilton to support the At the Table program that provides healthy food and training opportunities for women. The program operates a social enterprise catering business that allows women to sustain themselves to some degree and creates a networking opportunity for women in transition. We share YWCA Hamilton’s belief that when impoverished women have access to healthy food and the opportunity to participate in social enterprises, their quality of life improves as they gain important employment skills and income.

IN-KIND DONATIONS

PRINT SERVICES

In 2016, we donated in-kind printing services to the Children’s Safety Village of Waterloo Region for 8,000 completion certificates and 8,000 fire escape floor plans.

PROMOTIONAL ITEMS

In 2016, we also donated various items for silent auctions or prizes in support of many charitable events and organizations, including:

- WICC Auction
- Prostate Cancer Canada (Wake Up Call Breakfast)
- Madame Lise Thibault Cup Annual Golf Tournament for People with Disabilities
- Royal Canadian Air Force Association – 8th Annual Mayor’s Dinner and Silent Auction
- The Fairways ‘n Friends Charity Golf Tournament
- Betty Thompson Golf Tournament
- Crime Stoppers of Halton Charity Golf Tournament

SCHOLARSHIPS AND BURSARIES

Our multi-faceted scholarship program provides \$115,000 annually for the post-secondary education of dependent children of employees, as well as students in insurance, actuarial science, and finance programs. Our talent management team establishes direct relationships with scholarship recipients to discuss timely employment opportunities in their respective fields.

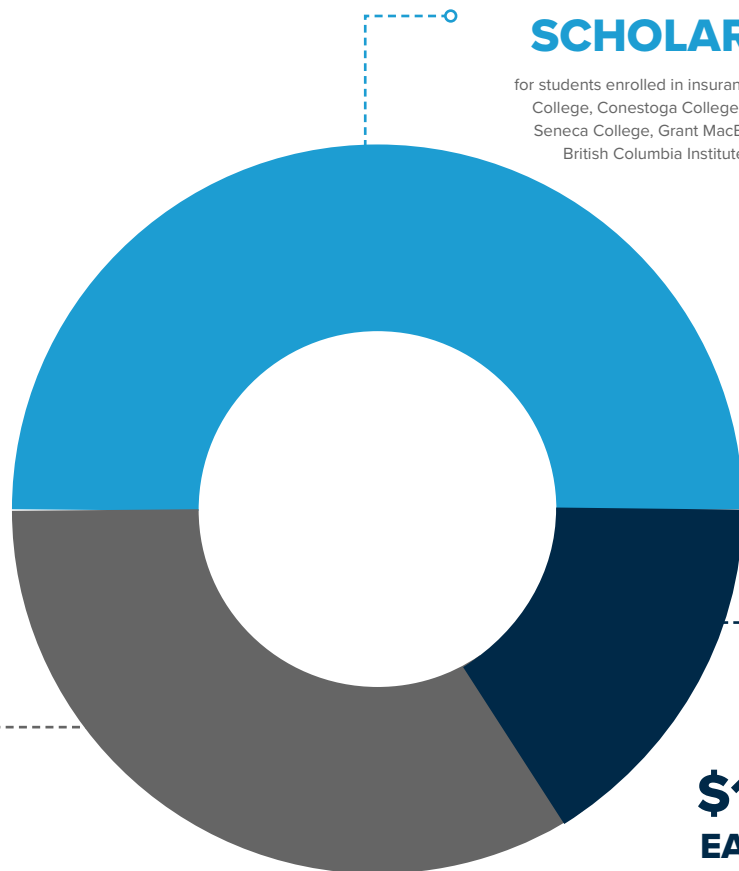
Recognizing the cost difference between university and college programs, we offer **\$2,000 scholarships** for dependent children pursuing a university degree program and **\$1,000 scholarships** for those pursuing a diploma program. In 2016, we doubled our annual funding for this program to **\$30,000** and awarded scholarships to 14 degree students and two diploma students.

**\$50,000
IN ANNUAL
SCHOLARSHIPS**

for students enrolled in insurance studies at: Mohawk College, Conestoga College, Fanshawe College, Seneca College, Grant MacEwan University, and British Columbia Institute of Technology.

**\$25,000
IN ANNUAL
SCHOLARSHIPS**

for students in actuarial science programs at University of Waterloo and Concordia University.



**\$10,000
EACH YEAR**

for five bursaries of \$2,000 each for students of Wilfrid Laurier University's School of Business and Economics.

