



UV
INSURANCE

Annual Report
2023

Rooted in our
mutualist values

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Community

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UV Insurance is a member of Assuris. Assuris is the not-for-profit organization that protects Canadian policyholders if their life insurance company should fail. Details about Assuris' protection are available at www.assuris.ca or by calling the Assuris Information Centre at 1-866-878-1225.

Our Mission

A team dedicated to delivering an experience and innovative solutions that promote financial and overall health.

“Insure” peace of mind

Our Vision

A high-performance, high-tech mutual company, recognized for its quality products and its experts who deliver outstanding, locally based service.



On December 29, 1889, our mutual was founded as the Union Saint-Joseph.

Our mutual was born from the initiative of François-Xavier-Édouard Demers and 12 citizens who wanted a mutual fund to cater to their needs in case of illness or death.

134 years later, we are still driven by the same values!



Our Values, our Strengths

Focus
Our passion and commitment drive us, collectively, to exceed and succeed. This notion of excellence nurtures our sense of belonging to our team and makes us all extremely proud of our mutual company.

Open-mindedness
We listen and are willing to think outside the box. We are a dynamic team that encourages consultation and initiative, with a focus on constantly acting in the best interests of our insured members and partners.

Respect
We deliver high-quality customer service driven by empathy and the utmost respect. Respect also consists in applying the highest standards of ethical conduct in the performance of our duties.

Competence
Our team is talented, professional and highly skilled. Our professionalism and expertise ensure we deliver service with excellence.

Engagement
We are committed to making a difference through our support for community action. We strive to contribute to the social, environmental and economic development of our community and to provide equal opportunities for all.

Solidarity
We are individuals who care about each other’s well-being. We are committed to working together in an effort to optimize our effectiveness and service. We all have our place and importance within our team.



Board of Directors

Co-operative Principle
**Democratic Control
by Members**

Cooperatives and mutuals are democratic organizations controlled by their members, who are actively involved in policy-making and decision-making. Each member has the same right to vote (one member, one vote).

Message from the Chairman of the Board

Alain Bédard



Resilience at the Heart of our Business Model

The sign of a world in constant transformation, we moved once again in 2023 in a fragile environment marked by a tense geopolitical situation and an inflationary environment that caused financial uncertainty for both households and businesses throughout the year. Despite this situation, the objectives of our business plan have been successfully met thanks to the agility and commitment of all UV Insurance employees.

Cooperatives and mutuals have always demonstrated great resilience in the face of global crises, and UV Insurance is no exception. The richness of our model, both economic and human, has allowed us not only to survive and prosper over more than a century, but also to propel our growth in recent years despite the collateral effects of the pandemic. In the various sections of our annual report, you will have the opportunity to discover the 7 cooperative principles, declared by the International Cooperative Alliance, that have guided our daily actions for 134 years now, and that make us particularly proud of our roots.



Cooperatives and mutuals have always demonstrated great resilience in the face of global crises, and UV Insurance is no exception.



On the Road to New Strategic Directions

This year, we present the very first edition of our financial statements under the new IFRS 17 accounting standard. A tremendous amount of work has been done by our internal team, who has worked hard to make this important shift, which has been a major challenge for insurers.

Guided by an ambitious new strategic plan to position UV Insurance in the Canadian life and health insurance market over the next few years, we continued our growth plans and technological advances while exploring new acquisition opportunities to diversify our activities. For the coming years, the integration of environmental, social and governance (ESG) criteria into all of our business practices has also been a priority, guiding our efforts to fight climate change and ensure sustainability for future generations.

The Board of Directors and the management team have a close and strong relationship that allows me to witness with enthusiasm the great expertise and professionalism of the team that deals with a considerable workload on a daily basis in a demanding regulatory environment. Following the strategic session we held together in the fall, I am convinced that we have all the elements in hand to achieve the ambitions of our new strategic plan, which will ultimately propel UV Insurance to new heights without compromising our mutualist values.

“ I am confident that we have all the elements in hand to achieve the ambitions of our new strategic plan. ”

Governance and Oversight Activities

During the year, Louise Turgeon, an important figure in the major transformation of UV Insurance, completed her term as a director after six years of commitment. She has left an indelible mark on the conduct of projects and paved the way for more women on the Board of Directors. I would like to thank her very much for her wise counsel and her passion for corporate governance and sustainability. Her departure has led to the appointment of Ms. Josée Germain, whose extensive experience in management and finance is already highly beneficial to our work. Furthermore, our work would not proceed as smoothly without the input of the Secretary of the Board of Directors, Mr. Éric Timmons, who has been instrumental over the past few years in establishing high-level governance through his rigour and exceptional reporting. Recently promoted to Senior Director, Project Office and Strategic Planning at UV Insurance, in 2024 he will pass the torch of corporate secretary to our Chief Compliance Officer, Joëlle Girouard. The Board of Directors joins me in thanking Mr. Timmons for his dedication and in wishing them both great success in their new roles.

