

Northbridge

a FAIRFAX company

20
17 | PUBLIC
ACCOUNTABILITY
STATEMENT

A MESSAGE FROM OUR CEO

Our business runs on care and consideration.



Profitable business is important, but without a caring approach, a company cannot realize its full potential. Our hard work keeps Northbridge competitive,

but our compassion helps us set bigger goals, make impactful changes, and achieve lasting success for our customers and communities.

Care is crucial when you work with risk. It's what enables us to help our customers identify potential hazards and determine the best course of action to prevent loss. We devote the time and attention it takes to provide superior service, from performing thousands of in-person risk assessments to ensuring swift claims resolution. Recent innovations in our products and processes have lifted our standards even higher this past year.

That same level of focus and attention also helps us interact with our communities in healthy and meaningful ways. Joining forces with our six charitable partners, we support a wide range of social initiatives and pioneering projects across the country that work to enrich the lives of Canadian youth with education and social support. This is our Northbridge Cares program, and it's brought to life through the teamwork of our partners and our people.

In fact, it's our employees' remarkable collaboration and entrepreneurial mindset that's at the core of our corporate culture. Our priority is to foster this unique culture, not only to support our employees to thrive in their work, but also to help them continue to accomplish remarkable things when they leave the office.

At Northbridge, we care deeply about our employees, our customers, our partners, and our communities. I'm pleased to share what our values have helped us achieve in the past year with our 2017 Public Accountability Statement.

A stylized, handwritten signature in blue ink that reads "Silvy Wright".

Silvy Wright
CEO & President

Northbridge Financial Corporation

ABOUT US

Northbridge Financial Corporation is a leading commercial property and casualty insurance company that has helped protect Canadian businesses for more than 90 years.

We offer a wide range of innovative solutions to Canadian businesses through our Northbridge Insurance, TruShield Insurance, and Federated Insurance brands.

Our insurance brands are underwritten by our insurance company subsidiaries: Northbridge General Insurance Corporation, Northbridge Personal Insurance Corporation, Zenith Insurance Company, and Federated Insurance Company of Canada.

We're proud to be 100% Canadian, and we're wholly owned by Fairfax Financial Holdings Limited. We're also committed to developing industry-leading expertise and solutions, supported by our fair and friendly culture – an approach that sets us apart from our competitors.



All smiles from the TruShield Insurance team

OUR VISION

We work to create greater success for our customers and broker partners.



OUR VALUES

We believe that how we achieve our results is just as important as the results themselves, and our corporate values are at the heart of our business operations:



Respect



Excellence



Connected



Passion



Creativity

OUR KEYS TO SUCCESS



We're committed to truly understanding our customers' needs, providing them with excellent customer service, and offering innovative solutions targeted to their specific industries.



Our people are our greatest asset, and we encourage an entrepreneurial mindset. We believe our fair and friendly culture makes us stronger together, and along with our values, this support is at the core of the way we do business.



We grow and diversify our market share in existing and new target customer segments by developing industry-leading products and services to support the needs of Canadian businesses.



By taking a disciplined and efficient approach to how we operate, we maximize revenue, reduce costs, and effectively manage our risks and exposures to minimize unforeseen expenses.

OUR BRANDS



Our Northbridge Insurance brand sells insurance through Canada's best broker network. Working with our broker partners, we focus on understanding the needs of our customers and on creating solutions that make a difference to their success.



Federated Insurance is Canada's leading direct commercial insurer, operating through a salesforce of dedicated agents. We work with more than 50 industry associations across the country to provide customers with the solutions and services to meet their unique needs.



As Canada's first direct-to-consumer small business insurance provider, we stand out through our dedication to educating small business owners on the risks of running their business with our industry-leading expertise, products, and services.

**OUR EXECUTIVE
MANAGEMENT TEAM**



Silvy Wright
President & CEO



Craig Pinnock
Chief Financial Officer



Lori McDougall
Chief Corporate
Development Officer



Lambert Morvan
Chief Operating Officer



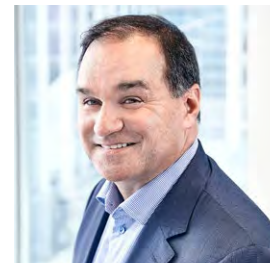
Andrew Wood
Chief Information Officer



Wayne Connelly
President,
Federated Insurance



Lana Wood
Executive Vice President, Western
Region, Northbridge Insurance



Mark LeBlanc
Executive Vice President, Ontario &
Atlantic CA, Northbridge Insurance



Jean-François Béliveau
Executive Vice President, Quebec
Region, Northbridge Insurance

OUR APPROACH TO CORPORATE GOVERNANCE

We're committed to sound and effective corporate governance.

This commitment begins at the top of our organization with our Board of Directors, who've adopted a set of rigorous corporate governance guidelines and policies that inform and underpin our practices and behaviours at all levels. The Board has also established Corporate Governance and Risk committees to oversee the effectiveness of our internal governance practices and controls, our risk management and compliance policies and procedures, and our practices relating to conflicts of interest, customer complaints and privacy.

As part of our commitment to the highest ethical standards, we've adopted a Code of Business Conduct and Ethics that requires all of our directors, officers, and employees to act at all times responsibly, ethically, professionally, and with integrity. We also ensure that effective mechanisms are in place for our people to raise concerns on violations of the Code.

OUR CUSTOMERS

We develop innovative insurance products, responsive services, and meaningful relationships with brokers and businesses to help each one of our customers succeed in their industry.



A CLAIMS EXPERIENCE YOU CAN RELY ON

Each insurance claim is unique and deserves close attention, not a hasty treatment. To us, this means being at the ready, day or night, with expertise and ingenuity to address each claim quickly and thoroughly.

A COMPREHENSIVE CLAIMS TEAM

Problems can strike at any time, so we're available around the clock. Our customers can reach our team 24/7, who will handle their case with care, concern, and a concerted effort to make sure everything is resolved to your satisfaction.

Claims Team

Nearly 250 professionals make up our nation-wide claims team, and each member has industry-specific expertise. So, when a customer suffers a loss, they can count on insightful and focused assistance from someone who understands the finer points of their business.


Field Adjusters

When a claim calls for an expert on the ground, our Field Adjusters will be there to handle the claim in person, with our exceptional professionalism and expertise.

Customer Care Specialists

Have additional feedback on our claims service?

In the rare case our customers aren't satisfied, they can reach our regional Customer Care Representatives to report a problem.



I appreciate the quick and knowledgeable service – it was truly painless for me – Northbridge provided first class service.

