Trisura Group Ltd.

Management's Discussion and Analysis

For the third quarter ended September 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the results of operations and financial condition of Trisura Group Ltd. for the three and nine months ended September 30, 2018. This MD&A should be read in conjunction with our Interim consolidated financial statements, the MD&A and the audited Consolidated financial statements for the year ended December 31, 2017, and all of the financial statements included in our Prospectus dated May 12, 2017.

Unless the context indicates otherwise, references in this MD&A to the "Company" refer to Trisura Group Ltd. and references to "us," "we" or "our" refer to the Company and its subsidiaries and consolidated entities.

The Company's Consolidated financial statements are in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In this MD&A, all references to "$" are to Canadian dollars unless otherwise specified or the context otherwise requires.

This MD&A is dated November 8, 2018. Additional information is available on SEDAR at www.sedar.com.

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SECTION 1 - OVERVIEW

OUR BUSINESS

Our Company is a leading international specialty insurance holding company operating in the Surety, Risk Solutions, Corporate Insurance and Reinsurance niche segments of the market. Our operating subsidiaries include a Canadian specialty insurance company, a recently launched US specialty insurance company, and an international reinsurance company. Our Canadian specialty insurance subsidiary started writing business in 2006 and has a strong underwriting track record over its 12 years of operation. Our US specialty insurance company participates in the non-admitted markets and is licensed as an excess and surplus lines carrier in Oklahoma with the ability to write business across 50 states.

Our international reinsurance business has been in operation for more than 16 years and although we ceased writing new reinsurance business in 2008, we expect to commence writing new business in support of our US subsidiary.

Our Company benefits from an experienced management team, a strong distribution network and partners, and a specialized underwriting focus. We plan to grow by building our business in the US, and by expanding our Canadian and international businesses both organically and through strategic acquisitions. We believe our Company can capitalize on favourable market conditions through our multi-line and multi-jurisdictional platform.

Significant achievements in the third quarter of 2018 include:

- ✓ Accelerating gross premium production of $17.7 million ($7.6 million in Q2) in our US subsidiary, Trisura Specialty Insurance Company ("Trisura Specialty"). We continue to actively pursue additional transactions from a strong pipeline of business opportunities.
- ✓ Continued strong operational performance from our Canadian Specialty P&C insurance operations, achieving 85.5% Q3 combined ratio, 87.2% YTD combined ratio and a ROE (trailing 12 months) of 15.8%.
- ✓ 58.6% growth in total Gross Premium Written, driven by strong production from our US platform together with 9.8% growth in Canada Specialty P&C.
- ✓ Continued the build out of our in-house investment management function including introduction of alternative asset classes and hedging capabilities to our investment management program.

ORGANIZATIONAL STRUCTURE & REGULATORY FRAMEWORK

The Company was incorporated under the *Business Corporations Act* (Ontario) ("OBCA") in January 2017. We have three regulated wholly owned insurance subsidiaries:

(i) Trisura Guarantee Insurance Company ("Trisura Guarantee") is our Canadian specialty insurance company. Trisura Guarantee is federally incorporated in Canada, is licensed in all provinces and territories of Canada and is subject to both prudential regulation by the Office of the Superintendent of Financial Institutions ("OSFI") and market conduct regulation by each of the insurance regulatory authorities of the provinces and territories in which it conducts business.

(ii) Trisura Specialty is our US specialty insurance company. Trisura Specialty was incorporated on May 31, 2017 and is licensed by the Oklahoma Insurance Department as a domestic surplus line insurer and can write business as a non-admitted surplus line insurer in all states within the United States.

(iii) Trisura International Insurance Ltd. ("Trisura International"), is our international reinsurance company for third party risks. Trisura International is incorporated in Barbados, is licensed to write international reinsurance business and is regulated by the Financial Services Commission ("FSC") in Barbados.