My colleagues and I have closely monitored the implementation of several projects, including the deployment of the guideline on information and technology risk management, the migration of individual and group insurance policies to the new platforms and the implementation of Law 25 on the protection of personal information. To that end, the protection of the personal information of our mutualists, clients and partners remains a top priority. We have the tools and dedicated staff in place to ensure a high level of monitoring and we are working hard to secure our environment and raise awareness among our stakeholders.

Through training, we have also increased our knowledge of various issues related to the company, including human resources, the impact of climate change and the integration of ESG criteria, mutuality, as well as the new IFRS 17 standard.



Ms. Louise Turgeon,
a retiring director surrounded by
the next generation of women

Closing Remarks

In closing, I would like to point out the exceptional dynamism shown by our president and CEO, Mr. Christian Mercier. Through his involvement in the insurance network, notably with the Canadian Life and Health Insurance Association, based in Montreal and Toronto, and through his public appearances at various conferences, he has enabled UV Insurance to stand out and shine beyond its products and services. One of his greatest strengths is certainly his ability to bring people together and create synergies by giving a voice to those around him and by energizing emerging leaders.

I would also like to extend a special thanks to my colleagues on the Board of Directors who, with their varied and complementary expertise and their open and caring approaches, exercise high quality governance to ensure not only profitable growth in our business, but also a healthy work environment for our valuable internal resources that are at the root of our success.

Thank you to our distribution network for your loyalty to our teams, products and services. When you choose UV Insurance for your clients, you participate in the mutual and cooperative movement and contribute positively to the sharing of assets and collective enrichment.

Together, we have the power to make a real difference!

Sincerely,

Alain Bédard

Alain Bédard, IAS, A, FSA, FCIA
Chairman of the Board

Members of the
Board of Directors



Alain Bédard
IAS, A, FSA, FCIA
Chairman of the Board of Directors



Marco Fillion
C. Dir., FSA, FCIA
First Vice-Chair
Chair, Audit and Risk Management Committee



Gérard Guilbault
CFA, ASC
Second Vice-Chair Chair, Investment Committee



Fabienne Lacoste
CFA
Director
Member, Investment Committee



Marc Boisselle
LL. B.
Director
Chair, Ethics and Governance Committee



Gilles Pepin
P.Eng., M. Sc. A.
Director
Member, Ethics and Governance Committee



New Director

Josée St-Germain
CPA, ASC
Director
Member, Audit and Risk Management Committee



Paule-Anne Morin
Adm.A., CMC, CSA, C. Dir.
Director
Member, Audit and Risk Management Committee



Geneviève Verrier
ASC, MBA, DESS
Director
Member, Ethics and Governance Committee

**Experienced professionals
who exercise their oversight role
with rigour while looking out for
the interests of our mutualists!**

Déléguer
efficacement



Senior Management

Cooperative Principle

Voluntary and Open Membership

Cooperatives and mutuals are voluntary organizations open to anyone who is able to use their services and who is willing to assume the responsibilities of membership without being discriminated against on the basis of gender, social status, ethnicity or political or religious affiliation.

Message from the Chief Executive Officer

Christian Mercier



A Landmark Recognition

The year 2023 ended with an exceptional recognition from our distribution network that enabled UV Insurance to stand out significantly with its first appearance in the Baromètre de l'assurance de *Finance et investissement* (in French). This annual publication is the result of an extensive survey of independent advisors on their perceptions of 23 insurance companies doing business in Quebec. In life insurance, UV Insurance ranked in 7 out of 9 categories and was a big winner in 5 of them, ahead of the big players in the industry. After a tremendous effort by our teams to modernize our tools, products and approach, we can be proud of this recognition, which comes directly from our valued business partners and confirms our place of pride in the industry. As we approach our 130th anniversary, I am moved to see that our deeply shared values of commitment, caring and community service are not only still alive and well, but are also valued and recognized.

“

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”

People, Our Best Resource

At the beginning of the year, we launched our new employer brand under the theme “Better together.” This initiative, which aims to strengthen and promote our corporate culture, reflects our commitment to putting the well-being and professional development of people at the forefront of our daily success. Because we are working hard to provide the best possible work environment, we were successful again this year in maintaining the BNQ Healthy Enterprise standard and were named one of Canada’s Top 100 Employers in the SME category.

In terms of human resources, we have expanded our benefits portfolio to attract and retain talent, we have revised our salary structure upward, and we have updated our succession plan. While the labour shortage continues to affect the employment market, we are doing well and have met our staffing needs with quality candidates.

Conducting an extensive organizational survey of our employees demonstrated an outstanding 91% engagement rate, and the majority of our employees are satisfied with their work environment and are proud to work at UV Insurance. I can only be pleased with these results, which reflect the well-being of our employees and confirm the corporate culture we are promoting. I am fortunate to be surrounded by excellent managers who are caring to their teams, who are engaged, motivated, and ready to meet the challenges of our ever-changing reality. Since the creation of The Leadership Circle, which brings managers together at different times of the year to network, share experiences and take training, I have seen many positive results. This strengthened relationship allowed us this year to make a smooth transition to a new organizational structure that now consolidates insurance operations under one entity. This reorganization is designed to position us well in the face of growth opportunities in the coming years and has resulted in internal promotions that foster women's leadership.