- **James Rodger**
Northbridge Customer

HOW OUR SERVICE EXCELS

What does Northbridge claims service look like? When a claim is reported, we rise to the occasion in a number of ways:

- Our Claims Call Centre does their very best to pick up the phone within **20 seconds** of the first ring, every time.
- We'll return every call on the **same business day** (we promise to reply to email within two business days).
- We provide online claims reporting through our websites.
- Our Claims Adjusters will contact our customer within **three hours** of the initial claim report.
- When a claim involves another party, we'll update our customer on the claim's status every 90 days until it's resolved.
- Once we settle a claim, we'll check in with our customer to see if they have any further questions or comments about the claim.

We keep you in the loop

The claims process can be confusing, and we don't want to leave you in the dark. From the very beginning and until the claim is resolved, our experts are available to help each customer thoroughly understand their current situation, the next steps to take, and exactly when they can expect to hear from us again.



Our Claims team won't keep you waiting: **91%** of calls last year were answered within **20 seconds**.



92% of the time, our customers are contacted by an adjuster within **3 hours** of reporting the claim.

OUR NETWORK OF PREFERRED PARTNERS

We're dedicated to getting our insureds back to business, and our preferred vendors work with us to make this happen. Sharing our high standards for service, this network helps us deliver a superior level of assistance through these programs:

Heavy Truck Preferred Shop & Parts

This program allows our commercial vehicle customers to enjoy a simplified claims process; quality repairs that meet or exceed industry standards; and a quick resolution so they can get back on the road.

Preferred Vehicles and Light Truck Repair

A comprehensive package of roadside assistance, 24/7 towing service and timely vehicle repairs (with warranty) anywhere in Canada, handled only by the best-in-class shops.

Preferred Replacement Vehicle Rental

Working with an established national car rental company, our customers receive unlimited kilometers, emergency roadside assistance, and excellent no-hassle service with no pick-up or drop-off fees.

Preferred Property Restoration Contractor Services

Committed to delivering a high standard of service and workmanship, our network of contractors will keep customers informed at every step of the restoration process, and they'll do their best to minimize disruption to our customers' lives.

Need assistance? We've got you covered

We top off our robust selection of core services and preferred partnerships with four programs to address the emotional, legal, and technological strain that can come with a loss.



Trauma Assist.

Losses can be devastating – both physically and emotionally – so we provide a holistic support program. Trauma Assist offers our commercial customers free confidential counseling services to help them through the crisis.



Legal Assist.

Sometimes running a business can bring an assortment of legal challenges, but we're here to help ease the burden. Our Legal Assist program offers customers free legal advice on a wide range of issues, from employment problems to deciphering contract legalese, and it can be used outside of a claim.



Cyber Assist.

With the help of CyberScout, a leading data risk management service provider, we offer a consultation service to discuss proactive measures that can protect your business against cybercrime, and reactive assistance in the event of a privacy breach.



Deductible Recovery Assistance.

Unfortunately, collecting the money owed to you after a loss isn't always easy. This service can help by establishing contact with the third party and acting on your behalf to help ensure that they pay you promptly and directly.*

**Program not available in Quebec.*

MANAGING CATASTROPHES (CAT)

In order to recover quickly and thoroughly, you need to be prepared. We've instituted a tried-and-tested plan to handle catastrophic events quickly and professionally, so our experts can deliver on their promise to provide exceptional service in any conceivable circumstance.

The adjuster handling our loss and claim was speedy, super supportive, knowledgeable, and generally hassle-free.

- **Andy Liu**
Northbridge Customer

TECHNOLOGY INNOVATION AND PROCESS EXCELLENCE

Our team needs the right tools to deliver the best possible service to our customers, so we periodically audit and re-evaluate the technology and processes at their disposal to see where we can improve the toolkit.

We look to innovative technology solutions to ensure that all the pieces fit together behind the scenes into a seamless, dependable claims experience for our customers.

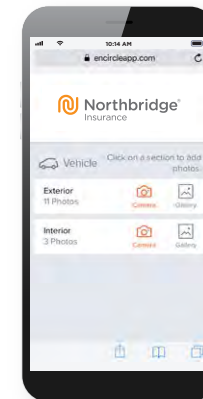


HAVE YOU HEARD?

INTRODUCING EXPRESS CLAIMS – YOUR SHORTCUT TO A SETTLED CLAIM

Some claims are complicated, while others should be short and sweet. Like a minor fender bender that leaves the drivers unscathed but their cars in need of a paint touch-up. These are the cases that our express mobile claims tool was made for: it can help you document your damages in real time, communicating with the adjuster to get the claim process started within minutes.

By snapping a photo of the damage with your smartphone and sending it directly to our Claims team, they can get started right away; our appraisers can create a report of the damages that helps our expert adjusters settle the claim in a matter of hours.



ENVIRONMENTAL EXPOSURES

Environmental cleanups are highly regulated and offer very little margin of error. The wrong cleanup procedures or testing methods could lead to significant penalties or fines and leave you responsible for cleaning up spills left behind by others.

Fortunately, we can respond quickly. An immediate call to your Claims team will tap into a network of trained experts who can help to prevent environmental losses from spiraling out of control.

PUTTING RISK MANAGEMENT FIRST


Good insurance is about working to prevent a loss as much as it's about recovering from one. That's why we put so much time and attention into helping our customers recognize, evaluate, and mitigate risks to their businesses from the start – and throughout our relationship.

OUR TEAM

Our Risk Services team **includes more than 60** dedicated risk management and loss prevention professionals, a group of industry-specific experts who work extremely hard to help our customers understand and manage their risks.

Each year, our Risk Service experts conduct over **8,000** risk assessments and service visits for Canadian businesses. During these assessments, Risk Consultants assist customers with developing best practices, identifying potential hazards, and identifying where operations may not be compliant with codes and industry standards.

Our goal is to help our customers minimize risk and maximize value.



This was my first accident and I wasn't sure what to expect. Everyone that I dealt with was excellent and that certainly calmed me down and took away the stress.

- J. L'Ecuyer
Northbridge Customer



DID YOU KNOW?