EMPLOYEES GIVE BACK

Social committees across the company engage employees by planning and delivering social activities throughout the year to help create a positive work environment. Some of these events benefit local charities.

In 2016, our social committees supported their communities through various activities:

- Held food drives for local food banks in various communities
- Sold tulips in support of The Lung Association
- Collected much needed items for Women's Crisis Services of Waterloo Region
- Filled 60 backpacks with school supplies in support of Send 'em Off Smiling
- Organized a charity BBQ in support of the MS Society
- Donated toys as part of The Salvation Army Angel Tree campaign

EMPLOYEE VOLUNTEER PROGRAM

Our volunteer program encourages employees to take time off work to volunteer in the community individually or as part of a team.



In 2016, **23% of employees** across the country participated in the employee volunteer program, contributing **526 volunteer days** or **3,814** hours to deserving charities and causes in their communities.

Our employees willingly give their time and energy to a range of activities, from being a scout leader to helping build a home for an underprivileged family, to stocking shelves at a local food bank. Like Economical, they are “neighbours helping neighbours.”

Organizations supported through the employee volunteer program include:

- Alzheimer Society
- Canadian Cancer Society
- Deafblind Ontario Services
- Dragon Boat Festival Ottawa
- Grand River Conservation Authority
- Great Canadian Shoreline Cleanup (Vancouver Aquarium Marine Science Centre)
- Habitat for Humanity Edmonton
- Heart & Stroke Foundation
- JDRF (Juvenile Diabetes Research Foundation)
- KidsAbility
- KW Habilitation
- MADD
- Make-A-Wish
- KidSport
- Ottawa Food Bank
- Samaritan’s Purse Canada
- Second Harvest
- Start2Finish
- Strong Start
- Waterloo Running Series – Dirty Dash

VOLUNTEER GRANTS

Beginning in 2015, we launched an employee volunteer grant program where we award grants of \$500 to charities supported by our employees during their personal time. Recipient charities during the year are entered into a year-end draw for an additional \$5,000 grant. In 2016, the winning charity was Nutrition for Learning.

In 2016, we launched a team grant program where teams of three or more Economical employees volunteering together can apply for a \$250 donation to present to the charity where they’re volunteering.

Both grant programs provided a total of \$17,250 to 31 different charities where our employees volunteered in 2016.



RESPECTING OUR ENVIRONMENT

Our environmental sensitivity efforts continue to yield progress. Our objectives are to raise awareness of environmental sustainability within the company nationally and identify, investigate, and act to reduce pollution, waste, and consumption of resources.

We have processes and procedures in place to support environmentally-friendly business practices.

VENDOR SELECTION AND FACILITIES MANAGEMENT

- We consider the environmentally-friendly practices of potential vendors in our selection process
- We work with general contractors on all construction projects to ensure waste materials are separated and recycled properly
- When planning many of our construction projects, we maximize the amount of materials we can reuse
- We implemented several energy management initiatives including: upgraded building automation systems, exterior parking lot lights with LED and motion sensors, occupancy sensors in meeting rooms at Head Office
- We mandated the use of environmentally-friendly cleaning products by our contracted carpet cleaners
- We continued to introduce new workspace standards using more open workstations with lower transparent dividers that allow for more natural light, reduced the requirement of additional task lighting, improved air circulation, and reduced overall energy consumption
- We purchase furniture made from recycled materials and ensure that any surplus furniture is donated or responsibly disposed of
- We work towards full offsets on our buildings' lighting and heating settings during non-business hours

PAPER AND PRINT MANAGEMENT

- We print nearly all marketing material on paper with recycled content and use envelopes manufactured from Forest Stewardship Council (FSC) certified material
- We recycle used toner cartridges back to the supplier and implemented battery recycling programs with vendors
- We also return cardboard boxes, paperclips, and elastics to our print vendor for reuse

WASTE SORTING AND DIVERSION

In Kitchener-Waterloo, we've diverted 79% of operational waste from landfill. To accomplish this, we began collecting all organic waste in compostable bags for conversion through anaerobic digestion to biogas, fertilizer, and livestock bedding.

To better understand and reduce our carbon footprint in Waterloo Region, where our Head Office is located, we continue to work with Sustainable Waterloo as an observing organization. The current work of Sustainable Waterloo is focused on collaborations that enable organizations to convert sustainability interest into action.



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