SECTION 2 – FINANCIAL HIGHLIGHTS IN Q3 2018

- ✓ Net income of $4.2 million compared to net income of $2.0 million in Q3 2017 driven by strong underwriting and investment performance at our Canadian Specialty P&C business.
- ✓ Accelerating premium growth in our US Specialty Insurance platform, with $17.7 million of gross premium written.
- ✓ Continued strong premium growth in our Canadian Specialty P&C business, increasing GPW by 9.8% in Q3 and by 15.0% YTD driven by Risk Solutions and Corporate Insurance.
- ✓ 15.8% ROE on trailing 12 months basis for Canadian Specialty P&C business compared to 8.6% at Q3 2017.
- ✓ Strong underwriting in our Canadian Specialty P&C business, producing an 85.5% Q3 combined ratio versus 90.2% in Q3 2017.
- ✓ 5.6% trailing 12 months consolidated ROE, $0.62 Q3 EPS (basic and diluted), $1.05 / $1.03 YTD EPS (basic / diluted) and $19.35 in Book Value per Share, a 7.4% increase over Q3 2017.
- ✓ Continued strong capital position across the Group including MCT of 247% in our Canadian Subsidiary, capital in our US business to support its AM Best A- Rating (VII size category) and strong capital position at our international reinsurer.
- ✓ Debt-to-capital ratio of 18.8% at Q3 2018 down from 19.6% at Q4 2017 and is in line with our long-term 20% target debt-to-capital ratio.

(in thousands of Canadian dollars, except as otherwise noted)

SECTION 3 – FINANCIAL REVIEW

INCOME STATEMENT ANALYSIS

	Q3 2018	Q3 2017	$ variance	% variance	Q3 2018 YTD	Q3 2017 YTD	$ variance	% variance
Gross premiums written	57,282	36,123	21,159	58.6%	150,767	108,074	42,693	39.5%
Net premiums written	30,072	26,742	3,330	12.5%	84,361	73,176	11,185	15.3%
Net premiums earned	25,281	21,990	3,291	15.0%	65,826	59,567	6,259	10.5%
Fee income	370	216	154	71.3%	4,049	3,273	776	23.7%
Total underwriting revenue	25,651	22,206	3,445	15.5%	69,875	62,840	7,035	11.2%
Net claims	(4,583)	(5,129)	546	(10.7%)	(13,482)	(12,466)	(1,016)	8.2%
Net commissions	(8,313)	(6,799)	(1,514)	22.3%	(23,358)	(19,687)	(3,671)	18.7%
Premium taxes	(1,418)	(1,246)	(172)	13.8%	(3,480)	(3,236)	(244)	7.5%
Operating expenses	(9,245)	(7,804)	(1,441)	18.5%	(26,250)	(23,366)	(2,884)	12.3%
Net claims and expenses	(23,559)	(20,978)	(2,581)	12.3%	(66,570)	(58,755)	(7,815)	13.3%
Net underwriting income	2,092	1,228	864	70.4%	3,305	4,085	(780)	(19.1%)
Net investment income	3,639	2,067	1,572	76.1%	7,628	4,404	3,224	73.2%
Foreign exchange gains (losses)	171	(253)	424	nm	(153)	(138)	(15)	10.9%
Interest expense	(243)	(273)	30	(11.0%)	(709)	(812)	103	(12.7%)
Change in minority interests	-	2	(2)	nm	-	(5,156)	5,156	nm
Income before income taxes	5,659	2,771	2,888	104.2%	10,071	2,383	7,688	322.6%
Income tax expense	(1,499)	(761)	(738)	97.0%	(3,064)	(2,648)	(416)	15.7%
Net income (loss)	4,160	2,010	2,150	107.0%	7,007	(265)	7,272	nm
Other comprehensive loss	(2,712)	(2,965)	253	(8.5%)	(468)	(5,636)	5,168	(91.7%)
Comprehensive income (loss)	1,448	(955)	2,403	nm	6,539	(5,901)	12,440	nm
Earnings per common share - basic - in dollars	0.62	0.35	0.27	78.5%	1.05	0.39	0.66	168.5%
Earnings per common share - diluted - in dollars	0.62	0.35	0.27	78.5%	1.03	0.39	0.64	165.1%
Book value per share $	19.35	18.02	1.33	7.4%	19.35	18.02	1.33	7.4%
ROE trailing twelve months	5.6%	n/a	n/a	n/a	5.6%	n/a	n/a	n/a