*Our consulting services and customized training solutions can enhance any risk management strategy. Customers can contact our specialists through **Risk Management Assist™**: with a simple phone call, they'll get the answers they need and receive guidance on a variety of loss prevention topics. This service can help mitigate risks and potential future losses.*

OUR AREAS OF EXPERTISE

Here are just a few of the industries our Risk Services specialists are experts in:

- Agriculture
- Campgrounds
- Commercial property
- Commercial transportation
- Course of construction
- Equipment breakdown
- Equipment dealers
- Fire protection industry
- Golf/country clubs
- Large and complex risks
- Manufacturing
- Oil & gas
- Pulp & paper
- Schools
- Sprinkler systems
- Utilities

RELEVANT TRAINING SUPPORTS SUCCESS

How do you manage risk effectively? Relevant tools like best practices and better technology are important, but you need to know how to use these to enjoy real benefits.

We focus on training at every level across a variety of industries to help all our partners – customers, agents/brokers, and underwriters – respond quickly and manage risk more effectively with the right resources at their disposal.

Here's how we did in 2017:

- **295 training sessions** delivered to our customers, agents/brokers, and underwriters
- More than **2800 participants**
- Over **8600 hours** of training

A vast majority of participants in our internal and external training sessions were impressed. In fact, **99% said they would recommend our training to a coworker!**



SHARING OUR INSIGHTS

Our technical risk management information is what tops off our superior service. This is a package of creative solutions and technical wisdom that we share with customers and agents/brokers to help them better identify potential hazards, mitigate them, and ultimately protect their businesses.

Risk Insights™ are industry-specific bulletins developed through our visits to businesses and our interactions with customers each year. We have a growing library of these technical bulletins – **80 in English and 75 in French** – for our Northbridge customers that provide examples of best practices for risk management in a number of different industries, tailored to each type of business operation.

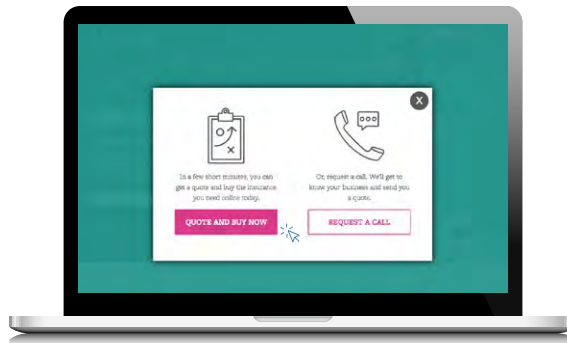


INVESTING IN THE CUSTOMER EXPERIENCE

We know that customers can find insurance difficult to understand. Policy-speak, industry shorthand, and the entire purchase process can be a roadblock, and we don't want our customers to struggle through technicalities. In turn, we've focused on streamlining and clarifying the experience for our customers with a few innovative approaches.

Educational online quoting for small business: our answer to your insurance questions

We know many small businesses don't know where to start with insurance, which prompted us to develop a more insightful approach to online quoting. We've focused our digital experience on helping to fill the knowledge gap for small business customers, from the moment they consider insurance to the moment they decide on their policy. We want to make sure our customers understand what kind of coverage they truly need, not simply tell them what to buy.



Lucy's here to help

We've put artificial intelligence to work on our TruShield website with Lucy, our friendly and knowledgeable chatbot. A virtual assistant at your service, Lucy can answer a range of insurance-related questions, and even provide a quote estimate with a short digital conversation.

Ultimately, our goal with Lucy is to help improve the quality and comfort of the customer experience and to bridge traditional work hours, so we can be there for our customers around the clock.

Hi. I'm Lucy! I'm here to answer your questions



REACHING OUT TO BUILD RELATIONSHIPS

Speaking directly with an insurance company is one way to go about gathering information, but it's not the only way to connect. We focus on sparking and nurturing solid relationships with our customers, our industry colleagues, and the online audience at large through relevant insights and educational tools on our websites and shared through industry publications.

Trends change quickly, and we're great at adapting. We maintain a library of high-quality, timely, and uniquely relevant articles. Aside from publishing weekly insights on emerging industry trends and risks on our websites, we regularly contribute to industry magazines, like Truck News and Private Motor Carrier.

We focus on using our underwriting, risk management, and claims expertise to share relevant insights. In addition to our weekly content, we stay close to our broker partners, supporting them in their efforts to help customers gain a clear picture of their insurance needs and potential solutions. Our professional development initiatives help us maintain an open dialogue with our brokers on industry trends and ways we can work together to inform our customers about emerging risks.

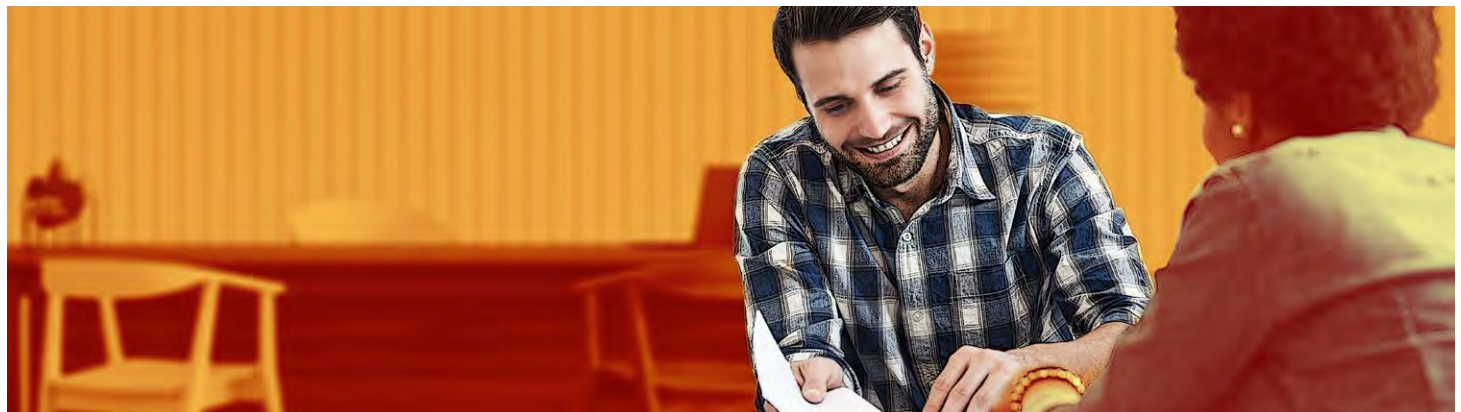
Partnering with CFIB for better small business support.



Our industry partners help us coordinate resources to provide the education, training, and support our customers want, and

Northbridge Insurance is happy to join with the Canadian Federation of Independent Business to do just that.

We know small business owners wear many hats, so we provide access to the support that will help them solve business problems quickly. CFIB brings a wealth of resources to the table, and our exclusive partnership has allowed us to add savings, coverage, and extra support to the mix for a uniquely tailored small business package that sets us apart from the crowd.