“
Conducting an extensive organizational survey of our employees demonstrated an outstanding 91% engagement rate....
”

Winning Alliances

In anticipation of our 135th anniversary in 2024–2025, we have begun to return to our roots, to put our mutualist essence back into the heart of our business model in order to honour our 12 founders and continue our rich heritage. That is why we have joined the Conseil québécois de la coopération et de la mutualité (CQCM), a particularly dynamic group that is recognized by the Government of Quebec as one of the preferred resources on social economics. Our active involvement in the CQCM allows us to see the full scope and positive impact of the cooperative and mutual movement in Quebec and elsewhere in Canada and to forge close ties with our counterparts in a spirit of inter-cooperation.

Sustainable development, which is intrinsically part of our mutualist culture, has become a business priority, and this year we have dedicated the resources needed to achieve our objectives by officially appointing a standard-bearer and acquiring the services of a specialized consulting firm. As social involvement is an important dimension of sustainable development, we continue to act for a better world by returning some of our benefits to the community. In order to prioritize high-impact courses of action and in keeping with our mission, we refocused our donation and sponsorship policy on three areas: health and well-being, education and social exclusion. We build strong relationships with the organizations we support, and many of our employees are proactive in volunteering or sitting on boards of directors.

UV Insurance has also demonstrated a strong presence in the insurance network and is recognized for its expertise in cybersecurity, Law 25, Development and Operational Resilience where a few key resources are often invited to participate in different forums.

Individual, Group and Investment-Retirement Business Development

In individual insurance, we have taken on the Ontario market by integrating two new resources into sales that are helping to strengthen our existing relationships and develop new partnerships. This strategy is already proving to be a winner as we had a record year for selling our products; the entire team is more engaged than ever in continuing our historic growth. The same is true for investment and retirement, whose rising interest rates have created a real appetite for the GIC-type products we offer at lower rates. In this environment, we have far exceeded our annual targets and are very proud of that.

As for group insurance, which is offered mainly in Quebec, we have achieved our objectives, although the efforts of our teams have been focused more on migrating records into our new business system and deploying our first-ever mobile app that will welcome its first users in the near future.

“
One of our strengths at UV Insurance is without a doubt our attentiveness and agility in building strong partnerships to meet the needs of our network.
”

One of our strengths at UV Insurance is without a doubt our attentiveness and agility in building strong partnerships to meet the needs of our network. In 2023, we worked on a number of promising projects that will soon see the light of day and that will enable us to accelerate the growth of our business. All the projects we undertake would not be possible without the approval of our Board of Directors, which plays a key role in achieving our ambitions. In the fall, we brought together the Board of Directors and the Executive Committee for a key strategic session on our future plans, and the discussions were particularly promising. Our directors exercise their oversight role with great rigour and we are fortunate to have the expertise of experienced women and men who have the interests of all our stakeholders at heart.

Closing Remarks

Year after year, when I look back, I am always amazed at the magnitude of our accomplishments. That is why I would like to begin by expressing my immense gratitude to the employees, managers and management of UV Insurance, whose dedication was the centrepiece of our success in 2023. I am proud to lead an organization with a human dimension that is going full steam ahead and devoting all of its energy to ensuring the peace of mind of Canadian families.

