



# A Growing and Profitable Specialty Insurer

Investor Day – June 1, 2023

# Agenda

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- 1 Who We Are
- 2 Where We Have Come From
- 3 Where We Are Going
- 4 Why Trisura
- 5 Appendix



# Who We Are

- ✓ Company Overview
- ✓ What is Specialty Insurance
- ✓ What is Fronting

## Pure-play North American specialty commercial insurance group



Canada



United States

1

**Primary Insurance:**  
\$378mIn 2022 GPW  
(Surety, Warranty, and  
Corporate Insurance)

2

**Fronting:**  
\$339mIn 2022 GPW  
(Property and Casualty)

1

**Fronting:**  
\$1.7bln 2022 GPW  
(E&S and Admitted)

2

**Primary Insurance:**  
\$14mIn 2022 GPW  
(Surety and Corporate  
Insurance)

## Specialty relies on niche underwriting and structuring expertise

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Classes of business that require differentiated expertise to underwrite, administer and service

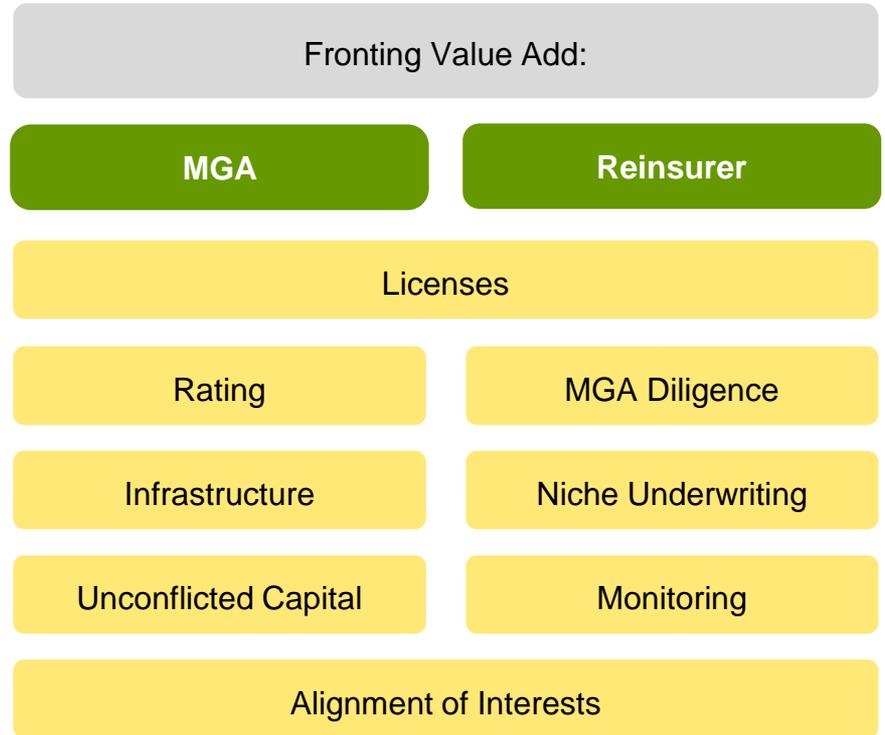
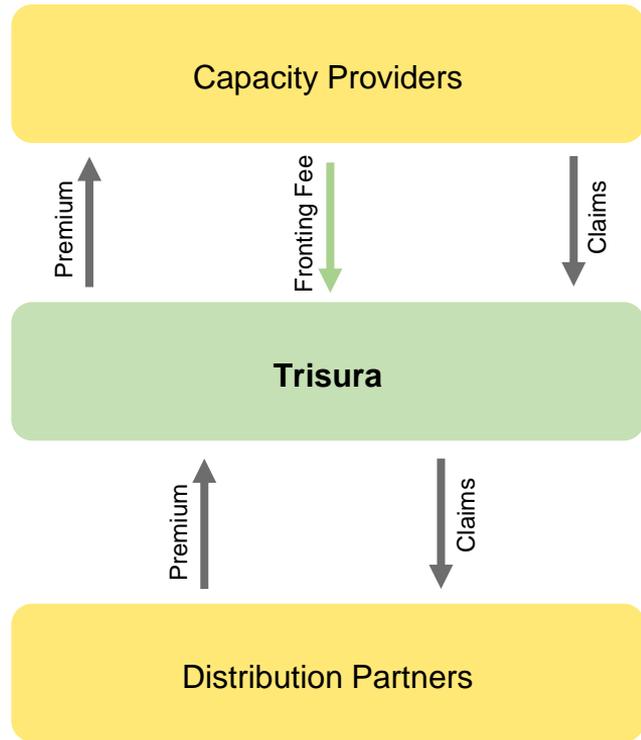