OUR COMMUNITIES

Our social responsibility program helps us mobilize our Northbridge community to maximize our positive impact.



The Northbridge North Stars take on the Sick Kids Great Camp Adventure Walk





Social responsibility is important to us, so we've created a program that helps us direct our energy to supporting, educating, and encouraging

Canadian youth to reach their full potential.

Through Northbridge Cares, we collect and donate funds to a variety of social and environmental initiatives led by our six charitable partners. Our formula is simple: volunteer work, volunteer grants, donation-matching programs, and a major annual campaign combine to help us raise thousands of dollars for youth across the nation.

In 2017:

NORTHBRIDGE **MATCHED THE**
THE DONATIONS OF
272 
EMPLOYEES 

OVER
2,000 
HOURS WERE CLOCKED DURING
TEAM VOLUNTEER DAYS

APPROX.
\$1.2  million
WAS DONATED TO
OUR CHARITABLE PARTNERS
AND A CHARITABLE FOUNDATION

Our social responsibility statement

We believe that, as a company, being successful also means supporting our people, our customers, and our communities.

We fulfill this belief by:

- Supporting the charitable endeavours of our employees, both in time and with financial support.
- Funding organizations that are committed to making a difference in the lives of Canadian youth.
- Promoting environmental responsibility among our employees and continuously looking for ways to minimize the impact of our operations on the environment.

PUTTING GENEROSITY TO WORK

When people team up to do good, we can spread the love even farther. We know our employees and broker partners share in our passion for social support, so we've created a few innovative programs to help them give more back, more often.

Employee Volunteer Grants

We love it when kindness continues after the workday wraps up. Through our Volunteer Grant program, we reward any employee who commits 40 hours of their spare time to a charitable initiative by donating \$500 CAD to that organization.

Employee Donation-Matching Program

Ever wish you had more to give? Our generous employees can double their gifts each year: Northbridge has committed to match any employee donation for charities that fall within our community guidelines (up to \$1,000 CAD annually).



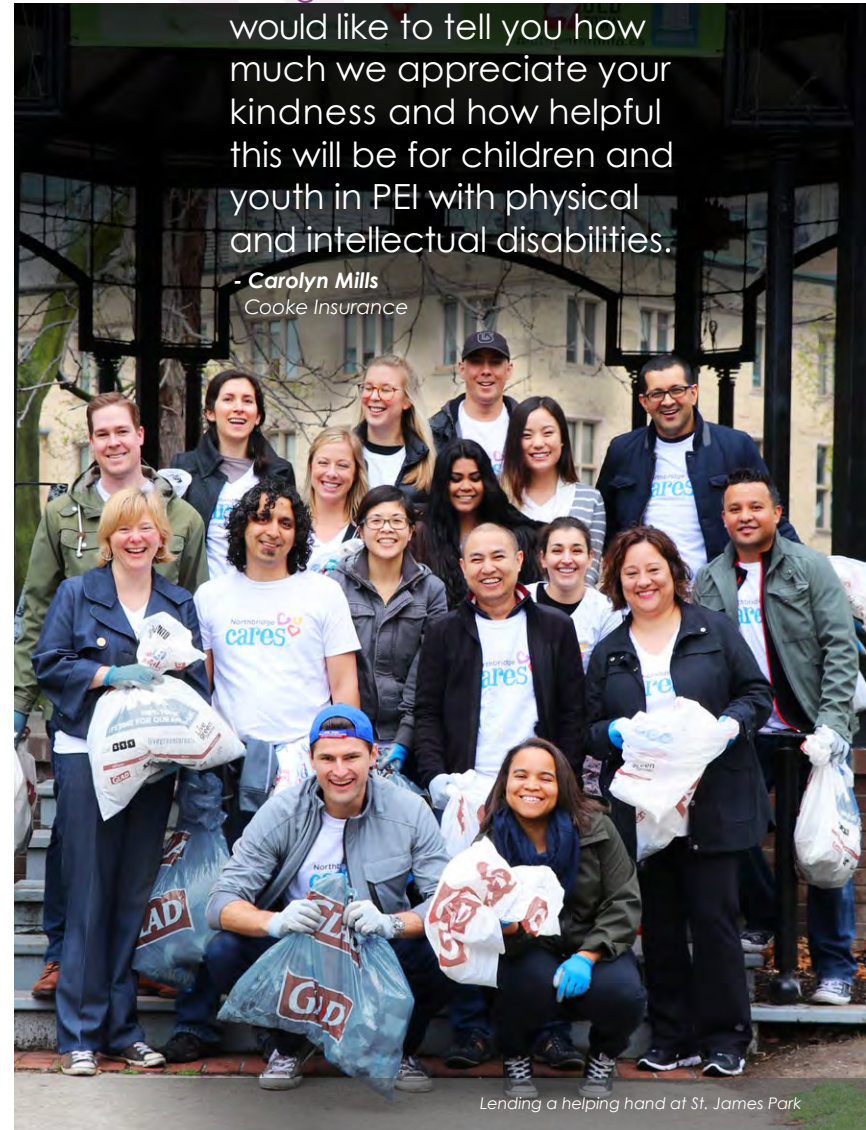
Just as we pledge to double our employees' donations, we increase the impact of contributions from our Inner Circle broker partners by matching the donations made by their brokerages up to \$5,000 CAD per year.

We introduced the Broker

Donation-Matching Program in 2015, and we've seen some incredible results since it began: more than 20 brokerages joined the effort throughout the year, and they were pleased that Northbridge helped to amplify their community support.

Thank you very much for this generous donation! We would like to tell you how much we appreciate your kindness and how helpful this will be for children and youth in PEI with physical and intellectual disabilities.

- Carolyn Mills
Cooke Insurance



Lending a helping hand at St. James Park

TEAM VOLUNTEER DAY

Take a day away from your desks and get acquainted with a community organization that could use a helping hand. Our Team Volunteer Days offer team building and community building in one terrific package.

Here's a peek at how we combined forces in 2017...

St. Felix Centre

As winter descends on Toronto, many people struggle to stay warm, comfortable, and fed. The St. Felix Centre is an important beacon of light when the days get shorter and darker.

The Human Resources team in the Toronto office devoted some time last fall to lend a hand at the centre: first they organized a food drive to collect non-perishable food items and money to donate, then they put their energy and resources to work in the kitchen, in the yard, and in the storage room to help organize and cater to the grateful patrons.

