



EARNINGS NEWS RELEASE

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CO-OPERATORS GENERAL INSURANCE COMPANY REPORTS FIRST QUARTER 2017 RESULTS

This quarterly earnings news release should be read in conjunction with our first quarter 2017 unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis (MD&A) as well as our 2016 Annual Report which are available on SEDAR at www.sedar.com. Unless otherwise noted, all amounts are expressed in Canadian dollars.

Guelph, ON, May 1, 2017 – Co-operators General Insurance Company (Co-operators General) today released consolidated financial results for the three months ended March 31, 2017. The consolidated net income was \$34.6 million compared to net income of \$39.3 million for the same quarter in 2016. This resulted in an earnings per common share of \$1.55 for the quarter compared to \$1.78 in the same period last year.

“It is common for severe weather to be a factor in the first quarter, and that was the case this year as windstorms in Ontario and the Atlantic made an impact on our results. Claims costs increased compared to the same period the year prior in our home, auto and commercial lines of business,” said Rob Wesseling, president and CEO of The Co-operators. “We continue to achieve good growth, as we increased direct written premium across all lines of business. That partially offset the increased claims costs, as did an improvement in our investment performance.”

CO-OPERATORS GENERAL'S FIRST QUARTER FINANCIAL HIGHLIGHTS

(\$ in millions, except for earnings per share and ratios)

	1st quarter 2017	1st quarter 2016
Key financial data		
Direct written premium (DWP)	540.3	519.5
Net earned premium (NEP)	609.3	588.5
Net income	34.6	39.3
Total assets ¹	5,706.9	5,854.5
Shareholders' equity ¹	1,588.6	1,578.9
Key success indicators		
DWP growth	4.0%	6.2%
NEP growth	3.5%	6.9%
Earnings per common share	\$1.55	\$1.78
Return on equity	9.9%	12.4%
Combined ratio - excluding market yield adjustment ²	102.5%	95.6%
Minimum Capital Test (MCT) ¹	235%	227%

¹Balance sheet data and MCT results for 2016 are as at December 31

²The combined ratio for 2016 has changed as a result of a reclassification of commission revenue that was previously netted with commission and general expenses

First quarter review

DWP improvements during the first quarter were attributable to growth in policy and vehicle count in all lines of business paired with higher average home and farm premiums. In the first quarter, DWP increased by 4.0% or \$20.8 million to \$540.3 million. NEP increased during the first quarter by 3.5% or \$20.8 million compared to the same period last year. The increase in NEP is seen in all geographic regions and all product lines, with the exception of the commercial line of business.

The combined ratio, excluding the market yield adjustment for the quarter, was 102.5% compared to 95.6% for the same period last year. Undiscounted net claims and adjustment expenses have increased by 12.6% from the first quarter of 2016, bringing the loss ratio to 68.0%. The increase was driven by the frequency of current

accident year claims within the home line of business, primarily as a result of windstorms in the Ontario and Atlantic regions, compared to less severe weather in the same period of the prior year. Excluding the windstorms, we experienced an increase in the frequency of current accident year claims within the home and auto lines of business, combined with an increase in the severity of current accident year claims in the commercial line of business. The expense ratio increased by 1.4 percentage points, to 34.5%, as compared to the same period in 2016, driven by an increase in information technology system initiatives and higher distribution costs.

Net investment income and gains increased by \$33.1 million versus the first quarter of 2016 on the strength of investment gains in our preferred share portfolio. In the first quarter of 2017, unrealized preferred share gains were \$20.6 million in contrast to the \$10.2 million in unrealized losses recognized during the same period in 2016.

The Company's investment portfolio is comprised of high quality and well diversified assets. The credit quality of the bond portfolio remains high with 86.3% rated A or higher and 98.0% considered investment grade. The equity portfolio is 78.4% weighted in Canadian stocks.

Capital

The Company's capital position remains strong, as the Minimum Capital Test for Co-operators General was 235% at March 31, 2017, well above the internal and regulatory minimum requirements.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements and forward-looking information, including statements regarding the operations, objectives, strategies, financial situation and performance of Co-operators General. These statements generally can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "would", "should", "could", "trend", "predict", "likely", "potential" or "continue" or the negative thereof and similar variations. These statements are not guarantees of future performance and involve known and unknown risk, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. Although we believe that the expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such expectations will prove to be correct. Consequently, we make no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. For further information, refer to our first quarter 2017 MD&A or our 2016 Annual Report.

SHAREHOLDER AND INVESTOR INFORMATION

About Co-operators General Insurance Company

With assets of more than \$5.7 billion, Co-operators General is a leading Canadian multi-product insurance company. Co-operators General is part of The Co-operators Group Limited, a Canadian co-operative. Through its group of companies it offers home, auto, life, group, travel, commercial and farm insurance, wealth management as well as investment management products. The Co-operators is well known for its community involvement and commitment to sustainability, and is listed among the Best Employers in Canada by Aon Hewitt.

Co-operators General Class E, Series C Preference Shares trade under ticker symbol CCS.PR.C on the Toronto Stock Exchange (TSX). Further information can be found at www.cooperators.ca.

For further information please contact:

P. Bruce West
Executive Vice-President, Finance and Chief Financial Officer
Telephone: (519) 767-3036