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FOR IMMEDIATE RELEASE

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AM Best Upgrades Credit Ratings of OneBeacon U.S. Holdings, Inc. and Its Subsidiaries; Affirms Credit Ratings of Intact Insurance Company and Its Subsidiaries

OLDWICK, N.J., March 8, 2019—AM Best has upgraded the Financial Strength Rating (FSR) to A+ (Superior) from A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) to “aa-” from “a+” of Atlantic Specialty Insurance Company (Atlantic Specialty) (New York, NY) and its subsidiaries (formerly known as OneBeacon Insurance Group). At the same time, AM Best has upgraded the Long-Term ICR to “a-” from “bbb+” and the Long-Term Issue Credit Ratings (Long-Term IRs) of OneBeacon U.S. Holdings, Inc. (Delaware). Concurrently, AM Best has affirmed the FSR of A+ (Superior) and the Long-Term ICRs of “aa-” of Intact Insurance Company (Ontario, Canada) and its wholly owned subsidiaries (formerly known as Intact Insurance Group). Also, AM Best has affirmed the Long-Term ICR of “a-” and the Long-Term IR of the parent holding company, Intact Financial Corporation (Intact Financial) (Ontario, Canada) [TSX: IFC]. The outlook of these Credit Ratings (ratings) is stable. (Please see link below for a detailed list of the companies and Long-Term IRs.)

In addition, AM Best has affirmed the FSR of A+ (Superior) and the Long-Term ICR of “aa-” of IFC’s separately rated member, Intact Farm Insurance Inc. (Intact Assurance agricole) (Quebec). The outlook of these ratings is stable.

The ratings reflect Intact Financial’s consolidated balance sheet strength, which AM Best categorizes as very strong, as well as its strong operating performance, favorable business profile and appropriate enterprise risk

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management (ERM).

Intact Financial maintains very strong risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), at the 99.6% level. Strong pre-tax operating earnings have outperformed the industry composite over the most-recent five-year period, with operating earnings driven by net investment income and augmented by underwriting income. The favorable business profile reflects Intact Financial's position as Canada's largest insurer of homes, autos and businesses, with strong brand name recognition and multichannel distribution capabilities across Canada. In addition, Intact Financial is now a leading provider of specialty insurance in North America, following the acquisition of Atlantic Specialty in late 2017.

The rating upgrades of Atlantic Specialty and its subsidiaries reflect their strategic importance to, and strategic alignment with Intact Financial. Through this acquisition, Intact Financial broadened its geographic reach and product offerings through a multichannel distribution model. In addition, Atlantic Specialty benefits from the investment management, reinsurance procurement and actuarial support at the corporate level, which includes legal, finance, ERM, and modeling expertise.

The ratings of Intact Assurance agricole reflect its balance sheet strength, which AM Best categorizes as strongest, as well as its strong operating performance, neutral business profile and appropriate ERM.

Intact Assurance agricole maintains the strongest risk-adjusted capitalization, as measured by BCAR, at the 99.6% level. Strong pre-tax operating earnings have outperformed the property industry composite by a wide margin over the most-recent five-year period, with operating earnings driven by underwriting income and augmented by net investment income. The neutral business profile reflects Intact Assurance agricole's geographic concentration, as 100% of its written premiums are derived from Quebec. Intact Assurance agricole maintains strong brand name recognition, writing agricultural risks in Quebec.

A [complete listing](#) of the members of Intact Financial Corporation's FSRs, Long-Term ICRs and Long-

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Term IRs also is available.

This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best’s Credit Ratings](#). For information on the proper media use of Best’s Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best’s Credit Ratings and AM Best Rating Action Press Releases](#).

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AM Best Upgrades Credit Ratings of OneBeacon U.S. Holdings, Inc. and Its Subsidiaries; Affirms Credit Ratings of Intact Insurance Company and Its Subsidiaries

Ratings Supplement

The FSRs have been upgraded to A+ (Superior) from A (Excellent) and the Long-Term ICRs to “aa-” from “a+” with a stable outlook for the following members of the Intact Financial Corporation:

- Atlantic Specialty Insurance Company
- Homeland Insurance Company of New York
- Homeland Insurance Company of Delaware
- OBI National Insurance Company
- OBI America Insurance Company
- Split Rock Insurance, Ltd.

The FSR of A+ (Superior) and the Long-Term ICRs of “aa-” have been affirmed with a stable outlook for the following members of the Intact Financial Corporation:

- Belair Insurance Company Inc.
- Intact Insurance Company
- Novex Insurance Company
- The Nordic Insurance Company of Canada
- Trafalgar Insurance Company of Canada
- Jevco Insurance Company

The following Long-Term IR has been assigned with a stable outlook:

Intact Financial Corporation—

--“bbb” on CAD 250 million, 4.9% non-cumulative five-year rate reset Class A Series 7 preferred shares, due May 29, 2023

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The following Long-Term IRs have been affirmed with a stable outlook:

Intact Financial Corporation—

- “a-” on CAD 100 million, Series 3, 6.2% senior unsecured medium-term notes, due July 8, 2061
- “a-” on CAD 250 million, Series 1, 5.41% senior unsecured medium-term notes, due Sept. 3, 2019
- “a-” on CAD 250 million, Series 2, 6.40% senior unsecured medium-term notes, due Nov. 23, 2039
- “a-” on CAD 300 million, Series 4, 4.70% senior unsecured medium-term notes, due Aug. 18, 2021
- “a-” on CAD 250 million, Series 5, 5.16% senior unsecured medium-term notes, due June 16, 2042
- “a-” on CAD 250 million, Series 6, 3.77% senior unsecured medium-term notes, due March 2, 2026
- “a-” on CAD 425 million, 2.85% senior unsecured medium-term notes, due June 7, 2027
- “bbb” on CAD 39.875 million non-cumulative floating rate Class A Series 4 preferred shares
- “bbb” on CAD 250 million, 3.396% non-cumulative five-year rate reset Class A Series 1 preferred shares
- “bbb” on CAD 210,125,100, 3.332% non-cumulative five-year rate reset Class A Series 3 preferred shares
- “bbb” on CAD 150 million, 5.2% non-cumulative fixed rate Class A Series 5 preferred shares
- “bbb” on CAD 150 million, 5.3% non-cumulative fixed rate Class A Series 6 preferred shares

The following indicative Long-Term IRs under the shelf registration have been affirmed with a stable outlook:

Intact Financial Corporation—

- “a-” on senior unsecured debt securities
- “bbb+” on subordinated unsecured debt securities
- “bbb” on Class A preferred shares

The following Long-Term IR has been upgraded with a stable outlook:

OneBeacon U.S. Holdings, Inc.—

- to “a-” from “bbb+” on \$275 million 4.60% senior unsecured notes, due 2022

This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best’s Credit Ratings](#). For information on the proper media use of

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