Pacific Spirit Regional Park, University Endowment Lands

The Western Canada Leadership Team took to the trails on a beautiful sunny day, leading four physically challenged riders through Pacific Spirit Park. Working with the British Columbia Mobility Opportunities Society – and their incredible wilderness access vehicles called TrailRiders – the team split into pairs of "Sherpas" to guide the riders on an hour-long hike through the forested park. It was a terrific experience, as **Joan Keldson** explains:

I love being outdoors, so to get a chance to go for a hike on a sunny day was a great opportunity. BCMOS is always looking for volunteers, so it was very rewarding.



(Top) Prepping meals at St. Felix Centre
(Middle) Running for a good cause at the WICC Relay for Life
(Bottom) Trailing with the British Columbia Mobility Opportunities Society

Leading the pack in the fight against cancer

In 2017, we were proud to become Women in Insurance Cancer Crusade's new National Sponsor!

The Women in Insurance Cancer Crusade (WICC) Relay for Life is one of our most anticipated annual charitable events: launched by a remarkable organization, it's an exciting day and fun challenge for our Northbridge Navigators, who teamed up for the 7th consecutive year to help raise money for the Canadian Cancer Society.

The Navigators worked hard to raise money in the weeks leading up to the event by hosting a number of fundraising initiatives that brought in more than \$15,000 – which put us in third place out of 100 teams!

On Friday, June 16th, the team gathered at the starting line in Toronto's Downsview Park and ran hard to honour our friend and colleague who has been battling cancer for several months. At the end of the day, the event raised more than \$570,000 to fight cancer.

SickKids Great Camp Adventure Walk for kids

On Saturday, September 23rd, the **Northbridge North Stars** donned their blue SickKids t-shirts to walk alongside more than 3,000 other participants winding their way around downtown Toronto in the **Great Camp Adventure Walk**.

There were activity-filled "campsites" along the 20km course, including camp favourites like painting, rock climbing, and slacklining. The snacks and water fill-ups at each station were appreciated, considering how unseasonably hot the weather was!

Attending the 5th Annual Great Camp Adventure Walk was just one way our employees helped SickKids this past year; extra donations from attendees, their friends and family, and Toronto staff who stopped by our camp-themed, in-office fundraiser in late August brought in just under \$12,000 for the hospital.



Our **7th** consecutive year in the WICC Relay for Life



The Northbridge Navigators raised more than **\$15,000**



The event raised over **\$570,000** for the Canadian Cancer Society



All in all, the SickKids' Great Camp Adventure Walk and related donations raised an incredible **\$2.3 million!**



Northbridge campers raised almost **\$12,000** for SickKids during the Great Camp Adventure events!

Give together

MANY HANDS, LIGHT WORK, BIG IMPACT

Each year, Northbridge coordinates efforts to raise money and awareness for our six charitable partners. This was our 5th annual campaign, and our theme – **Many Hands, Light Work, Big Impact** – sums up our efforts and outcome perfectly!

By the end of the 2017 Give Together campaign...

WE RAISED OVER

\$**106**,000 

NORTHBRIDGE ADDED ANOTHER

\$**106**,000 

A TOTAL OF APPROXIMATELY

\$**213**,000 

WAS DONATED TO CHARITY!

WHO ARE OUR CHARITABLE PARTNERS?

We know great things come from great partnerships with great people. Northbridge has joined with six remarkable charitable organizations that share our core values and promote the cooperation, innovation, and perseverance that helps Canadian youth thrive in their communities.

Pathways
to Education

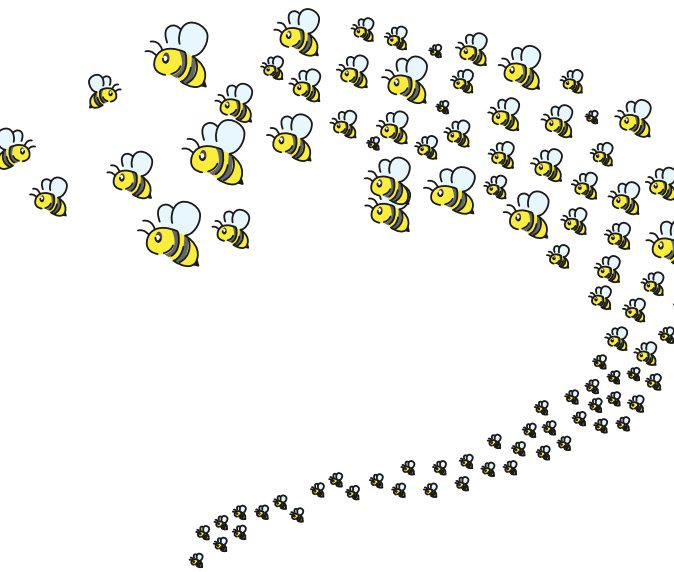
darearts
IGNITING CHANGE

SickKids

United Way
of Canada

jack.org

 **TreeCanada**



Pathways to Education

Pathways to Education is working to break the cycle of poverty through the power of education by making Canada a “**Graduation Nation**”. The Pathways Program provides a combination of academic, financial, social, and one-on-one supports to youth living in low-income communities to help guide them to high school graduation and prepare them for future opportunities. In fact, 73 per cent of high school students who graduated while registered in the Pathways Program have transitioned to post-secondary institutions!



5,500+
STUDENTS EACH YEAR



1,500+
VOLUNTEERS WHO CONTRIBUTE
45,000+ HOURS ANNUALLY

FROM COAST TO COAST
20 PROGRAM LOCATIONS
AND COUNTING

In 2017, Northbridge provided six internship positions for students from low-income communities in areas such as IT, Finance, Human Resources, and Project Management. The Pathways Internship website, launched in February 2017, has helped more employers learn about the mutual benefits of hiring Pathways interns, meet Pathways youth who have completed internships, and connect with Pathways staff to help develop an internship program.

Real-life Success Story:

Belinda Truong, Pathways Alumna



Four years ago, Belinda came to Northbridge with no insurance experience. Now she's climbing the corporate ladder in Silicon Valley. She tells us how she got there – and what's to come.

“I interned as an Underwriting Technical Assistant at Northbridge in the summer of 2013, when I didn't have a clue about insurance, risk, or underwriting. However, the team I was under gave me challenging tasks and the full background on the purpose of them and how they would impact the greater picture. Having meaningful work as a young person, despite how fleeting a summer term is, gave me a sense of duty and personal achievement.

