

## **iA Financial Group Expands Its Car Dealer Business to the US** **Acquisition adds a new business segment in the US market**

**Quebec City, Canada, September 21, 2017** – iA Financial Group announces that it has signed an agreement to acquire the shares of privately-owned, US-based Dealers Assurance Company and Southwest Reinsure, Inc. (collectively “DAC”) for a purchase price of US\$135 million. Founded in 1985 and based primarily in the Southwest US, DAC manufactures and distributes vehicle service contracts, or extended warranties, through a cross-country network of new and used car dealers in the US.

This acquisition more than doubles the scale of the Company’s vehicle warranty business. In 2016, iA Financial Group reported direct written premiums of \$197 million from vehicle warranties in Canada. With the addition of DAC in the US, combined premiums on a similar basis would represent approximately \$500 million. *All amounts in Canadian dollars on a current exchange rate basis.*

“Having built a solid presence in personal insurance in the US and after close consideration of strategic opportunities to enlarge our US footprint, we have chosen to make our next move in the automobile warranty market,” commented Yvon Charest, President and CEO of iA Financial Group. “This is a business where we have built tremendous know-how and experience over the last 20 years in Canada, which we now want to leverage in the larger US market.”

“The US market for extended warranties is about \$15 billion or ten times that of Canada,” added Mike Stickney, President of iA American. “It is very fragmented with significant opportunity for growth and consolidation. With our solid track record in the extended warranty business in Canada together with the established presence of DAC in the US, we look forward to this new chapter in our US expansion with great anticipation.”

The acquisition will be financed from cash on hand and reduce the Company’s solvency ratio by approximately eight percentage points. It is expected to be modestly accretive to earnings in 2018 and to contribute \$0.05 per share in 2019. The transaction is scheduled to close in the last quarter of 2017, subject to the usual regulatory approvals in Canada and the U.S.

### **Forward-looking Statements**

This press release may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “could”, “should”, “would”, “suspect”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, and “continue” (or the negative thereof), as well as words such as “objective” or “goal” or other similar words or expressions. Such statements constitute forward looking statements within the meaning of securities laws. Forward-looking statements include, but are not limited to, information concerning the Company’s possible or assumed future operating results. These statements are not historical facts; they represent only the Company’s expectations, estimates and projections regarding future events.

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation; changes in laws and regulations including tax laws; liquidity of iA Financial Group including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the

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ability of counterparties to meet their obligations; accuracy of accounting policies and actuarial methods used by iA Financial Group; insurance risks including mortality, morbidity, longevity and policyholder behaviour including the occurrence of natural or man made disasters, pandemic diseases and acts of terrorism.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of the 2016 Management’s Discussion and Analysis and in the “Management of Risks Associated with Financial Instruments” note to iA Financial Group’s consolidated financial statements, and elsewhere in iA Financial Group’s filings with Canadian securities regulators, which are available for review at [www.sedar.com](http://www.sedar.com).

The forward-looking statements in this news release reflect the Company’s expectations as of the date of this press release. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

### **About iA Financial Group**

Founded in 1892, iA Financial Group celebrates its 125th anniversary this year. iA Financial Group offers life and health insurance products, mutual and segregated funds, savings and retirement plans, securities, auto and home insurance, mortgages and car loans and other financial products and services for both individuals and groups. It is one of the four largest life and health insurance companies in Canada and one of the largest publicly-traded companies in the country. iA Financial Group stock is listed on the Toronto Stock Exchange under the ticker symbol IAG.

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