

2015 PUBLIC
ACCOUNTABILITY
STATEMENT

WHO WE ARE

Since 1871, Economical Insurance has been protecting Canadians with insurance products and claims service designed with our policyholders in mind.

Today, Economical is one of Canada's leading property and casualty (P&C) insurance companies. Behind the scenes and across Canada, 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.

Based in Waterloo, Ontario, this Canadian-owned and operated company services the home, auto, and business insurance needs of more than one million customers across the country.

This Public Accountability Statement is about Economical Mutual Insurance Company and the following affiliates

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

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.

OUR VALUES

As individuals and as a company

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

WE'RE GOOD TO KNOW

- for families, and businesses seeking to protect what they value most,
- for brokers partnering with a strong, stable, and responsive Canadian provider,
- for skilled professionals looking for a rewarding employment experience, and
- for communities relying on a responsible, reliable corporate citizen.

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WE'RE STRONGER TOGETHER

A MESSAGE FROM KAREN GAVAN, PRESIDENT AND CEO



At Economical, we have a strong and compelling vision to be a leader in our industry as a Canadian owned, independent company. We aim to be trusted, respected and recognized for our positive contributions to the economic and social vibrancy of communities where we live and operate.

As a leading insurer, we're in the business of protecting Canadians from coast to coast. With more than one million policyholders across the country, we remain steadfast to our original promise: we'll be there when our customers need us most.

We're also always looking to create a meaningful environment where we have engaged, excited, and committed employees who will work together to build the future of Economical.

Our 2015 public accountability statement is a snapshot of Economical's corporate responsibility endeavours through financial contributions, support for our employees, brokers and policyholders, charitable giving, and respect for the environment.

We contribute to causes that support one or more of our priorities: safety and security, youth and education, health and wellness, and arts and culture.

In 2015, we provided \$1.2 million to Canadian communities. Our employees across the country generously contributed 3,344 volunteer hours during the work week to deserving causes.

2015 was a year of great success and 2016 is shaping up to be an exciting year for Economical.

I'm proud of how far we've come and excited about our future. I'm especially proud of the difference we continue to make in many Canadian communities.

By living our values, I'm confident we can be the insurer Canadians trust to protect what they value most.

A handwritten signature in black ink that reads "Karen Gavan". The signature is fluid and cursive, with a large initial 'K'.

KAREN GAVAN

President and Chief Executive Officer

OUR RESPONSIBILITY

OUR CODE OF BUSINESS CONDUCT

Every day, we work to protect and strengthen Economical's reputation by living our values. The high standards of professionalism to which we hold ourselves is evidenced through our Code of Business Conduct (The Code).

Economical employees, officers, and directors review The Code 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.

OUR CORPORATE RESPONSIBILITY

Corporate responsibility at Economical is about being accountable to all stakeholders, supporting our communities and respecting the environment. It demonstrates our focus on our customers, our integrity, and how we give back to Canadian communities where we and our broker partners operate.

OUR ECONOMY

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 2015:

Province	Income taxes	Premium and fire taxes	GST/HST/QST	2015
Newfoundland	130,520	131,703	42,210	304,433
Prince Edward Island	62,580	245,354	376,436	684,370
Nova Scotia	659,040	2,838,006	376,436	3,873,482
New Brunswick	497,797	2,094,789	187,270	2,779,856
Quebec	1,285,333	4,451,267	740,553	6,477,152
Ontario	8,626,198	36,167,881	5,715,591	50,509,670
Manitoba	89,356	459,392		548,748
Saskatchewan	39,382	263,712		303,094
Alberta	2,318,390	8,229,180		10,547,570
British Columbia	2,031,799	12,966,795	99,427	15,098,021
Yukon	1,900	3,801		5,701
Northwest Territories	2,693	10,357		13,050
Nunavut	1,020	4,989		6,009
Total Provincial	15,746,008	67,867,226	7,537,923	91,151,157
Total Federal	19,240,843		6,011,280	25,252,124
Total	34,986,851	67,867,226	13,549,203	116,403,281

DEBT FINANCING

We provide debt financing to Canadian businesses in our distribution network to support their development and growth so they are better able to provide products and services to their customers.