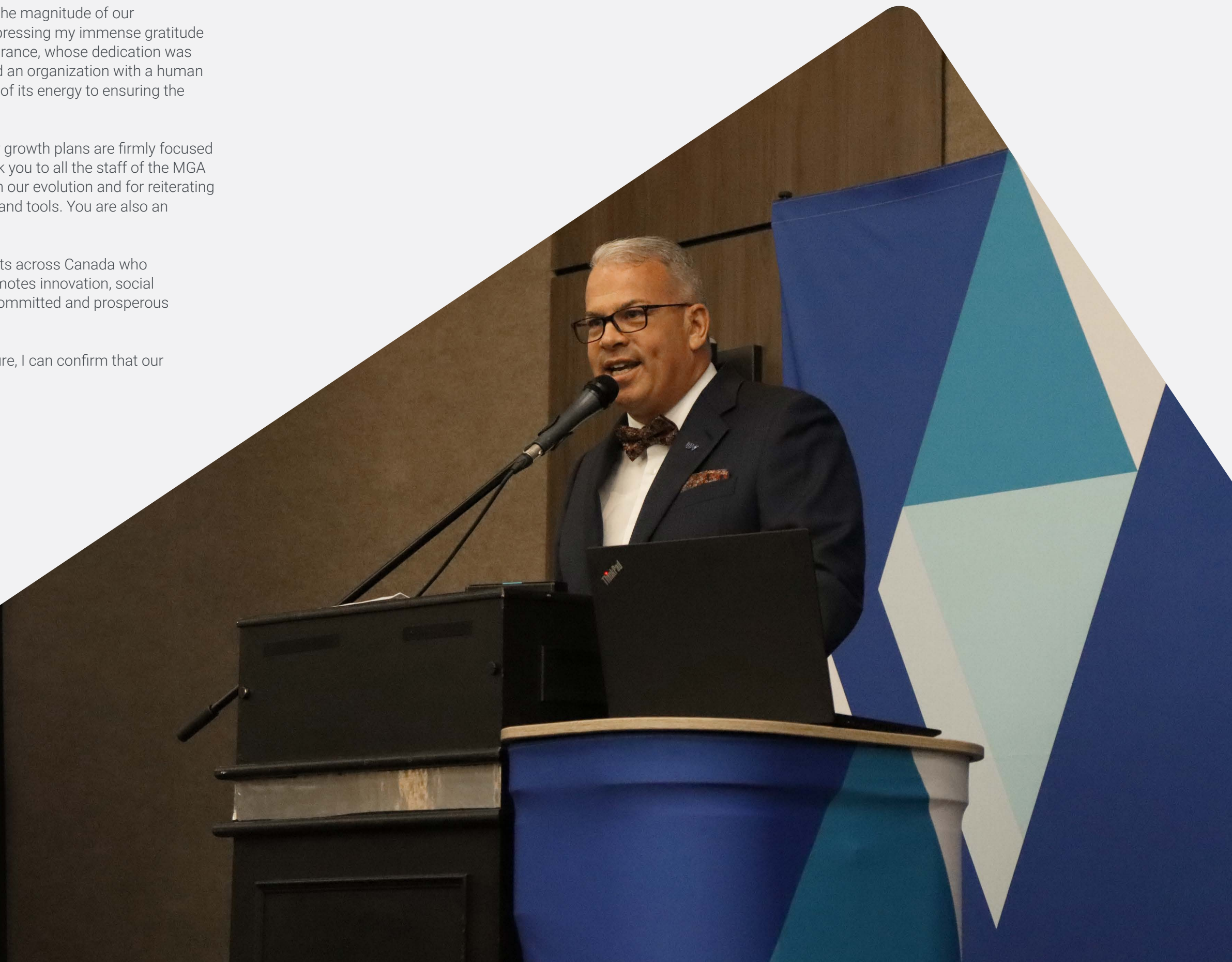
Our major transformation over the past few years and our growth plans are firmly focused on continuing to work with our distribution network. Thank you to all the staff of the MGA firms and our independent advisors for helping us through our evolution and for reiterating your confidence in our state-of-the-art products, services and tools. You are also an integral part of our success, and I am very grateful.

In closing, I would like to thank our thousands of mutualists across Canada who share our vision and choose to invest in a model that promotes innovation, social responsibility and democratic power for the benefit of a committed and prosperous society. Thank you for being part of the movement!

If the success of the past year is any indication of the future, I can confirm that our mutual has a bright future ahead of it!



Christian Mercier, OMM, MSM, CD, MDS
Chief Executive Officer





Christian Mercier
 OMM, MSM, CD, MDS
 Chief Executive Officer



Pierre Parenteau
 FSA, FCAS, FCIA, CERA
 Senior Vice-President
 Actuarial and Finances
 and Appointed Actuary



Sylvain Paré
 ASA, ACIA
 Senior Vice President
 Insurance Operations



Jean-Mathieu Sigouin
 BA
 Senior Vice President
 Technology and Innovation



Guillaume Fauteux
 Vice-President, Business
 Development and Marketing
 Individual Insurance and
 Investment & Retirement



François Girard
 ASA
 Vice-President, Business
 Development
 Group Insurance



Eric Timmons
 ASA, ACIA
 Senior Director,
 Project Office and
 Strategic Planning



Benoît Choinière
 CPA
 Senior Director,
 Finance



Maryse Galarneau
 CPHR
 Director,
 Human Resources



Steeve Desbiens
 CPA, CMA
 Director,
 Internal Audit



Joëlle Girouard
 LL. B.
 Chief Compliance Officer



Marilyn Baril
 Head,
 Public Affairs
 and ESG Practices



Pascale Di Stasio
 Senior Director,
 Administration and Claims
 Individual Insurance



Marie-France Noël
 Senior Director,
 Disability Claims
 Group Insurance



Geneviève Bourgeois
 FSA, FCIA
 Senior Director,
 Health and Dental Claims
 Group Insurance



Sophie Lachance
 FSA, FCIA
 Senior Director,
 Valuation, Solvency
 and Risk



Eric Gemme
 Senior Director,
 Architecture and Governance

**Leadership
 in Action**
 at UV Insurance



Networks and Partners

Cooperative Principle

Member Economic Participation

Members control and contribute equitably to the capital invested in their cooperative through democracy.

Tourism students met during the
UV Insurance mission to Guatemala

Highlights of the Year

UV Insurance is an example to independent advisors

Our mutual stood out significantly in the 2023 edition of the Insurance Barometer published by *Finance et Investissement*. This annual publication is the result of an extensive survey of independent advisors on their perceptions of 23 insurance companies doing business in Quebec. In life insurance, UV Insurance came out a big winner in 5 out of 9 categories ahead of the big players in the industry.

This is in addition to 4th place for the best technology tools and 5th place for both the best Term Life Insurance product line and the best advisor compensation. After a tremendous effort by our teams to modernize our tools, products and approach, we can be proud of this recognition, which comes directly from our valued business partners and confirms our place of pride in the industry.