Premium Revenue and Fee Income

Very strong premium growth continued in Q3 2018 with a 58.6% increase in GPW driven by $17.7 million of new premium at US Specialty and strong growth in all Canadian business lines. NPW growth of 12.5% is lower than GPW growth due to an increase in the proportion of our business that is ceded to reinsurers primarily as a result of our fronting business model in US Specialty and Risk Solutions in Canada. Fronting fees from US Specialty contributed the bulk of the Q3 2018 fee income.

The $26.5 million of new premium at US Specialty P&C contributed significantly to year to date GPW growth of 39.5%. NPW growth of 15.3% was supported by Risk Solutions and Corporate Insurance in Canada, as well as new premiums from US Specialty P&C. Fee income increased by 23.7% on a YTD basis in part due to the contribution from the block of surety business transitioned from RSA to Trisura Guarantee in late 2017 and to fronting fees from US Specialty. As a result of these factors, YTD underwriting revenue grew 11.2% compared to the corresponding period in 2017.

Net Claims

Net claims in Q3 2018 were $0.5 million lower than Q3 2017 due to strong underwriting performance in Surety, partially offset by prior year development in Corporate Insurance.

Q3 2018 YTD net claims were $1.0 million higher than the corresponding period in 2017 principally reflecting growth in our Canadian and US Specialty P&C businesses and higher loss activity in Corporate Insurance, offset by strong underwriting performance in Surety, Risk Solutions and our Reinsurance business (see Section 4 Underwriting Performance Review).

Operating Expenses

The increases in operating expenses in both Q3 2018 and Q3 2018 YTD over the corresponding periods in 2017 primarily reflected expenses at US Specialty P&C as it commenced active underwriting.

Net Underwriting Income

Net underwriting income in Q3 2018 was $0.9 million higher than Q3 2017 due to the strong underwriting performance of the Canadian Specialty P&C platform which achieved a combined ratio of 85.5% compared to 90.2% in Q3 2017.

On a YTD basis, net underwriting income reduced by $0.8 million due to the commencement of our US Specialty P&C business where, as expected in its early development phase, operating expenses exceeded underwriting revenues and more than offset increases in net underwriting income at Canadian Specialty P&C and Reinsurance.

Minority Interests

The $5.2 million increase in Minority interests in Q3 2017 YTD reflected the 40% minority interest in Trisura Guarantee which was owned by its management team. In late 2017 we acquired full ownership of Trisura Guarantee through the issuance of common shares at Trisura Group Ltd. Consequently, we now own 100% of Trisura Guarantee and no longer reflect minority interests in our financial statements.

Net Investment Income and Other Comprehensive Income

See Section 5 – Investment Performance Review.

(in thousands of Canadian dollars, except as otherwise noted)

Net Income

The increase in Net income in Q3 2018 of $2.2 million in Q3 and $2.1 million YTD (excluding Minority Interests) arose from performance in our Canadian Specialty P&C operations, favourable claims experience in the Reinsurance segment and lower corporate and Reinsurance operating expenses. These more than offset the development stage income costs of our US Specialty P&C platform.

EPS, Book Value per Share and ROE

We provide performance metrics including EPS, book value per share and ROE from June 22, 2017 when the Company effected a spin-off from Brookfield Asset Management Inc. and commenced regular way trading on the TSX. Q3 2018 EPS (basic and diluted) was $0.62 and Q3 2018 YTD EPS was $1.05 (basic) and $1.03 (diluted). Book value per share at September 30, 2018 of $19.35 represented 7.4% growth since September 30, 2017. ROE on a trailing 12 months basis was 5.6% (up from 4.1% as at June 30, 2018) and reflected the early developmental drag of the US business.