Since then, I have recently been promoted to a senior accountant position at Ernst & Young and have passed board exams that will eventually allow me to become a Chartered Professional Accountant (CPA). I'm also taking advantage of an opportunity to head over to the West Coast to focus on financial statement audits in Silicon Valley, California.

When I reflect on the chances that Northbridge afforded a 21-year old, I can't help but feel that it opened my eyes to the possibilities ahead of me.

Thank you for raising me and believing in me!”



Marilyn Field founded DAREarts over two decades ago, and the organization continues to inspire, educate, and empower children through artistic expression and leadership initiatives. In 2017, Northbridge's support helped DAREarts achieve some significant results, like:

- 170 daylong workshops in music, drama, dance, visual arts, architecture, literature, photography, fashion, and culinary arts.
- 9 community showcases.
- 6 grads trained as youth mentors.
- 1 Stratford Festival Forum with DAREarts teachers and Indigenous youths.

As DAREarts works towards empowering 50,000 more children by 2021, Northbridge will continue to help support educational arts initiatives like this year's **Spirit Bear** project.

In honour of Canada 150, DAREarts partnered with the Stratford Festival to allow a team of artists and educators from both organizations to travel to four remote Northern Ontario First Nations Communities. They worked with youths from each community, combining traditional storytelling techniques with contemporary communication methods to offer a channel of expression and a stronger voice.

The DAREarts team invited six of the young leaders back to Stratford, Ontario in August to attend a performance of a new play titled **The Breathing Hole** and to workshop with the professional actors. The kids brought along the art they had created in the DAREarts workshops and mounted these pieces in the lobby of the theatre during the play's run. Prime Minister Justin Trudeau even came by to learn about the artwork, songs, and video they created – like their life-sized plastic polar bear, ingeniously molded with water bottles and hoola hoops.



SickKids®

A globally respected institution, The Hospital for Sick Children (SickKids) has always been on the front lines in the fight for children's health. Home to Canada's largest hospital-based child health research institute, SickKids integrates teaching, research, and care to help improve the lives of children today, and for the future.

Northbridge continues to support the work of **Dr. Hoon-Ki Sung**, the Northbridge Financial Corporation Catalyst Scholar for Healthy Active Kids at SickKids. In 2017, Dr. Sung made a breakthrough in his research into childhood obesity: a study that he co-led found evidence to suggest that how often you eat may be as important as how much you eat, showing a metabolic benefit to periods of fasting. In recognition of its uniqueness and outstanding quality, Dr. Sung's study was published in *Cell Research* in November 2017, and featured as the cover story.

His next steps will be to investigate ways to practically apply this information to the prevention and management of childhood obesity and other metabolic diseases.



(Top) Dr. Hoon-Ki Sung, Northbridge Financial Catalyst Scholar and Scientist in the Translational Medicine Program at SickKids

(Bottom) Fasting study co-led by Dr. Hoon-Ki Sung featured as the cover story in the scientific journal *Cell Research* in November 2017



United Way is committed to fighting poverty in all its forms. Through their work, the charity ensures access to a wide variety of programs and services in every neighbourhood, offering support and tools to provide better opportunities for everyone to build a strong future.

Last year, the United Way invested over \$363 million in more than 6,300 community programs across Canada. As longtime supporters of the United Way, we're glad that our Give Together campaign can help them achieve their goals.

jack.org

This energetic organization has really started to pick up steam in the charitable arena, with a brand-new perspective on discussing, understanding, and addressing youth mental health. Jack.org has opened up the dialogue on mental health in schools and communities to break down barriers to positive mental health once and for all, and they rely on the insights and efforts of 2,500 young leaders across the nation to drive change.

By creating a youth-led peer-focused network, Jack.org has been able to train, empower, and connect young leaders in Canada through conversation, camaraderie, and community building. Northbridge proudly supports the 152 youth-led Jack Chapters across Canada who help address community-specific needs and challenges around mental health.

Through educational Jack Talks and Jack Summits nationwide, young people are working to reduce the youth suicide rate and improve the mental wellbeing of all Canadians.

Sunnybrook Navigation Project: Clearing the hurdles to proper care

Roughly two million young Canadians have a mental illness or addiction, yet only one in five can access the care they need. That's simply not good enough.

Navigating the health care system can be difficult for people who are affected by mental health issues, and we want to make it easier. Northbridge is investing in the amazing work of Sunnybrook's Family Navigation Project, an initiative created by families and medical leaders at Toronto's Sunnybrook Health Sciences Centre to help families in need access better mental health care.

From arriving at the right diagnosis, to matching a youth with the right specialist, to lining up the initial appointment with a health professional, the treatment process can be long and tedious for patients and their families. The Family Navigation Project is changing things by assigning a clinical navigator to each case: someone who can detail the condition and medical history, work with the family to set goals for recovery, and then identify the most appropriate treatments before tapping into their network of more than 1,100 health care providers.

For a family struggling with mental illness, a navigator can make all the difference. Even once treatment has begun, the navigator will continue to check in, engage, and support the family during the recovery process.



25 YEARS

82 MILLION TREES



AMAZING PARTNER

Tree Canada is a non-profit initiative in the pursuit of a greener and healthier environment for Canadians. Everyone will benefit from the clean air and beautiful scenery that comes with a wider canopy, but studies have shown that young people are particularly impacted – both physically and emotionally – by the quality of their natural surroundings. We're excited to partner with Tree Canada to enjoy nature now, and to preserve it in urban and rural areas for generations to come.

Last September, Tree Canada celebrated their 25th anniversary by planting their 82 millionth tree in Canada! The tree found its home just below Parliament Hill in Ottawa, and Canada's Minister of Natural Resources spoke at the ceremony to mark the significant accomplishment.

Our tree planting projects in 2017

Garneau Elementary School, Montreal

Aiming to eliminate food deserts and tame the effects of urban heat in the Sainte-Marie/Saint-Jacques district, our team planted 269 edible fruit trees and shrubs.

These new trees and shrubs will help increase urban biodiversity, provide a haven for wildlife, restore forest cover, and improve air quality. Of course, there's also the physical fruit of our labour: the community can look forward to enjoying quality fruit and berries in the years to come.



Planting trees at Tommy Thompson Park, Toronto

YWCA Fruit Tree Project, Vancouver

With the help of 13 Northbridge employees, 58 fruit trees and shrubs were planted in four YWCA housing communities to help provide food security to YWCA's low-income tenants who face hardships that threaten their access to safe and secure shelter.