Big winner in five categories

- 1 Best training activities for advisors
- 2 Best client service for advisors (wholesalers)
- 3 Best underwriting for clients
- 4 The most efficient processing of new insurance policies
- 5 Best training activities for advisors

Ranked in the top 300 SMEs in Quebec



UV Insurance was once again ranked among Quebec's 300 largest SMEs this year. A recognition that makes us proud to contribute to the economic development of our region through a strong business model that remains on a human scale.

Ranking Top 2023 Canada's small and medium-sized employers



Our mutual also stood out nationally this year by being named for the first time in Canada's best SME ranking in 2023, which was published in *The Globe and Mail*. Our employee wellness culture and technological innovations over the past few years have helped us stand out from the competition.

UV Insurance gains market share in life and health insurance

In its latest annual report, the Autorité des marchés financiers presents UV Insurance as one of the 10 largest insurers in the Quebec life and health insurance market.

Over \$173 M in paid benefits

162% solvency ratio

Net income \$11,5 M



Insurance Operations

Appointments

Sylvain Paré

Senior Vice President, Insurance Operations

With a view to accelerating growth and optimizing our processes, we have reorganized our business lines and created the Insurance Operations division, which brings together the administration of Individual, Group and Investment & Retirement insurance under the aegis of Sylvain Paré. He continues to lead all activities and Business Development in Group Insurance.

Actuarial and Finances

Successful transition to the new IFRS 17 accounting standard

IFRS 17 is a new financial reporting standard published by the International Accounting Standards Board. It came into effect in January 2023 and that replaces the previous IFRS 4. It establishes the principles for recording, measuring and presenting insurance contracts. Its objective is to ensure that the entities present relevant information giving a fair picture of these contracts in order to provide a basis for users of the financial statements to assess the impact of insurance contracts on the financial situation, the financial performance and cash flows of the entity.

The introduction of this new accounting standard has proven to be a daunting challenge as it completely changes the accounting and actuarial methods that are critical functions for insurers.

The challenge was even greater for a mutual such as UV Insurance, which has limited resources, but it was successfully met thanks to the mobilization of our teams.

Investment & Retirement

We had a record year in Investment & Retirement

While interest rates had been anemic since the 2008 financial crisis, the 2022 and 2023 rallies sparked a real buzz for GIC-type products, one which had not been seen in several years. The fast-paced equity markets combined with the attractive rates we offered in the market drove many investors to our guaranteed products, allowing us to far exceed our annual target.

Strategy and Innovation

Appointments

Jean-Mathieu Sigouin

Senior Vice-President, Technology & Innovation

In addition to his role in Information Technology, Mr. Sigouin was appointed during the year to head up Business Development in Individual Insurance and Investment & Retirement. As the sale of our products and services is driven by our cutting-edge technology, this movement confirms the critical place of innovation in the distribution of our insurance products.



2023
Management Appointments



Geneviève Bourgeois
FSA, FCIA
Senior Director,
Administration and
Group Insurance Claims



Sophie Lachance
FSA, FCIA
Senior Director,
Valuation, Solvency
and Risk



Pascale Di Stasio
Senior Director,
Administration and
Individual Insurance Claims



Julie Thomassin
Director,
Communications
& Marketing



Karine Rioux
Manager,
Customer Experience
& Retirement



Isabelle Langlois
Director,
Contract
Administration



Joëlle Girouard
LL. B.
Chief Compliance Officer



Marilyn Baril
Head,
Public Affairs
and ESG Practices



Benoit Choinière
CPA
Senior Director,
Finance



Yanic Boisvert
Director,
IT Business Solutions



Ritchie Cairnduff
FSA, FCIA, CERA
Director,
Evaluation, Actuarial
and Finance



Eric Timmons
ASA, ACIA
Senior Director,
Project Office and
Strategic Planning

These appointments demonstrate
our commitment to driving ambition
at all levels for an inclusive and
egalitarian environment.

Group Insurance

Despite the batch of projects we had to deliver this year, our group insurance sales team worked hard to promote our offer in the market, which allowed us to meet our sales targets. All of our teams have been highly sought after to advance the various files that are underway while continuing to provide high quality service, as evidenced by our client satisfaction survey results.

A new product at the intersection of individual and group insurance

Over the course of the year, we have been working on a brand new critical illness offer that will be rolled out to our group members. This new product, which will be launched in 2024, will be available on a web platform. No medical is required and payment is made by credit card. An affordable solution in just a few minutes!

Critical Illness Insurance Instant

In partnership with **maple**
virtual care provider



Individual Insurance

A noticeable presence on the market

UV Insurance is more visible than ever in the network! In individual insurance, we have multiplied our presentations, meetings, WebCafés and our presence at all of our distribution partners' events.

One of our mutualist strengths is our responsiveness and agility to quickly adapt our products and services to meet market demands. That's what we did last spring by further simplifying our simplified individual insurance issuance process, and sales results were on track throughout the year; we even exceeded targets!

A year-end under the theme of "What's New"

In November, we expanded our offer by introducing two new products, a whole life insurance product payable until age 100 and a 15-year term for term life insurance. Both products are also available on a simplified issue basis, a model that offers the same benefits as regular underwriting products, but without a medical exam.