BALANCE SHEET ANALYSIS

As at	September 30, 2018	December 31, 2017	$ variance
Cash and cash equivalents	102,688	165,675	(62,987)
Investments	266,318	190,641	75,677
Premiums and accounts receivable, and other assets	33,388	23,172	10,216
Deferred acquisition costs	56,095	40,266	15,829
Recoverable from reinsurers	95,841	65,254	30,587
Capital assets and intangible assets	2,636	2,612	24
Deferred tax assets	805	740	65
Total assets	557,771	488,360	69,411
Accounts payable, accrued and other liabilities	21,481	19,795	1,686
Reinsurance premiums payable	30,709	17,555	13,154
Unearned premiums	159,881	115,357	44,524
Unearned reinsurance commissions	14,441	5,566	8,875
Unpaid claims and loss adjustment expenses	173,419	178,885	(5,466)
Loan payable	29,700	29,700	-
Total liabilities	429,631	366,858	62,773
Shareholders' equity	128,140	121,502	6,638
Total liabilities and shareholders' equity	557,771	488,360	69,411

Total assets at September 30, 2018 were $69.4 million higher than at December 31, 2017 as a result of growth at our Canadian and US Specialty P&C businesses. This growth led to increases across a number of assets categories including investments, premiums and accounts receivable, deferred acquisitions costs and recoverables from reinsurers. The increase in investments also arose from our in-house investment management team deploying cash for the US Specialty P&C investment portfolio. Cash and cash equivalents reduced correspondingly.

The main drivers of liability changes were unearned premiums, unearned reinsurance commissions and reinsurance premiums payable as a result of the business growth. The on-going run-off of the in-force Reinsurance business and some large claim settlements at our Canadian Specialty P&C business in Q1 2018 resulted in a reduction in unpaid claims and loss adjustment expenses.

Shareholder's equity increased due to an increase in retained earnings.

SHARE CAPITAL

Our authorized share capital consists of: (i) an unlimited number of common shares; (ii) an unlimited number of non-voting shares; and (iii) an unlimited number of preference shares (issuable in series).

As at September 30, 2018, 6,621,680 common shares and 64,000 preferred shares of the Company were issued and outstanding which is unchanged from December 31, 2017.

LIQUIDITY

Liquidity sources immediately available to the Company include: (i) cash and cash equivalents; (ii) our portfolio of highly rated, highly liquid investments (iii) cash flow from operating activities which include receipt of net premiums, fee income and investment income and; (iv) bank loan facilities including our revolving credit facility. These funds are used primarily to pay claims and operating expenses, service the Company's banking facility and purchase investments to support claims reserves and capital requirements.

CAPITAL

The MCT ratio of Trisura Guarantee was 247% at September 30, 2018 (255% as at December 31, 2017), which comfortably exceeds the 150% regulatory requirements prescribed by OSFI. MCT increased from 227% at June 30, 2018 due to the reversal, as anticipated, of a temporary capital charge at June 30, 2018 related to collateral supporting reinsurance ceded to an unregistered reinsurer on one Risk Solutions program.

Trisura Specialty's capital and surplus of $63.4 million as at September 30, 2018 ($56.5 million as at December 31, 2017) was in excess of the $19.4 million minimum capital requirements of the Oklahoma Insurance Department.

Trisura International's capital of $28.4 million as at September 30, 2018 ($26.6 million as at December 31, 2017) was well in excess of FSC's regulatory capital requirement of $0.2 million.

We had a debt-to-capital ratio of 18.8% as at September 30, 2018 (19.6% as at December 31, 2017) which is in line with our long-term target debt-to-capital ratio of 20%.

The Company is well-capitalized and we expect to have sufficient capital to meet our regulatory capital requirements, fund our operations and support our current business plans.