Tree planting allows people to develop and enjoy meaningful relationships, with nature and with each other. This Edible Tree project helped build a sense of belonging, as participants shared gardening knowledge and tasks while working toward a meaningful goal – growing produce to be used in the community kitchens and habitat for the local birds and small mammals.

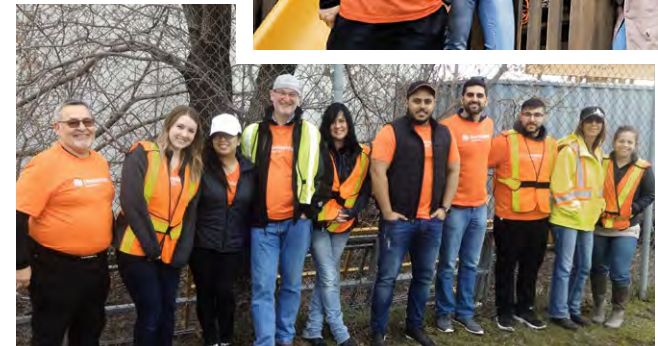
Seven Oaks Met School, Winnipeg

As part of a sweeping sustainability initiative, Northbridge employees helped to plant a total of 38 fruit trees and shrubs at Seven Oaks Met School in Winnipeg. Along with the development of an outdoor classroom, the conversion of concrete areas into green spaces, and new garden beds for vegetables and flowers, the fruit trees and shrubs will help beautify the grounds and supplement the school breakfast program.

The fruit tree project will bring some immediate rewards, but the benefits will also continue for generations to come. As long as the trees thrive, more and more classes of students will learn how to grow their own food and care for their trees.

Tommy Thompson Park, Toronto

For the second consecutive year, Northbridge has lent support to the restoration of Tommy Thompson Park, located on a man-made spit in Lake Ontario. 21 Northbridge volunteers planted 217 native trees and shrubs on a disused road to better connect two areas of naturalized wildlife habitat – an important stretch of land for migratory birds and amphibians.



Just a few of our teams lending a helping hand in our parks and gardens

OUR ENVIRONMENTAL APPROACH

We're committed to finding new ways to improve our impact on and interaction with our environment.



Helping to revitalize Toronto's Tommy Thompson Park

Our two environmental goals are to promote environmental responsibility in the workplace and to minimize the environmental impact of our operations. This year, we've broadened our efforts in both respects.

COMMUNITY CLEANUPS AND CANADIAN ENVIRONMENT WEEK

Tree Canada is an important ally in our work, but we've launched some of our own projects, too. Our offices in Burnaby, Guelph, Toronto, and Winnipeg participated in local community cleanups to celebrate Earth Day.

We also jumped into Canadian Environment Week with some local events to inspire eco-friendly workplaces. Here's a look at some of the things we did across the country:

In Montreal...

Author, TV personality, and [Extreme horticulturist](#) Albert Mondor stopped by the office to host a session on how to grow edible plants, fruits, and veggies in containers at home. Some lucky employees left with planting-related prizes, too!

In Toronto...

Victoria Stacey of [Florals and Teacups](#) hosted a workshop for employees to make their own concrete planter for a succulent plant – all in the space of an hour! Later that week, [Free Geek Toronto](#) was in to collect electronic waste from employees, ensuring things like old cell phones and computers are either recycled properly or refurbished and distributed to those in need.

In Vancouver...

The Green Team held an e-waste drive for staff which, considering the various recycling options available in the community, ended up getting an impressive haul!

In Winnipeg...

To keep the momentum going from their recent community cleanup and battery drive (which brought in 40 pounds of used batteries!) the Winnipeg Green Team is expanding their office recycling program to include materials such as CFL lightbulbs, office supplies, eyeglasses, and plastic bags in addition to their current collections of coffee packs and cardboard.



REDUCING OUR WORKDAY WASTE

We do our best to do our part, and we want to help others help the environment, too. That's why we invite our brokers and customers to take advantage of our Business Choice Environmental Upgrade, a program we developed to cover the additional costs of upgrading a building using Green Certified products after a property loss.

We also like to keep paper waste low, and we've adopted a few methods to help with this. First, we encourage our brokers and customers to use our EZCert online tool to produce certificates of insurance instead of printing them out. We use eDocs to deliver policy documentation to brokers through their broker management system, too.

Earlier this year, our IT department rolled out Follow Me Printing, our new "print-on-arrival" system. This mode of printing not only works to help protect confidential information, it also helps to reduce waste: printed documents could have previously been forgotten and abandoned at the printer, but now each print job is only released when an employee uses their security fob. Print jobs that wait for more than 48 hours are simply cancelled.



We're pleased to be one of **12** Canadian organizations to receive Grand & Toy's **Leadership in Greener Purchasing** Award in 2017!



DID YOU KNOW?

Our Green Teams keep raising the bar!

GREEN team

In 2015 we introduced Green Teams, groups of passionate environmental advocates who come together in all of our offices to find new ways for Northbridge to reduce its footprint. From workplace recycling programs and swaps to tree planting and community cleanups, our teams continue to make significant improvements in how corporate spaces and communities interact with the environment.

OUR WORKPLACE

Our employees deliver the care, compassion, and ambition that bring Northbridge values to life.



Northbridge employees having fun for a cause

OUR VALUES GUIDE OUR WORK – AND OUR WORKSPACE

Northbridge employees are second to none. They live our corporate values – passion, respect, excellence, creativity, and connected – every day, and are constantly raising the bar. From coast to coast, our employees strive to make their mark as exceptional service providers, cooperative colleagues, and lifelong learners. Their entrepreneurial spirit is one of our greatest virtues, and every year it reaches new heights.

We strive to make our workspaces as engaging and rewarding as our employees deserve. Opportunities to work with exceptional people on innovative projects abound, and our leaders are approachable and accessible. Our managers prioritize collaboration because they care about crafting good relationships, and they believe in rewarding good work with opportunity for growth and a genuinely supportive culture.

WE BELIEVE IN POTENTIAL

We're proud that our colleagues support each other and their communities in so many ways, whether it's through our Kudos recognition program in the workplace or with community outreach projects. We want to provide our people with the resources that will help them continue to grow in positive ways.

By investing in their professional development, we're setting the stage to help our employees, and Northbridge, achieve even greater success in the future.

Education Assistance Program

It's important for our employees to remain current in their professional areas of expertise, and to develop skills and knowledge that will help them reach their career objectives. We've established an education assistance program to support the realization of these goals.

Northbridge covers the cost of textbooks and course fees and offers incentive bonuses to those employees who have taken the initiative to earn a professional designation. When our people succeed, Northbridge succeeds.