Province	<\$24,999	\$25,000 - \$99,999	\$100,000 - \$249,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000 - \$4,999,999	Total (all levels)
Authorized amount*	\$32	\$129	\$132	\$1,956	\$1,521	\$21,251	\$25,021
Number of clients**	6	2	1	6	2	10	27

*In thousands of dollars. Above balances represent the ending balances for debt financing authorized to clients as at December 31, 2015, and include all new commitments for 2015. There was no activity at the \$5,000,000 and greater authorization level.

**As at December 31, 2015, 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 have been consolidated to preserve client confidentiality.

WE BRING OUR BEST

OUR ACCOLADES



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

In May 2015, independent rating agency A.M. Best reaffirmed Economical Insurance's financial strength rating and issuer credit rating for the third consecutive year. The ratings of A- (Excellent) and "a-" respectively reinforce our excellent financial strength. By extension, Economical Select (Waterloo Insurance Company) also received an A- (Excellent) financial strength rating and "a-" issuer credit rating. A.M. Best continues to acknowledge Economical's focused marketing and branding strategies, disciplined underwriting philosophy and pricing segmentation, solid risk-adjusted capitalization, historically positive operating performance, diversified product offerings and established Canadian market presence.



WATERLOO AREA'S TOP EMPLOYERS FOR 2016

For its engaging and inspiring work environment and continuous investment in talent, Economical was selected as one of Waterloo Area's Top Employers for 2016 by Canada's Top 100 Employers. Winners were chosen for providing exceptional places to work in Guelph and Canada's Technology Triangle (Cambridge, Kitchener, and Waterloo).



2015 WATERLOO REGION HEALTHY WORKPLACE AWARDS

For the third consecutive year, our wellness program was recognized with the Waterloo Region Healthy Workplace Award that celebrates local workplaces that demonstrate a strong commitment to improving the health and wellness of their employees. Economical also won a Platinum award that recognizes companies that have maintained a Gold award for three or more consecutive years.



2015 INNOVATOR AWARD

Economical received the 2015 Innovator Award that recognizes workplaces that demonstrate innovative and sustainable wellness programming, with a focus on supportive environments.



SELECT SWEEPSTAKES AWARD

Economical received the prestigious 2015 Gold Quill Merit Award from the International Association of Business Communicators for the 2014 Select Sweepstakes. This promotional consumer campaign is run in partnership between Economical Select and 55 insurance brokers across Canada, offering eligible group members an opportunity to win great prizes.



IABC SILVER LEAF AWARD OF MERIT

In 2015, the Corporate Communication team was recognized by the International Association of Business Communicators (IABC) for their outstanding work in supporting 2015 "Have your say" Employee Engagement Survey. The winning communication strategy drove awareness and excitement to the 2015 Employee Engagement Survey, and resulted in an overwhelming participation rate of 95.2%. The Silver Leaf Award program is Canada's premiere professional awards program celebrating excellence in business communication.

WE FOCUS ON CUSTOMERS FIRST

OUR POLICYHOLDERS

We delivered on our promise of being there when our customers need us most. We paid more than **\$1 billion in claims in 2015.**

We provide superior claims handling and scored 92% in our claims customer satisfaction surveys sent to all claimants when the claims process is completed.

SUPPORTING OUR POLICYHOLDERS

Expert claims representatives guide our policyholders through the claims process with tools and information required to make each claim as easy as possible.

Our claims service includes

- **24-hour claims service, seven days a week;**
- **630 claims professionals servicing policyholders in several languages;**
- **repair guarantees for auto and property claims;**
- **access to quality medical services for policyholders;**
- **catastrophe response teams, and**
- **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 thoroughly inspect all repair facilities and contractors before approving them for our program. We set stringent performance standards and certify only those that meet or exceed our standards. Location, quality, reputation, integrity and environmentally-friendly procedures are essential elements in meeting our ESP standards.