Appointments
Tania Di Chiara

Inside Sales Representative
Strategy and Innovation



Appointments
Ryan Ellis

Inside Sales Representative
Strategy and Innovation

Summary Consolidated Financial Statements

Cooperative Principle

Autonomy and Independence

Cooperatives and mutuals are autonomous entities. They are self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from outside sources, they do so in a way that ensures that members exercise democratic control and maintain their autonomy.



Management Report

The preparation of the consolidated financial statements is the responsibility of management, and they have been approved by the Board of Directors. The summary consolidated financial statements are derived from those prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards). They include certain amounts based on best estimates and judgments that are appropriate to the Company's circumstances.

Internal control systems are in place to ensure the accuracy of financial information and control of operations.

In accordance with the provisions of the Quebec *Insurers Act*, the Board of Directors names the appointed actuary, who is responsible for valuing actuarial liabilities in accordance with the standards of practice of the Canadian Institute of Actuaries.

The independent auditor, appointed by the mutualists of the Company, ensures that the consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The Board of Directors' Audit and Risk Management Committee, composed of independent directors, ensures that management discharges its responsibility for financial disclosure. This committee is fully empowered to obtain from management any information required to form its opinion.



Christian Mercier, OMM, MSM, CD, MDS
Chief Executive Officer

February 27, 2024

Appointed Actuary's Report

To the Mutualists of UV Insurance

I have valued the policy liabilities and reinsurance recoverables of UV Insurance for its consolidated statement of financial position at December 31, 2023, and their changes in the consolidated statement of income for the year then ended in accordance with accepted actuarial practice in Canada, including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations. Furthermore, the consolidated financial statements fairly present the results of the valuation.

The valuation complied with the Quebec *Insurers Act* and the related regulations.



Pierre Parenteau, FSA, FCAS, FCIA, CERA
Senior Vice-President & Appointed Actuary

February 27, 2024

Independent Auditor's Report on the Summary Consolidated Financial Statements

Independent Auditor's Report on the Summary Consolidated Financial Statements

To the Mutualists of The Union Life Mutual Assurance Company

Our opinion

In our opinion, the accompanying summary consolidated financial statements of The Union Life Mutual Assurance Company and its subsidiaries (together, the "Company") are consistent, in all material respect, with the audited consolidated financial statements, on the basis described in the related note to the summary consolidated financial statements.

The summary consolidated financial statements

The Company's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2023 comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2023;
- ▶ the summary consolidated statement of net income for the year then ended;
- ▶ the summary consolidated statement of comprehensive income for the year then ended; and
- ▶ the related note.

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS accounting standards). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the consolidated financial statements in our report dated February 27, 2024.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in the related note to the summary consolidated financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respect, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers s.r.l./s.e.n.c.r.l.¹

Québec, Quebec February 27, 2024

¹ CPA Auditor, Public Accountancy Permit No. A138082

PricewaterhouseCoopers LLP
Place de la Cité, Tour Cominar, 2640 Laurier Boulevard, Suite 1700, Québec, Québec, Canada G1V 5C2
T: 1 418 522 7001 F: 1 418 522 5663

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Summary Consolidated Financial Statements

Summary Consolidated Statement of Financial Position

As at December 31, 2023
(in thousands of Canadian dollars)

Assets

Investments

Bonds
Preferred stocks
Common stocks
Private equity
Loans
Derivative financial instruments

Reinsurance contract assets

Other assets

Cash and cash equivalents
Accrued investment income
Accounts receivable and others
Current tax assets
Prepaid expenses
Defined benefit assets
Property and equipment
Intangible fixed assets
Deferred tax assets
Goodwill

Liabilities

Insurance contract liabilities

Other liabilities

Accounts payable and others
Investment contract liabilities
Defined benefit liabilities
Lease obligations
Current income tax liabilities
Deferred tax liabilities

Mutualists' equity

Retained earnings

Accumulated other comprehensive income

December 31 2023 \$	December 31 2022 (restated) \$	January 1 st 2022 (restated) \$
1,316,356	1,193,566	1,552,192
191,930	190,242	296,120
31,822	26,579	30,032
87,455	66,226	36,947
16,949	16,272	16,513
3,901	1,419	4,002
1,648,413	1,494,304	1,935,806
565,994	520,580	663,815
6,949	6,914	12,106
11,888	10,627	9,299
825	1,032	726
596	253	-
1,848	1,585	769
5,499	4,839	-
16,622	17,635	18,837
10,686	12,541	14,462
36,523	34,630	15,109
348	348	348
91,784	90,404	71,656
2,306,191	2,105,288	2,671,277
1,881,640	1,720,483	2,254,956
13,623	17,247	11,751
173,054	148,773	146,340
8,719	8,069	10,195
640	875	1,078
2,257	24	311
-	17	128
198,293	175,005	169,803
2,079,933	1,895,488	2,424,759
219,957	207,367	200,430
6,301	2,433	46,088
226,258	209,800	246,518
2,306,191	2,105,288	2,671,277

Approved by the Board,

Alain Bédard

Alain Bédard, Chair

Marco Fillion

Marco Fillion, First Vice-Chair

Summary Consolidated Statement of Net Income

For the year ended December 31, 2023
(in thousands of Canadian dollars)