Trainee Program

The Northbridge Trainee Program is a paid seven-month intensive program that takes place at our head office in downtown Toronto, and combines classroom learning and on-the-job training that prepares participants for a professional career in the insurance industry. Trainees will specialize in Claims and Underwriting and be offered a permanent placement with Northbridge upon successfully completing the program.

Our Leadership Essentials Program

Leadership skills are vital for a strong workforce, and we've developed a program to help our high-potential employees foster the confidence and influence that will propel them in their career.

Our annual 10-month program is an opportunity for up to 20 employees to develop their leadership skills through activities like presenting case studies, engaging in group work, networking, and learning from guest speakers.

Employees who show a strong commitment to Northbridge culture and look out for new ways to improve the business are excellent candidates for the program, which is held at our Toronto office.

A CARING CULTURE IS BETTER FOR EVERYONE

We know that balance and support are keys to a happy life, so we make sure employees can get out of the office to enjoy their personal time to the fullest.

Our **“Work to Live”** philosophy ensures that all employees can devote time and energy to their families and their communities. Between our flexible working arrangements, a minimum of 15 vacation days, our Vacation Purchase Program, personal days, and early long-weekend departure, our employees can enjoy plenty of time away from their desks.

We encourage everyone to use all the time available to them to regroup, relax, and pursue their personal goals.

PHYSICAL, MENTAL, AND FINANCIAL HEALTH: OUR WELLNESS PROGRAM AT WORK

Northbridge has introduced a holistic, comprehensive, and wide-reaching Wellness program to help employees attain and maintain good health.

Cardiovascular clinics, health assessments, and friendly office fitness competitions round out our physical initiatives. This year we highlighted the importance of mental wellness with leadership training, employee webinars on building resiliency, and even had a mental wellness challenge. We also offered live sessions and seminars covering strategies to help improve your financial health – after all, sound financial management plays a big role in your quality of life.

- 68** TEAMS PARTICIPATED IN THE HEALTH CHALLENGE
- 37** TEAMS GAINED SKILLS TO HELP CREATE LASTING PEACE OF MIND WITH THE MENTAL WELLNESS CHALLENGE
- 40%** OF EMPLOYEES TOOK PART IN THE CARDIOVASCULAR SCREENING CLINICS



A COMPETITIVE TOTAL REWARDS PACKAGE

In addition to a competitive base salary, we offer employees a comprehensive Total Rewards package designed to meet their unique needs:

Our Flexible Group Benefits Plan

Our Flexible Group Benefits Plan offers comprehensive medical and dental coverage that can be tailored to meet the unique needs of our employees' families. It also includes long-term disability, accidental death & dismemberment, critical illness, and life insurance.

Our Retirement Savings Plan

We automatically make contributions to a Defined Contribution Pension Plan to help employees meet their retirement goals. Employees also have the opportunity to contribute to an Optional Group RRSP and Spousal RRSP.



Our Employee Share Purchase Plan

Our Employee Share Purchase plan provides employees with the opportunity to invest in the long-term performance of Fairfax through the purchase of Fairfax stocks. When employees participate, they receive an additional 30% of the amount they invest each year, and when Northbridge Financial achieves its financial targets, the company contributes an additional 20%.

Our Employee Assistance Plan

Should one of our employees or a member of their immediate family need a little extra help, our Employee Assistance Plan (EAP) is available to connect them to a network of dedicated counseling professionals who are available to provide assistance 24 hours a day.

Our Staff Insurance Program

We offer our employees a discount on home and automobile insurance.



 **1422** TOTAL EMPLOYEES

1405 Permanent full-time | 17 Permanent part-time

British Columbia

 **161** Employees

158 Permanent full-time
3 Permanent part-time

Newfoundland

 **2** Employees

2 Permanent full-time
– Permanent part-time

Nova Scotia

 **33** Employees

33 Permanent full-time
– Permanent part-time

New Brunswick

 **1** Employee

1 Permanent full-time
– Permanent part-time

Alberta

 **112** Employees

111 Permanent full-time
1 Permanent part-time

Saskatchewan

 **4** Employees

4 Permanent full-time
– Permanent part-time

Manitoba

 **87** Employees

86 Permanent full-time
1 Permanent part-time

Ontario

 **815** Employees

805 Permanent full-time
10 Permanent part-time

Quebec

 **207** Employees

205 Permanent full-time
2 Permanent part-time

OUR ECONOMIC CONTRIBUTION

As one of the largest commercial lines insurers in Canada, we're proud of the contribution we make to the Canadian economy, first and foremost through our claims service excellence that helps our customers get back to business as soon as possible.

In 2017, Northbridge Financial Corporation and its subsidiaries contributed these provincial and federal taxes:

TAXES PAID (in thousands)	INCOME TAXES*	PREMIUM AND FIRE TAXES	GST/HST/QST/PST**	2017 TOTAL TAXES	2016 TOTAL TAXES
NFLD	261	1,581	170	2,012	1,179
PEI	43	238	30	311	197
NS	302	1,343	142	1,787	1,190
NB	521	1,114	164	1,799	1,105
QC	1,392	9,548	1,384	12,324	8,282
ON	8,677	19,676	2,198	30,551	23,206
MB	75	947	84	1,106	846
SK	108	2,560	4	2,672	2,288
AB	1,115	10,475	-	11,590	8,065
BC	1,028	6,608	112	7,748	5,418
YK	9	47	-	56	31
NWT	19	152	-	171	110
NT	8	53	-	61	79
Total Provincial	13,558	54,342	4,288	72,188	51,996
Total Federal***	40,007	N/A	4,377	44,384	22,448
Total	53,565	54,342	8,665	116,572	74,444

*Income tax numbers are estimated

**Does not include sales taxes in Claims costs

***Includes Part V1.1 Tax of \$22,910K

OUR ECONOMIC CONTRIBUTION (CON'D)

In addition, Northbridge Financial Corporation provided \$5,100,000 in debt financing in 2017 to firms in Ontario and British Columbia, as detailed below.

AMOUNT (CAD \$)	ONTARIO/BRITISH COLUMBIA	# OF FINANCINGS
0-24,999	-	-
25,000-99,999	-	-
100,000-249,999	-	-
250,000-499,999	-	-
500,000-999,999	-	-
1,000,000-4,999,999	5,100,000	3
5,000,000	-	-
Total	5,100,000	3

The information for Ontario and British Columbia has been consolidated to protect the identities of the individual firms who might otherwise be identifiable.

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a FAIRFAX company



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