Certified Economical Repair Facility (CERF) is the designation Economical gives to repair facilities that meet or exceed our ESP standards. 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. Under our elite CERF designation, repair facilities must demonstrate they follow a business strategy to continuously improve the benefits they provide by reducing environmental impact and adding value.

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

WE'RE STRONGER TOGETHER

OUR EMPLOYEES

Our **employees from coast to coast are the reason** we've come as far as we have, and the reason we'll go much further still.

ENGAGING OUR EMPLOYEES

We strive to provide an exceptional work experience to encourage employees to bring their best every day. Our engaging work culture helps attract and retain the talent we need to achieve our potential. We invest in our people so they can provide the best service for our customers.

We promote a healthy work-life balance and opportunities for growth, learning, and development. Beyond the workplace, employees are given paid time off to make a difference by volunteering in their communities.

Listening to our employees' feedback is one way we ensure our programs are relevant. The employee survey measures engagement and identifies priority areas to address. The 2015 survey insights have supported efforts to co-create our desired culture.



WORKING TOGETHER ACROSS THE COUNTRY

We're proud to have a diverse workforce that strengthens our business through an array of perspectives, ideas, knowledge, and experiences. After all, we have diverse customers, and understanding that helps us better meet their needs. We foster a respectful and inclusive environment where our people are valued.

The success of our Women's Leadership Network is a true testament to our commitment. Since its inception in 2008, it has grown to more than 75 leaders including our CEO. Today, our senior management team has 50% female representation, up from 14% in 2008.

OUR EMPLOYEES ACROSS THE COUNTRY

As of December 31, 2015, Economical had 2,115 active employees, which includes 2,071 full-time and 44 part-time employees.

Province	Regular full-time	Temporary full-time	Regular part-time	Temporary part-time
British Columbia*	142	4	3	2
Alberta	125	2	2	1
Ontario	1,555	47	14	16
Quebec	139	5	5	-
Nova Scotia	60	2	4	1
Total**	2,021	50	24	20

*Excluding Family Insurance employees

**Total includes active employees only

REWARDING OUR EMPLOYEES

Our rewards strategy ensures competitive and equitable compensation based on job requirements and skills. We offer a merit pay system linking performance to reward, an incentive plan, and job evaluation. Employees receive bonuses for completion of certain professional designations and also for successfully referring new employees.

OUR TOTAL REWARDS STRATEGY OFFERING



Competitive pay



Flexible benefits



Retirement savings



A healthy work-life balance



Opportunities for learning and development

Economical has a continued commitment to evaluate and develop programs that support our changing organization.

Our total rewards plan includes a robust set of offerings:

- A flexible benefits plan
- Salary continuation for short-term medical absences
- An award-winning wellness program
- A comprehensive defined contribution pension plan
- Company match on employee contributions to group RRSP or after-tax product
- Flexible work scheduling
- A minimum 15 vacation days per year
- Access to an employee and family assistance program and resources
- Access to daycare, emergency childcare, and eldercare programs
- Health and safety programs
- Home and auto insurance discounts
- Paid time off to volunteer

CREATING A HEALTHY WORKPLACE

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 an assistance program, offer an avenue where employees and their families are able to seek help for what may affect their mental or emotional health.

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

We make creating and sustaining **a healthy workplace** a priority.

RECOGNIZING GREAT WORK

Appreciating great work is part of our culture. We believe non-monetary rewards are part of a reward mix that supports engagement.