	2023 \$	2022 (restated) \$
Insurance revenue	209,981	195,043
Insurance service expenses	(199,855)	(186,150)
Net expenses from reinsurance contracts	(7,292)	(8,975)
Insurance service result	2,834	(82)
Net investment income (loss)	147,204	(370,531)
Net finance income (expenses) from insurance contracts	(168,587)	517,951
Net finance income (expenses) from reinsurance contracts	49,882	(140,055)
Movement in investment contract liabilities and interest on deposits	(5,089)	(3,337)
Net financial result	23,410	4,028
Other income	2,247	2,189
Other operating expenses	(16,438)	(16,429)
Income (loss) before income taxes	12,053	(10,294)
Income tax expense (recovery)	521	(5,543)
Net income (loss)	11,532	(4,751)

Summary Consolidated Statement of Comprehensive Income (loss)

For the year ended December 31, 2023
(in thousands of Canadian dollars)

	2023 \$	2022 (restated) \$
Net income (loss)	11,532	(4,751)
Other comprehensive income		
Items that may be reclassified subsequently to net income		
Revaluation of defined benefit plan assets and liabilities, net of \$163 in income taxes (\$3,057 in 2022)	(452)	8,479
Change in gains (losses) on securities designated at the FVOCI, net of tax net of income taxes of \$1,939 (\$14,582 in 2022)	5,378	(40,446)
Comprehensive income (loss)	16,458	(36,718)

Relate note

Criteria for preparing summary consolidated financial statements

The Union Life Mutual Assurance Company (the "Company") prepared consolidated financial statements as at December 31, 2023, in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS accounting standards). The Company's Board of Directors authorized publication of the consolidated financial statements on February 27, 2024.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2023.

The summary consolidated financial statements are prepared pursuant to the following criteria:

- The consolidated statements of financial position, net income and comprehensive income are prepared using the same headings as the consolidated financial statements;
- The consolidated statements of cash flow and changes in mutualists' assets as well as the appended notes are not presented.

A copy of the consolidated financial statements can be obtained by contacting the Company's head office.



Internal Strength

Cooperative Principle Education, Training and Information

Cooperatives and mutuals offer training to their members, representatives, managers and employees so that they can contribute effectively to the development of their cooperatives. They also educate the general public, especially young people and policy-makers, about the nature and virtues of cooperation.



Bien
entouré.

Maintenance of the **BNQ Standard** Healthy enterprise

At the end of the year, we successfully completed the evaluation for the maintenance of the BNQ – Healthy Enterprise standard, a certification that is very important to us and that demonstrates our commitment to providing a healthy living environment for our employees and their families.

Highlights raised during the audit

UV Insurance is perceived by its employees as **an accommodating and caring employer**.

The Health, Safety and Wellness Committee is recognized for initiatives that **have a positive impact on the health of individuals and the organization**.



Internal Wins

The year 2023 marked the launch of our new employer brand. Under the slogan “Better together,” the new human resources image reflects UV Insurance’s commitment to its employees by focusing on the well-being and professional development of the people who make it successful every day.

“

The benefits of working at UV are many, and we are proud to provide a work environment that promotes the well-being and the personal and professional growth of our employees. Our employer brand is an extension of that vision and a reflection of our commitment to our employees.

”

– Maryse Galarneau, Director, Human Resources

Promoting Health and Well-being

As a life insurer, we believe that health and healthy living are important aspects of human resilience for our mutualists, our employees and their families. That is why we are putting a lot of energy into providing a multitude of initiatives, including nutrition and mental health training, coaching, sports registration and healthy snacks.



Finding Ourselves

The President's Dinner and the New Year's BBQ are key annual initiatives to bring all of our employees from Quebec, New Brunswick and Ontario together to get to know each other better and celebrate our successes.



A Day Off at UV Insurance

UV Insurance is also a family story! To support our employees with young children in their work-life balance, we organized a day of activities during the school break. About 50 children became one-day employees and enjoyed a series of fun, educational and sporting events. There was a lot of energy in the air!



Together, we move!

We offer our employees and their families multiple opportunities to get moving, whether it's with the gym at head office, group classes, the generous allowance for sports equipment or running races. Over the past few years, we have also developed the November Challenge, which aims to combat grey days by accumulating points for the number of minutes spent practising physical activity and by relaunching team challenges.