(in thousands of Canadian dollars, except as otherwise noted)

SECTION 4 – UNDERWRITING PERFORMANCE REVIEW

We operate through the following four business lines: Surety, Risk Solutions, Corporate Insurance and Reinsurance.

SPECIALTY P&C

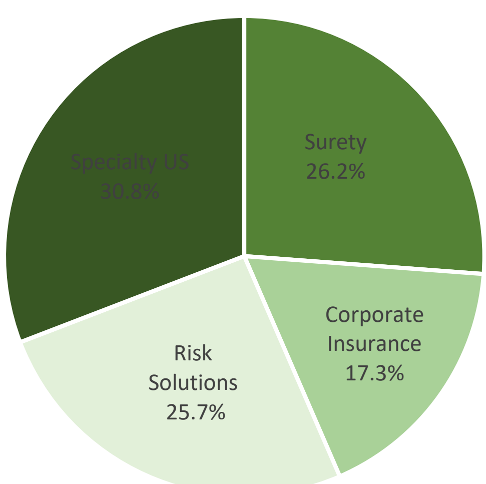
Our Specialty P&C business consists of our Surety, Risk Solutions and Corporate Insurance business lines which we write in Canada through Trisura Guarantee and in the United States through Trisura Specialty.

The tables and charts below provide a segmentation of our Specialty P&C GPW and NPW for the three and nine months ended September 30, 2018 and 2017 respectively. US Specialty P&C commenced writing business in early 2018 and contributed very meaningfully to premium growth by writing $17.7 million GPW in Q3 2018 and $26.5 million YTD.

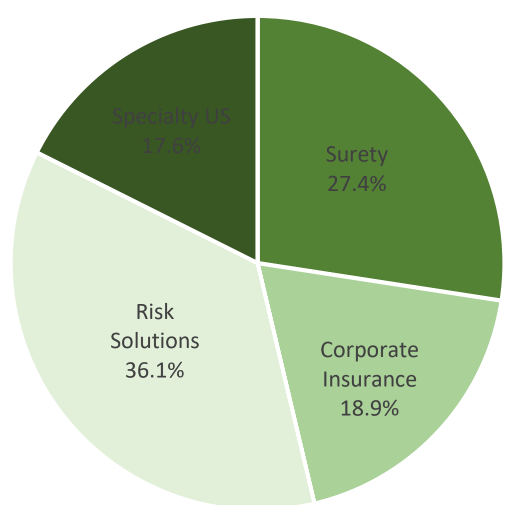
	Q3 2018		Q3 2017		Q3 2018 YTD		Q3 2017 YTD	
Surety	14,993	26.2%	14,025	38.9%	41,334	27.4%	39,676	36.8%
Corporate Insurance	9,905	17.3%	8,276	23.0%	28,429	18.9%	24,145	22.3%
Risk Solutions	14,700	25.7%	13,748	38.1%	54,392	36.1%	44,135	40.9%
Specialty US	17,658	30.8%	n/a	n/a	26,537	17.6%	n/a	n/a
Total GPW	57,256	100.0%	36,049	100.0%	150,692	100.0%	107,956	100.0%
GPW growth %(1)		58.8%		14.2%		39.6%		18.1%

(1) % growth relative to prior year period

Gross Premiums Written
Q3 2018



Gross Premiums Written
Q3 2018 YTD



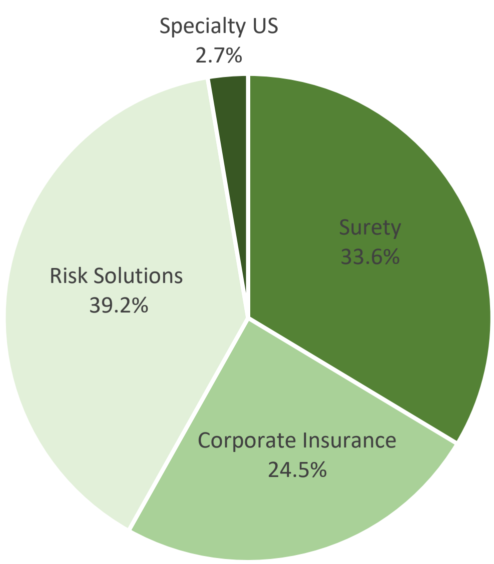
(in thousands of Canadian dollars, except as otherwise noted)