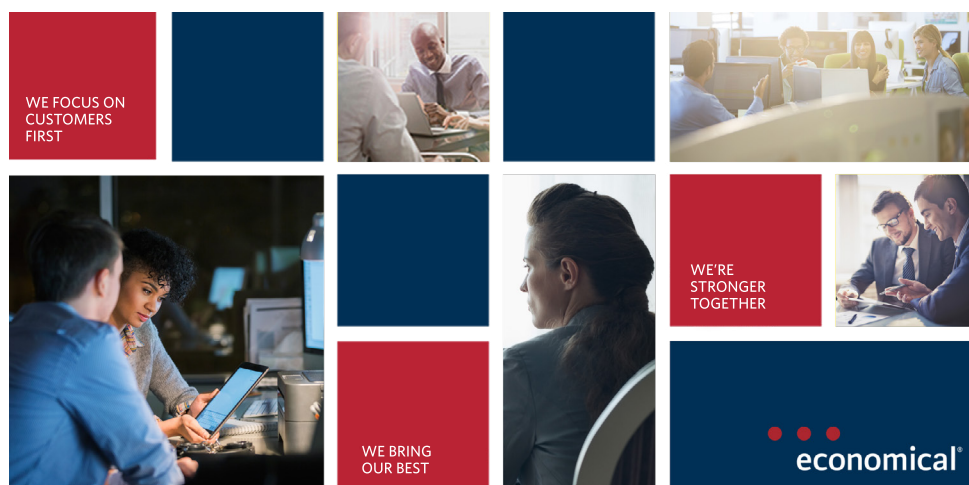
Recognition is something we do throughout the year, including celebrating our annual Employee Appreciation Week. This week allows leaders to formally recognize achievements and show their teams that their efforts are appreciated.

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.

“Recognition builds a healthy culture and a positive environment that values diverse perspectives and ideas. When employees feel like they’re part of a cohesive team that appreciates their efforts, they collaborate more effectively and work harder to ensure the achievement of a common goal.”

— Louise Taylor Green, Senior Vice-President and Chief Human Resources Officer

We appreciate those who live our values and Aspire Higher.



Our core values provide a standard for consistent recognition of achievements across the country. The following recognition stories are examples of our core values in action:

We focus on customers first: “His actions demonstrate that he is a caring partner by delivering on our promise to be there when our customers need us most. Here’s what a customer said in a recent post-claim survey: ‘Without his experience and knowledge, this would have been a very unpleasant situation. He made things stress free. I am so pleased to call him my adjuster.’”

We bring our best: “She was asked to organize a very important event this year. The level of commitment, organization, and attention to detail she demonstrated was truly inspiring and exceeded all expectations. The way in which she organized travel arrangements, and ensured everyone arrived on time and in the most cost-effective way, was exceedingly well done. Her negotiations for more competitive terms and additional services at the venue really put this event over the top. The entire event was handled with a superior level of dedication. We received many positive comments from our partners. Through her hard work and dedication, she showed true belief in Economical’s values.”

We’re stronger together: “Congratulations on your team’s performance in delivering this project. It was initially seen as a small, not very complex project. As you delved deeper, you encountered several issues around requirements, design and development and even testing strategy. You worked together to overcome every challenge encountered. We witnessed how you grew together as a strong team and were pleasantly surprised on many occasions on how collaborative and self-directed you are! Each and every one of you gained new strengths, learned something new in terms of technology and applied it towards the success of the project. Well done team!”

We celebrate commitment, dedication and service.

CELEBRATING CAREER MILESTONES

In 2015, we introduced the Yearbook, an online tool to celebrate careers at Economical. We celebrate milestone anniversaries beginning with five years of service and every five years thereafter. In addition to being able to select a gift from a catalogue, employees celebrating milestones now receive the Yearbook as a digital keepsake featuring notes from leaders and peers as a reminder of great work done.

SAVING FOR THE FUTURE

We offer opportunities to assist our employees in developing strategies to build their savings. In 2015, we introduced a vendor-provided investment advice service that employees can call for one-on-one advice about the investment choices available in our defined contribution pension and savings program. We also offer financial education sessions throughout the year.

We help employees **plan for tomorrow, today.**

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.