Engaged Employees

Christian Mercier

Chief Executive Officer

- ▶ Canadian Life and Health Insurance Association (CLHIA)
Director
- ▶ Canada Company, Quebec
Director

François Girard

Vice-President, Business Development and Administration, Group Insurance

- ▶ Insurance Industry Pension Committees
Independent member

Joëlle Girouard

Chief Compliance Officer

- ▶ Fondation du Cégep de Drummondville
Chair of the Governing Board
- ▶ Jeune chambre de Drummond
Jeune leader en entreprise et membre du comité leadership au féminin

Maryse Galarneau

Director
Human Resources

- ▶ Maison des arts Desjardins de Drummondville
Director
- ▶ CPE La Maison de Bécassine
Director

Pierre Parenteau

Senior Vice-President
Actuarial and Finances & Appointed Actuary

- ▶ Corporation des Petits Chanteurs de Trois-Rivières
Director and Treasurer
- ▶ SOCODEVI
Director and Treasurer

Guillaume Fauteux

Vice-President, Business Development and Marketing, Strategy and Innovation

- ▶ Comité des dirigeants de vente du Québec (CDVQ)
Chair

Philippe Morin

Head of Department, Quotes, Policy Issuance and Renewals

- ▶ Parrainage civique Drummond
Director

Amélie Caya Houle

Digital Communications and Marketing Advisor

- ▶ Appartenance Drummond
Director

Sylvain Paré

Senior Vice President, Insurance Operations

- ▶ Quebec Drug Insurance Pooling Corporation
Director

Eric Timmons

Senior Director, Project Office and Strategic Planning

- ▶ Cégep de Drummondville
Director

Marilyn Baril

Head,
Public Affairs and ESG Practices

- ▶ Centre de pédiatrie sociale Les Petits Bonheurs
Member, Campaign Cabinet

Jean-Mathieu Sigouin

Senior Vice-President,
Strategy & Innovation

- ▶ Village Québécois d'Antan
Chair of the Board and Executive Council

Marie-France Noël

Senior Director,
Claims
Insurance Operations

- ▶ José-Maria School
Parent member, Vice-Chair and parent committee representative
- ▶ José-Maria School
Parent member
- ▶ Comité de parents du Centre de services scolaires des Trois-Lacs
Parent representative for José-Maria School



Our Expertise for the Benefit of the Community

In business, in the community or in the insurance network, **our employees and management are actively involved in sharing their expertise** and making a real difference.

A photograph of three people standing in a forest. On the left, a man in a blue long-sleeved shirt with 'UV ASSURANCE' on it, a blue cap, and gloves holds a wooden stick. In the center, a woman in a black t-shirt with 'UV ASSURANCE' on it, a pink cap, and jeans holds orange gloves. On the right, a man in a red t-shirt with 'LUCKY BRAND Denim' on it, a black cap, and jeans holds a work glove. The background is a wooded area with many trees.

Community

Cooperative Principle
**Concern
for Community**

Cooperatives work towards sustainable community development through policies approved by their members.

Employees involved in the
2023 Corvée du printemps
at the Centre Normand-Léveillé

Community and Social Involvement

UV Insurance is an important player in the community and social development of the Drummondville region, and we also support a number of initiatives elsewhere in Quebec and Ontario. Through the funding we provide annually to communities, we are giving everyone an equal opportunity to help build a more resilient, educated and healthy world.

Our privileged niches



Health and Wellness



Education



Social exclusion

In a spirit of inter-cooperation, UV Insurance has partnered with Caisse Desjardins de Drummondville and Promutuel Centre-Sud to support various promising initiatives in the region. This has made it possible to significantly increase the funding provided to organizations, in addition to encouraging mutual support and sharing.

More than \$800,000 donated to the community in 2023

“Mutual aid, solidarity and inter-cooperation are values that drive us within the mutual and cooperative movement, and that is why we join forces to support projects that are important to us.”

– Christian Mercier, Chief Executive Officer



Fondation du Centre Normand-Léveillé

For several years now, our three organizations have been involved in funding various activities of this foundation, which helps people living with significant physical limitations. Together, we have chosen to take one step further to have a direct impact on families by committing to the Créateurs de Victoires program, which offers respite stays.



Race La Joséphine

This partnership, in collaboration with the City of Drummondville, enabled us to host the very first Josephine in Quebec, a 100% women’s international walking and running event that aims to support women with breast cancer. The benefits of this event went to the Fondation René-Verrier, which used the money raised to establish a new support program exclusively for women.

Committed to a sustainable world

Sustainable development is rooted in the very foundations of our mutualist identity. When 12 Drummondville citizens created UV Insurance in 1889, it was with the desire to meet their family's needs and ensure a secure future, which is the very definition of sustainable development, that is, "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." It is in this spirit and with a resolute focus on a more sustainable future that we are firmly committed to a structuring approach that is part of our strategic planning 2023–2027 as one of our 4 business objectives. This reflects the importance we place on integrating ESG criteria across our practices. We have also created a new service that combines public affairs and sustainable development.



First Sustainable Mobility Week

The Green Committee and the Health, Safety and Wellness Committee have teamed up to create the first ever Sustainable Mobility Week where our employees, both in their business and personal travel, have been invited to use alternative modes of transportation to reduce their carbon footprint. We also took the opportunity to offer employees a free bike repair workshop that was very popular!

Spring Cleanup

Several employees and their families were there once again this year to take part in an annual cleanup in Drummondville. A great opportunity to connect with colleagues while helping each other!



New Green Committee

A green committee was formed internally by passionate employees who care about the health of our planet. Together, they have already helped to improve practices at head office and to extend the horizons of our employees by providing training on sustainable mobility and waste sorting, and taking concrete action to reduce our environmental footprint.

Proud member



The spirit of mutualism is embodied every day by all members of our great UV Insurance community.

Thank you for embracing our vision and sharing our values!