NPW has grown by 12.7% in Q3 2018 and by 15.4% in Q3 2018 YTD compared to the corresponding periods in 2017 with the growth coming principally from all Canadian business lines and from US Specialty P&C in recent quarters.

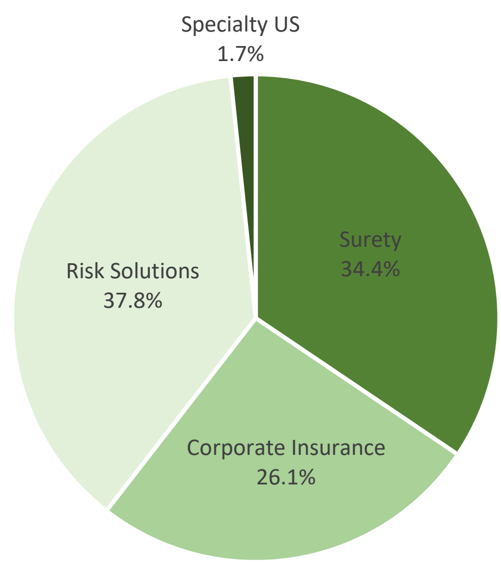
	Q3 2018		Q3 2017		Q3 2018 YTD		Q3 2017 YTD	
Surety	10,093	33.6%	9,118	34.2%	29,034	34.4%	26,822	36.7%
Corporate Insurance	7,358	24.5%	6,208	23.3%	21,963	26.1%	18,631	25.5%
Risk Solutions	11,799	39.2%	11,342	42.5%	31,900	37.8%	27,606	37.8%
Specialty US	797	2.7%	n/a	n/a	1,393	1.7%	n/a	n/a
Total NPW	30,047	100.0%	26,668	100.0%	84,290	100.0%	73,059	100.0%
NPW growth %[(1)]		12.7%		16.3%		15.4%		12.2%

(1) % growth relative to prior year period

Net Premiums Written
Q3 2018



Net Premiums Written
Q3 2018 YTD



(in thousands of Canadian dollars, except as otherwise noted)

SPECIALTY P&C – CANADA

The table below presents financial highlights for our Canadian Specialty P&C business.

	Q3 2018	Q3 2017	$ variance	% variance	Q3 2018 YTD	Q3 2017 YTD	$ variance	% variance
Gross premiums written	39,598	36,049	3,549	9.8%	124,155	107,956	16,199	15.0%
Net premiums written	29,250	26,668	2,582	9.7%	82,897	73,059	9,838	13.5%
Net premiums earned	25,009	21,915	3,094	14.1%	65,404	59,449	5,955	10.0%
Fee income	116	225	(109)	(48.4%)	3,732	3,273	459	14.0%
Net underwriting revenue	25,125	22,140	2,985	13.5%	69,136	62,722	6,414	10.2%
Net underwriting income	3,632	2,132	1,500	70.4%	8,364	7,593	771	10.2%
Net investment income	2,405	960	1,445	150.5%	4,582	3,098	1,484	47.9%
Net income	4,586	2,332	2,254	96.7%	9,910	8,040	1,870	23.3%
Comprehensive income	3,604	2,472	1,132	45.8%	8,007	7,993	14	0.2%
Loss ratio: current accident year	20.0%	24.6%		(4.6pts)	26.9%	26.9%		0.0pts
Loss ratio: Prior years' development	0.2%	0.6%		(0.4pts)	(4.7%)	(4.3%)		(0.4pts)
Loss ratio	20.2%	25.2%		(5.0pts)	22.2%	22.6%		(0.4pts)
Expense ratio	65.3%	65.0%		0.3pts	65.0%	64.6%		0.4pts
Combined ratio	85.5%	90.2%		(4.7pts)	87.2%	87.2%		0.0pts
ROE trailing twelve months	15.8%	8.6%		7.2pts	15.8%	8.6%		7.2pts