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, and
- provides opportunities and motivation to ensure our employees are satisfied and productive.

We believe continuous learning and career development are part of an outstanding work experience. Our employees enjoy award-winning learning and development programs

- Economical Learning Institute for Training and Education (ELITE) program
- Paid professional memberships
- eLearning to augment on-the-job training
- Tuition reimbursement for relevant courses and continuing education
- Resource library for information, development and training

To ensure corporate training is aligned with strategic priorities, training is centralized and maintained through ELITE which is comprised of technical training for our lines of business, leadership development, employee development, and eLearning courses.

The success of our training programs is attributed to the partnership of subject matter experts from all lines of business with the design and development expertise of the learning and education team.

Our training initiatives are developed by employees for employees. They offer a balance of meeting business needs and strategies while providing the necessary skills, knowledge, and behaviours employees need to succeed in their roles. Learning materials reflect the ever-evolving realities unique to our company and support its future success.

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 relative to their job role and responsibilities. We also support continuous professional and career development through professional memberships and conference participation.

OUR BROKERS

We partner with **more than 800 independent insurance brokers** from coast to coast to ensure our policyholders receive unbiased, first-rate service and 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 the efficiency of our service delivery and our market agility.

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 also matter to us.

In 2015, 20% of our sponsorships and donations were in association with our brokers across the country.

From purchasing much needed equipment at community hospitals to renovating a local camp or supporting a water conservation education program, partnering with our brokers in enhancing their communities is a priority to us.

BROKER TRAINING

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

100 professional development workshops

Extremely positive program feedback, with brokers giving high marks for the quality and relevance of training.

1,220 workshop participants from strategic broker partners' offices.

93% overall satisfaction rating on all training deliveries.