Complex structures that balance needs of our partners with risk retention and appropriate use of reinsurance, including fronting, warranty, surety and traditional insurance



Experience matters – our team is uniquely focused on specialty lines and has been for decades

# Fronting connects premiums with aligned, reliable and unconflicted capital



# Where We Have Come From

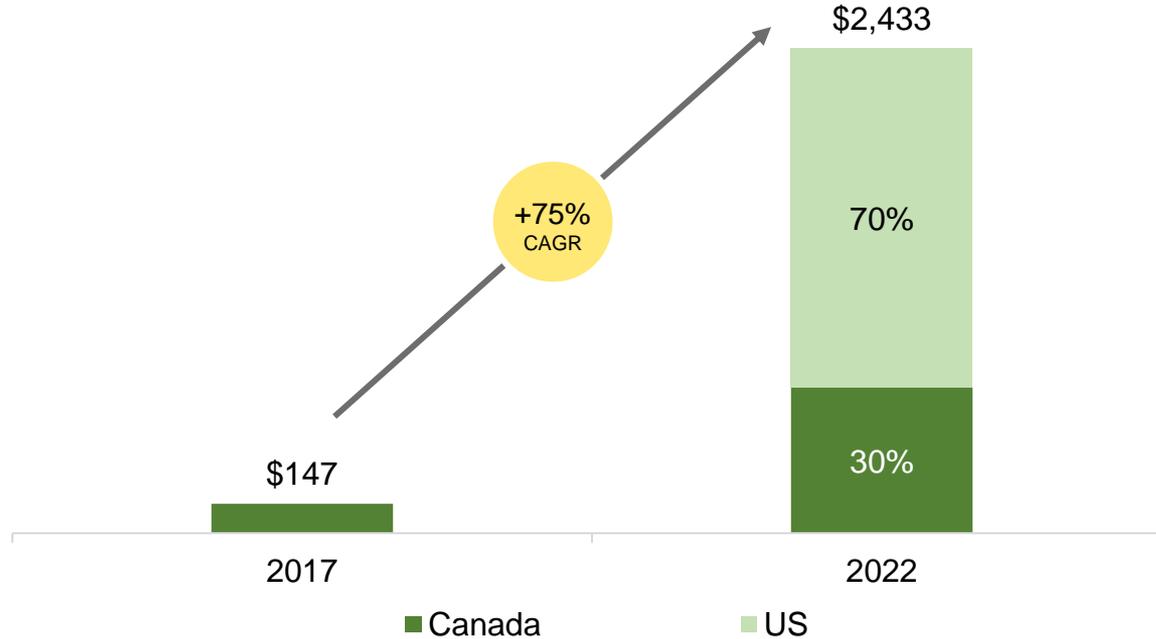
- ✓ Important Milestones
- ✓ Progress on Key Metrics
- ✓ Evolution of Earnings Composition