Our Canadian Specialty P&C business produced strong growth in GPW in 2018, increasing by 9.8% in Q3 2018 and 15.0% YTD driven mainly by Risk Solutions and Corporate Insurance. Fee income increased by 14.0% YTD in part due to the contribution from the surety business transitioned from RSA to Trisura Guarantee in late 2017. Overall, net underwriting revenue increased by 13.5% in Q3 2018 and 10.2% in Q3 2018 YTD compared to the corresponding periods in 2017.

Net underwriting income in Q3 2018 was $3.6 million, an increase of $1.5 million over Q3 2017. Strong underwriting results in Surety drove the improved underwriting income and helped produce a Canadian loss ratio to 20.2%, vs. 25.2% in Q3 2017. The Canadian expense ratio in Q3 2018 was consistent with Q3 2017 at 65%, the majority of which is comprised of commission expenses.

On a YTD basis, net underwriting income of $8.4 million was $0.8 million higher than the corresponding period in 2017, driven by higher earned premiums and the strong performance in Surety. The loss ratio, expense ratio and combined ratios for Q3 2018 YTD were in line with 2017.

ROE (trailing 12 months) was very strong at 15.8% compared to 8.6% which was negatively impacted by adverse claim development in Q4 2016.

(in thousands of Canadian dollars, except as otherwise noted)

Surety

The main products offered by our Surety business line are:

- ✓ Contract surety bonds, such as performance and labour and material payment bonds, primarily for the construction industry;
- ✓ Commercial surety bonds, such as license and permit, tax and excise, and fiduciary bonds, which are issued on behalf of commercial enterprises and professionals to governments, regulatory bodies or courts to guarantee compliance with legal or fiduciary obligations; and
- ✓ Developer surety bonds, comprising mainly bonds to secure real estate developers' legislated deposit and warranty obligations on residential projects.

In Q3 2018, Surety accounted for 26% and 34% of our overall GPW and NPW, respectively. For Q3 2018 YTD, Surety accounted for 27% and 34% of overall GPW and NPW, respectively.

	Q3 2018	Q3 2017	$ variance	% variance	Q3 2018 YTD	Q3 2017 YTD	$ variance	% variance
Gross premiums written	14,993	14,025	968	6.9%	41,334	39,676	1,658	4.2%
Net premiums written	10,093	9,118	975	10.7%	29,034	26,822	2,212	8.3%
Net premiums earned	10,976	9,969	1,007	10.1%	27,354	24,381	2,973	12.2%
Fee income	116	216	(100)	(46.3%)	3,722	3,258	464	14.2%
Net underwriting revenue	11,092	10,185	907	8.9%	31,076	27,639	3,437	12.4%
Net underwriting income	2,513	1,099	1,414	128.7%	6,863	4,884	1,979	40.5%
Loss ratio: current accident year	12.3%	18.3%		(6.0pts)	18.4%	18.4%		0.0pts
Loss ratio: Prior years' development	(3.8%)	3.3%		(7.1pts)	(8.5%)	(5.2%)		(3.3pts)
Loss ratio	8.5%	21.6%		(13.1pts)	9.9%	13.2%		(3.3pts)
Expense ratio	68.5%	67.4%		1.1pts	65.0%	66.8%		(1.8pts)
Combined ratio	77.0%	89.0%		(12.0pts)	74.9%	80.0%		(5.1pts)

Surety GPW grew by 6.9% in Q3 2018 and by 4.2% YTD. Some increased retention as a result of business mix changes compared to 2017 has led to higher % growth in NPW than GPW. NPE also grew strongly at 10.1% in Q3 and by 12.2% YTD. The increase in fee income in Q3 2018 YTD was partly attributable to underwriting fees from surety business transitioned from RSA in late 2017. In Surety, fee income generally represents fees charged to insureds to maintain their bonding facility with the Company. These fees are typically collected at the beginning of the year.