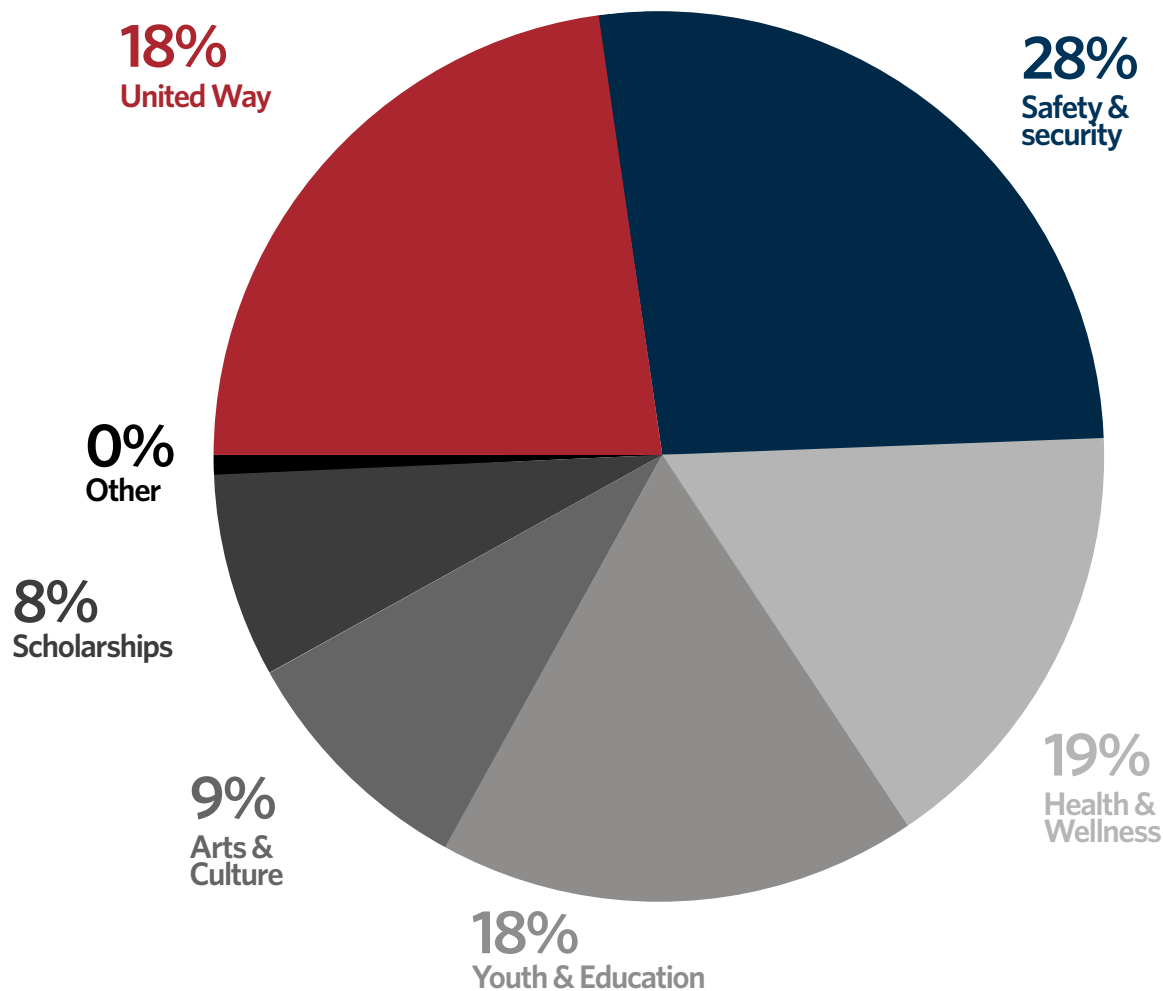
OUR COMMUNITIES

We're committed to supporting charities and causes that drive change in 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 causes that align with one or more of our priorities: safety and security, health and wellness, youth and education, and arts and culture. Online requests for charitable donations and sponsorships are reviewed against our strategic priorities by our community giving committee.

In 2015, Economical contributed approximately **\$1.2 million to communities across Canada** and 3,344 volunteer hours during the work week to our communities.



HIGHLIGHTING ECONOMICAL'S MAJOR CORPORATE SPONSORSHIPS IN 2015



To help Canadians better manage emergencies, we provided \$150,000 annually for the past three years through an emergency preparedness partnership with the Canadian Red Cross. In 2015, nearly 14,000 people from Vancouver, Edmonton, Calgary, London, Waterloo, Kitchener, Hamilton, Mississauga, Toronto, Ottawa, Moncton, and Halifax benefitted from 313 emergency preparedness sessions. This training helps people cope during the first 72 hours following an emergency and is designed to reduce personal injury and loss of life, and enhance community resiliency.

In response to the devastating earthquake that struck Nepal in April 2015, Economical donated an additional \$10,000 to the Canadian Red Cross to support relief efforts helping people cope with the 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. Total funds distributed to all sponsored locations in 2015 were \$100,800.



Since 2006, Economical has been a strong supporter of the fight against cancer through Relay for Life events. In 2015, Economical contributed \$109,500 in title sponsorships of 10 events in various cities: Kitchener-Waterloo, Cambridge, Woolwich, Woodstock, 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 2015, we contributed \$100,000 as part of our \$300,000 commitment over three years to deliver Junior Achievement's Economics for Success program to Grade 7 and 8 students in nine cities across the country. This program helps students understand the importance of budgeting, investments and business finance. During the 2014/15 school year, our employees donated more than 350 volunteer hours helping 1,881 young people achieve their potential. An additional 50 volunteers donated time in events and golf tournaments in the Waterloo Region.



Economical was the title sponsor of the KWS Signature Series for the 2014/15 and 2015/16 seasons. Since 2010, Economical has provided \$50,000 annually as the title sponsor of the KWS Signature Series which brings Economical's total financial support for the KWS to more than \$525,000 since 2001.