## Setting the foundation, honing focus and establishing North American presence

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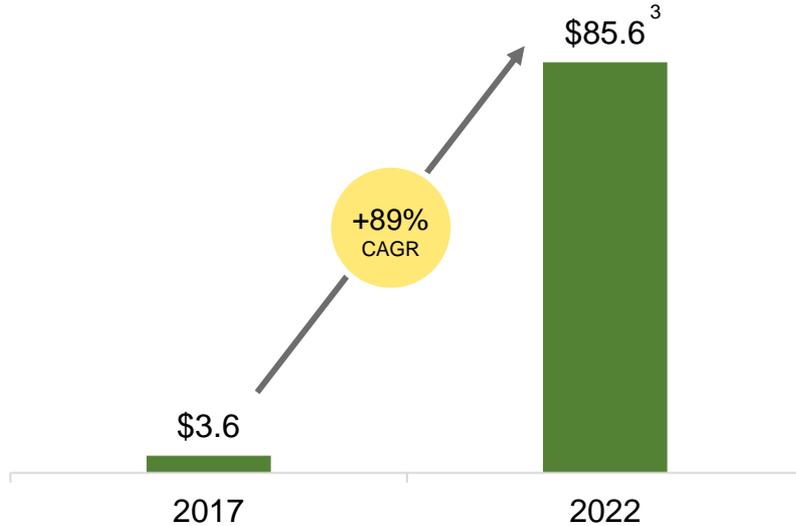


## Growth in gross premium written<sup>1</sup> has maintained early momentum

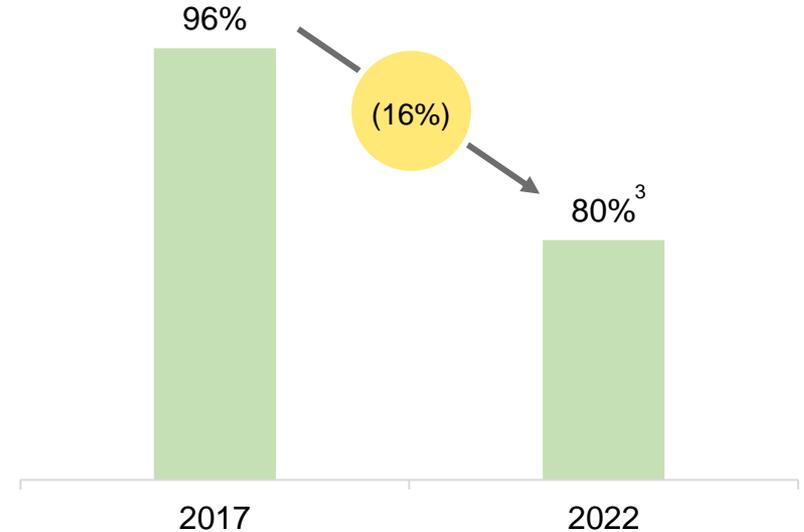


# Specialty focus has driven strong net underwriting income alongside growth...

Net Underwriting Income<sup>1</sup>:

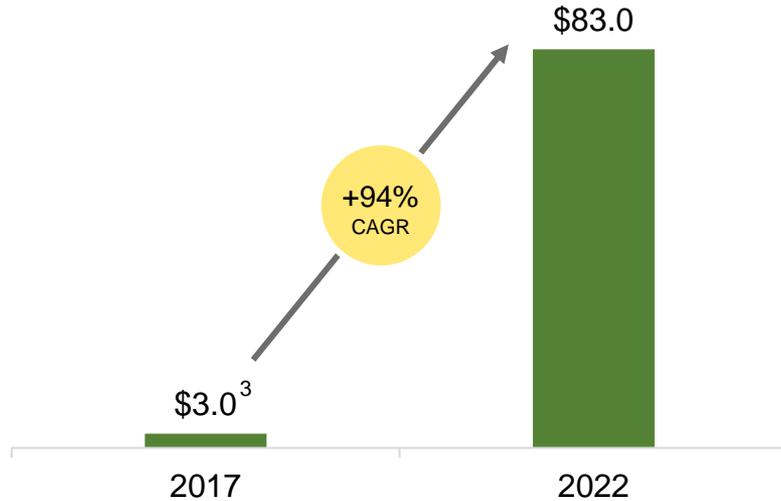


Consolidated Combined Ratio<sup>2</sup>:

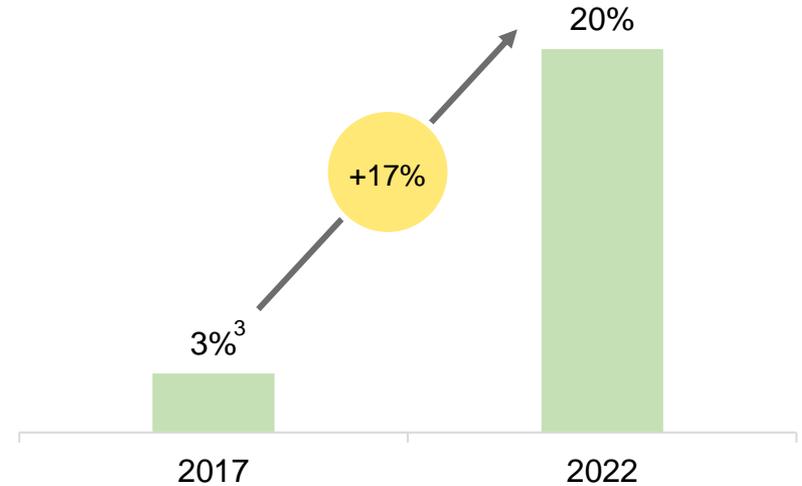


## ...which has supported net income growth and industry-leading ROE...

Operating Net Income<sup>1</sup>:

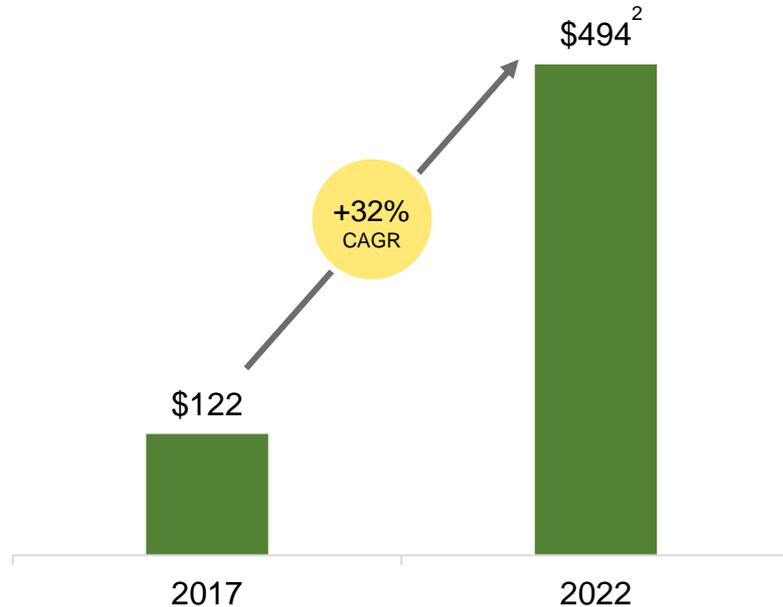


Operating ROE<sup>2</sup>:

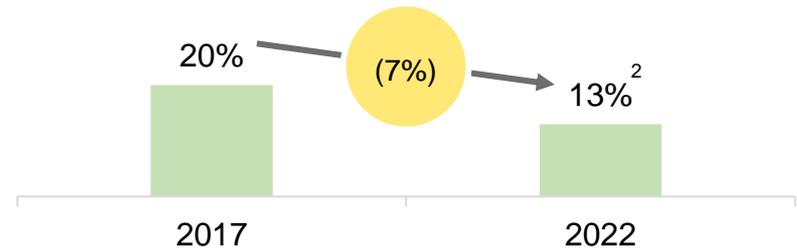


## ...and significant growth in book value

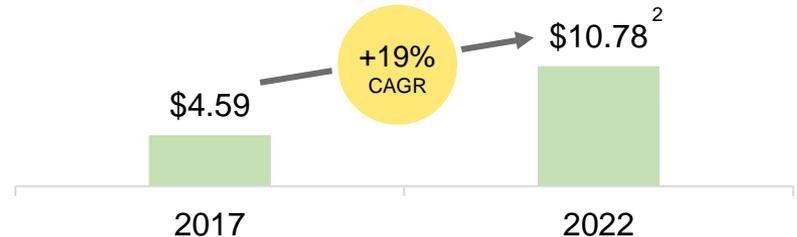
Book Value:



Debt-to-Capital<sup>1</sup>:

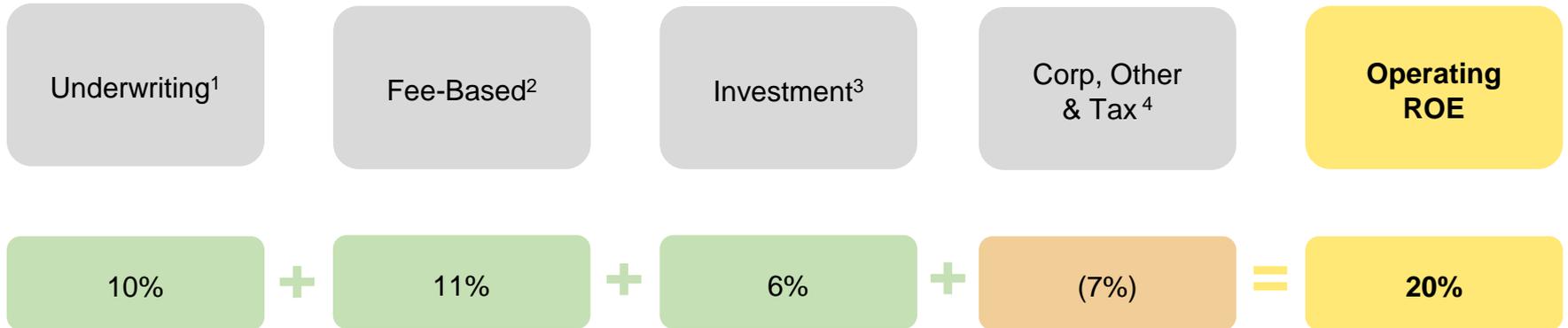


Book Value Per Share<sup>1</sup>:



# Heritage of underwriting income enhanced by growing fee & investment income

## 2022 Operating ROE



## As a result, shares have outperformed the market

Total Return: December 2017 – May 2023<sup>1</sup>

Trisura

+423%

TSX Financials

+35%

TSX

+44%

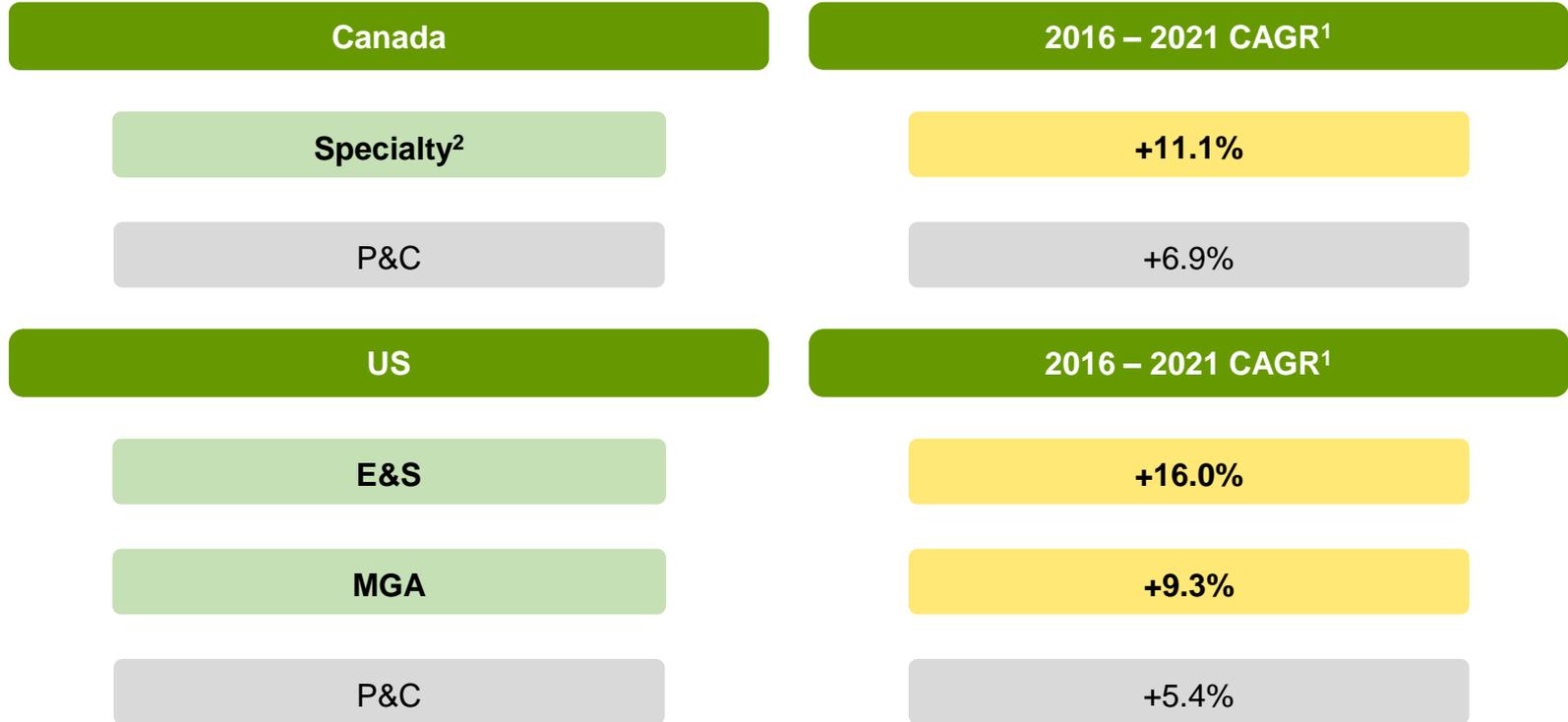
S&P 500

+73%

# Where We Are Going

- ✓ Industry & Macro Tailwinds
- ✓ Strategic Roadmap
- ✓ Key Metrics & Risk Management