We contributed \$50,000 in exclusive sponsorship of the Casual Concert Series of the Toronto Symphony Orchestra's (TSO) 2015/16 season. These 90-minute evening casual concerts are performed without an intermission and feature masterworks by renowned composers.

HIGHLIGHTING ECONOMICAL'S COMMUNITY INVESTMENTS OF MORE THAN \$10,000



Since 2012, we have 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 Rogers Insurance. Last year, Economical contributed \$38,667, bringing our total sponsorship to \$139,501 since 2012.



For the third consecutive year, we provided \$17,000 as the sponsor of the pre-breakfast coffee reception at each of the four Wake-Up Call events in Moncton, Saint John, Halifax, and Cape Breton. Recognizing that physical fitness can help stave off prostate cancer, Economical also provided fitness-related prizes at each event, awarded through a draw by an Economical employee. Since 2001, these events across Canada have attracted more than 26,000 business professionals and raised more than \$3 million to fund research, education and survivorship initiatives.



Economical sponsored the MCTI Community Day by donating \$13,500 for the third year in a row in partnership with MacDonald Chisholm Trask (BrokerLink) in the Atlantic region. The event took place on September 25 and Economical employees attended events at five MCT offices, helping to sell tickets. The event raised a total of \$28,394 for KidSport Nova Scotia.



We donated \$12,500 to Start2Finish as the key sponsor of the Running & Reading Club in Oakwood Public School in Oakville that has had a profound impact on the health, wellbeing and academic success of the club's approximately 60 at-risk child participants. After 32 weeks in the program, on average, their 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.



In response to a critical need for a new CT scanner at the Georgian Bay General Hospital in Midland, ON, we provided the hospital's foundation with \$12,000 in association with a local broker partner, BrokerLink. The hospital's existing CT scanner, acquired eight years ago, had reached the end of its lifespan and was beginning to malfunction and break down.



Teens in Lethbridge, Alberta who have experienced traumatic events in their lives can now turn to the YWCA Lethbridge & District for help to cope with life's pressures and rebuild their self-esteem. In 2015, we provided a \$10,000 donation, in association with McKillop Insurance, for the expansion of the local Project Child Recovery program.



The Missing Children's Network — the only charity in Quebec that families can turn to when their child disappears — received another \$10,000 donation from Economical. The funds enable MCN to empower local students with the knowledge and tools needed to stay out of harm's way. Over the past 30 years, MCN has assisted police in locating and recovering 1,095 children. This donation brings Economical's total contribution to MCN to \$40,000 since 2012.



Economical and broker partner Gamble HUB International teamed up to donate \$20,000 to the 2015 YMCA Strong Kids Campaign in Southwestern Ontario. This annual campaign helps ensure no child is left behind and every family member who requires financial assistance has access to local YMCA facilities and resources.



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 Advocate Insurance Group, a counselling and observation room in the new Haven House will create an environment conducive to healing, dignity and privacy.



In 2015, together with our employees we raised more than \$447,000 for United Way. In the fall, we completed a national corporate fundraising campaign where employees were encouraged to pledge funds to the United Way. Economical matched individual donations dollar-for-dollar up to \$2,500. Employees were able to designate their donations to the United Way chapter of their choice.

IN-KIND DONATIONS

Print services

In 2015, we donated in-kind printing services to the Children's Safety Village of Waterloo Region by providing 8,000 completion certificates and 8,000 fire escape floor plans.

Promotional items

In 2015, we also donated various items for silent auctions or prizes in support of many charitable events and organizations, including

- Betty Thompson Golf Tournament
- Breast Cancer Trust Fund
- Prostate Cancer Canada (Wake Up Call Breakfast)
- School of Business & Economics Golf Tournament
- WICC Auction
- Keatsway Public School
- 6th Annual Cheryl's Hope Golf Tournament

SCHOLARSHIPS AND BURSARIES

Our multi-faceted scholarship program **provides \$100,000 annually** for the post-secondary education of dependent children of employees, as well as students in insurance, actuarial science, and finance programs. Further, 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 2015, seven university students and two college students were selected to receive scholarships totaling \$16,000.

In the words of a recent award recipient:

"You have lightened my financial burden, which allows me to focus more on what's important in life. I hope that one day I will be able to give back and help other achieve their goals – just as you have helped me."

We undertake initiatives with Canadian post-secondary institutions to promote our organization as a preferred workplace. We've connected with high school and university students through the Insurance Institute of Canada's Ambassador on-campus Program since 2010. In 2015, 30 of our employees volunteered in classrooms to talk with students about the insurance industry. We also participate in job fairs at post-secondary institutions across the country.



\$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

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 country engage employees through planning and delivering social activities throughout the year to help create a positive work environment. Some of these events benefit local charities.

In 2015, our Head Office social committee supported our community 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** that raised \$653 in support of the MS Society
- **Donated toys** as part of The Salvation Army Angel Tree campaign
- **Held a bake sale** that raised \$921 in support of Big Brothers Big Sisters of Waterloo Region and \$675 for the Canadian Cancer Society

OUR ECONOMICAL'S EMPLOYEE VOLUNTEER PROGRAM

Our volunteer program encourages employees to take two paid days off work per year to volunteer in the community individually or as part of a team.

In 2015, **458 (21%) employees** across the country participated in the employee volunteer program, contributing **460 volunteer days or 3,344** 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:

Camp Everton

Canadian Cancer Society - Relay for Life

Food Bank of Waterloo Region

Grand River Hospital Foundation

Habitat for Humanity

Juvenile Diabetes Research Foundation

KidsAbility

Ottawa Food Bank

The Good Shepherd Venture Centre

Third Age Outreach Program

Rogers Insurance Run for L'Arche

Samaritan's Purse - Operation Christmas Child

Sunnyside Supportive Housing

United Way Day of Caring

Waterloo Running Series - Dirty Dash

Beginning in 2015, we launched an employee volunteer grant program where we annually award grants of \$500 to charities supported by our employees. In the first year, a total of \$16,000 was granted to 22 charities where Economical employees volunteered more than 40 hours. A draw for an additional \$5,000 grant was awarded in December to KidSport Society of Calgary.

Employees' feedback for this new grant program has been very positive:

I am so excited to share this with the rest of the volunteer group! This grant will make a big difference in my organization and I thank you and Economical Insurance for supporting these worthwhile charities!

Thank you for your consideration and generosity and this tangible sign of support. It is great working for a company that cares about how their employees interact in the community.

I take this opportunity to congratulate you for this great idea. It powerfully demonstrates that Economical cares about our communities. I wish a lot of success to this initiative!

OUR ENVIRONMENT

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 created processes and procedures that support environmentally-friendly business practices.

VENDOR SELECTION AND FACILITIES MANAGEMENT

- We consider the environmentally-friendly practices of potential vendors in our selection process
- Worked towards full offsets on building lighting and HVAC settings during non-business hours
- We have mandated the use of environmentally-friendly cleaning products by carpet cleaners
- We purchased refurbished furniture for standard workstations and task chairs made with 98% recyclable material or are 98% recyclable by weight
- We also continued to rollout 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

PAPER AND PRINT MANAGEMENT

- We print nearly all marketing material on paper with recycled content and used envelopes manufactured from Forrest Stewardship Council (FSC) certified material
- We recycle used toner cartridges back to the supplier and implemented pen cartridge and 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 have diverted 81% of operational waste from landfill. To accomplish this, we began collecting all organic waste — from paper towels to banana skins — in compostable bags for conversion through anaerobic digestion to biogas, fertilizer and livestock bedding.

To better understand and reduce our carbon footprint in the Region of Waterloo, where Economical is headquartered, we continue to work with Sustainable Waterloo as an observing organization. The current work of Sustainable Waterloo is focused on the Regional Carbon Initiative, which supports voluntary target-setting and reductions of carbon emissions by organizations across the region.



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