## Growth in specialty & MGA markets has outpaced P&C

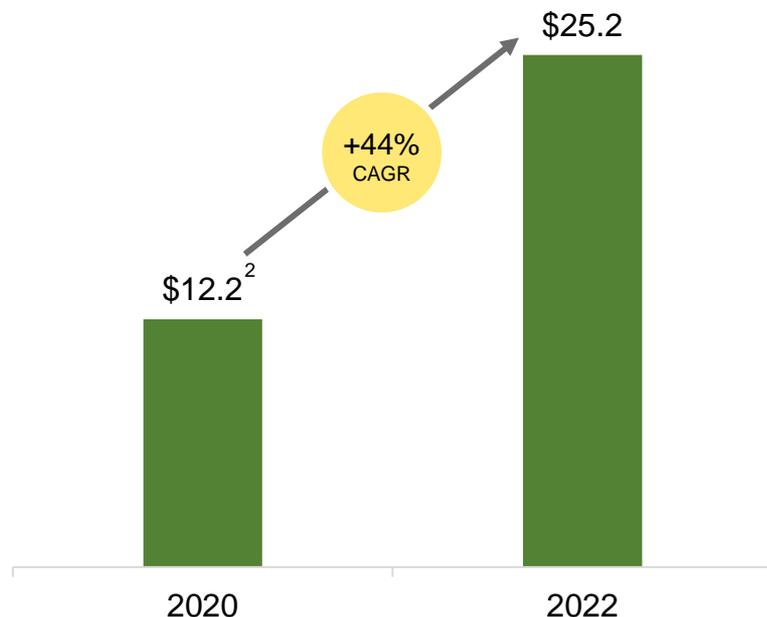


## Mix of primary and fronting platforms perform across cycles

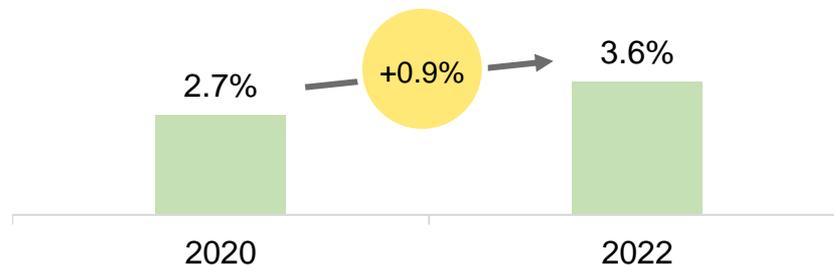
	Hard Market	Soft Market
Capacity:	Scarce	Abundant
Pricing:	Increasing	Decreasing
Terms and Conditions:	Tightening	Loosening
Impacts for Trisura:	Increased Rates	Reinsurance Capacity
	Improved T&C	Fronting Fee
	E&S Premium	Admitted Premium
	Optimized Retention	Established Reputation

# Higher interest rates and growing portfolio support investment income

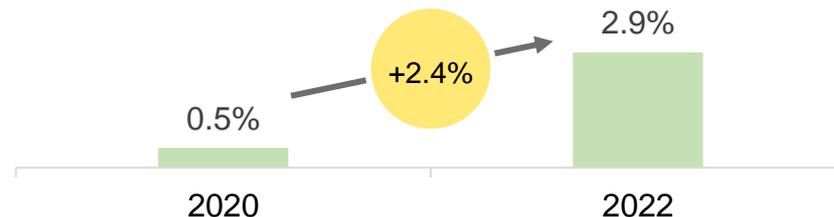
Net Investment Income:



Net Investment Yield<sup>1</sup>:



Average Bank of Canada 3 Year:



## Proven profitability enhanced by growing scale

Diversify earnings to generate stable returns

Underwriting

Consistent loss ratio  
outperformance



Fees

Stable fee on growing,  
diversified book of programs



Investment Income

Optimize risk-adjusted yield



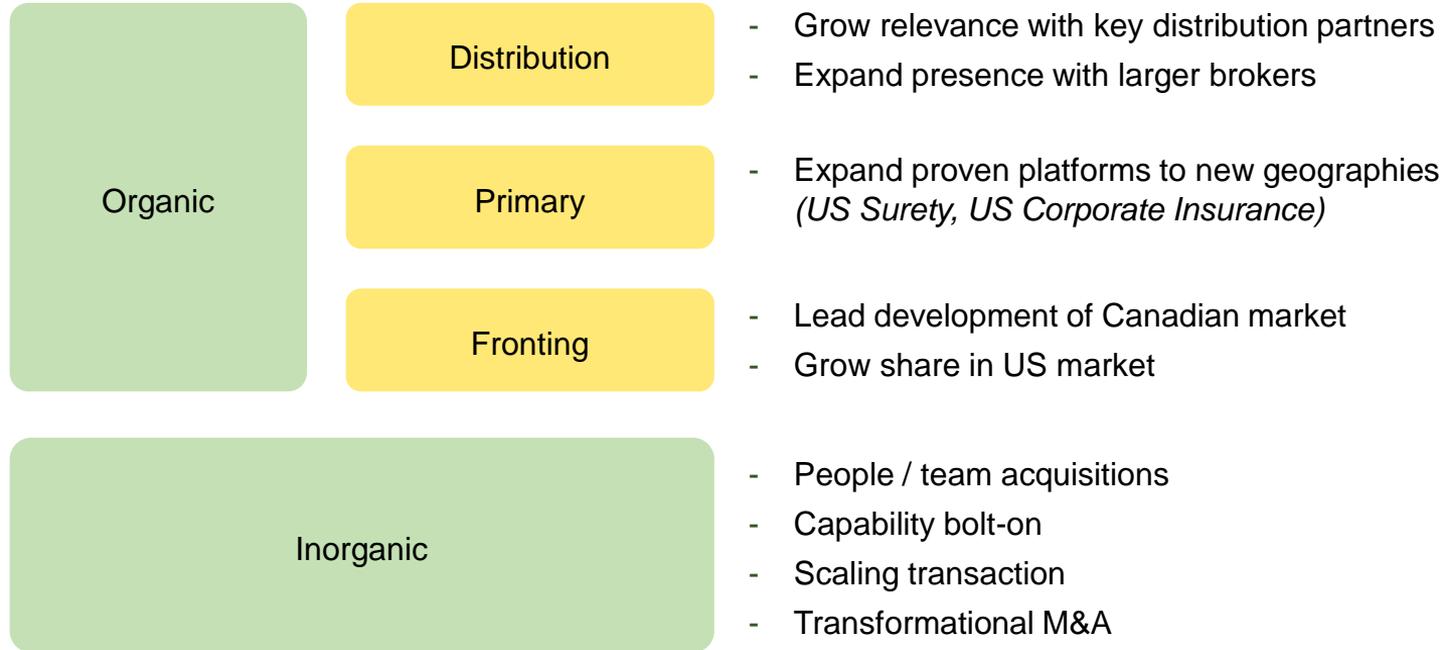
Leverage fixed cost base to drive operating leverage



Sustainable mid-to-high teens operating ROE

## Growth expected to continue with expansion across North America

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## How will we measure our performance over the next 5 years

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### Key Metrics

Revenue Growth

Mid to high teens (~15%+)

Operating ROE

Mid to high teens (~15%+)

BVPS Growth

Mid to high teens (~15%+)

**Targeting \$1 billion in book value by end of 2027**

## Disciplined risk management governed by board & management level oversight

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Group Board of Directors

- Oversight of risk management and internal control systems and policies

Group Risk Committee

- Board level risk committee comprised of mostly independent directors

Canada  
Risk Committee

US Audit & Risk  
Committee

- Oversee and challenge the development and effectiveness of risk management frameworks and priorities and review risk reporting

Group Risk Management Function

- Assist the group risk committee in fulfilling its responsibilities

Management Level Underwriting and Risk  
Committees

- Risk officers report to relevant risk committees
- Escalation process to board level committees



# Why Trisura

- ✓ Why Partner With Us
- ✓ Why Invest In Us

## Why Partner With Us

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- ✓ Collaborative, solutions-oriented approach to service
- ✓ Dedicated and specialized focus – defined appetite and empowered workforce
- ✓ Decades of experience at senior management level
- ✓ Responsiveness, nimbleness, creativity
- ✓ Size, rating, licenses

## Why Invest In Us

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- ✓ Pure-play diversified specialty platform
- ✓ Strong capital position and risk management
- ✓ Industry-leading profitability
- ✓ Significant growth levers
- ✓ Experienced management & board of directors

# Appendix



Reconciliation of Operating Net Income & Operating ROE

## Reconciliation of 2017 Operating Net Income & Operating ROE

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	2017
<b>Net Income</b>	<b>(0.3)</b>
Adjustments	
Impact of share based compensation	0.4
Net loss (income) from life annuity	(2.1)
Change in minority interests	5.1
Tax impact of above items	(0.1)
<b>Operating Net Income</b>	<b>3.0</b>
LTM Average Equity	96.2
<b>Operating ROE</b>	<b>3%</b>

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