Claims experience has been positive so far in 2018 and particularly so in Q3, leading to a Q3 loss ratio of 8.5%. The increase in net underwriting income of $1.4 million in Q3 and $2.0 million YTD was driven by the lower claims experience. Expense ratios for Q3 and a YTD periods were comparable to 2017.

(in thousands of Canadian dollars, except as otherwise noted)

Risk Solutions

Risk Solutions includes specialty insurance contracts which are structured to meet the specific requirements of program administrators, managing general agencies, captive insurance companies, affinity groups and reinsurers. Our Risk Solutions business line consists primarily of warranty programs.

In Q3 2018, Risk Solutions accounted for 26% and 39% of our overall GPW and NPW respectively. For Q3 2018 YTD, Risk Solutions accounted for 36% and 38% of overall GPW and NPW respectively.

	Q3 2018	Q3 2017	$ variance	% variance	Q3 2018 YTD	Q3 2017 YTD	$ variance	% variance
Gross premiums written	14,700	13,748	952	6.9%	54,392	44,135	10,257	23.2%
Net premiums written	11,799	11,342	457	4.0%	31,900	27,606	4,294	15.6%
Net premiums earned	6,946	5,675	1,271	22.4%	17,705	16,545	1,160	7.0%
Fee income	-	-	n/a	n/a	10	15	(5)	(33.3%)
Net underwriting revenue	6,946	5,675	1,271	22.4%	17,715	16,560	1,155	7.0%
Net underwriting income	1,068	1,057	11	1.0%	1,893	1,988	(95)	(4.8%)
Loss ratio: current accident year	20.3%	20.0%		0.3pts	27.3%	26.6%		0.7pts
Loss ratio: Prior years' development	(0.4%)	(1.3%)		0.9pts	(6.5%)	(1.2%)		(5.3pts)
Loss ratio	19.9%	18.7%		1.2pts	20.8%	25.4%		(4.6pts)
Expense ratio	64.7%	62.7%		2.0pts	68.5%	62.6%		5.9pts
Combined ratio	84.6%	81.4%		3.2pts	89.3%	88.0%		1.3pts

The diversity of structure and earnings profiles in the Risk Solution transactions creates variability in gross versus net premium growth trends. In Q3 2018 NPE growth of 22.4% was significantly in excess of GPW growth of 6.9%. On a YTD basis the position was the reverse where GPW grew at 23.2% compared to 7.0% growth in NPE. The very strong growth in GPW on a YTD basis was the result of the increased GPW in a variety of programs. The mix of business booked throughout 2018 included a larger volume of fronted business which has resulted in a higher proportion of business ceded to reinsurers and comparatively lower growth in NPW in 2018.

Net underwriting income of $1.1 million in Q3 2018 was comparable to Q3 2017. The increase in the expense ratio to 64.7% in Q3 2018 from 62.7% in Q3 2017 was due to higher commissions from a shift in business mix through the quarter.

Q3 2018 YTD net underwriting income of $1.9 million was comparable to 2017 as was the combined ratio of 89.3%. Q3 2018 YTD loss ratio benefitted from higher favourable PYD than the corresponding 2017 period while the expense ratio increased due to higher commissions on the business mix booked so far in 2018.

(in thousands of Canadian dollars, except as otherwise noted)

Corporate Insurance

The main products offered by our Corporate Insurance business line are D&O insurance for public, private and non-profit enterprises, E&O liability insurance for both enterprises and professionals, business office package insurance for both enterprises and professionals and fidelity insurance for both commercial and financial institutions.

In Q3 2018, Corporate Insurance accounted for 17% and 25% of our overall GPW and NPW respectively. For Q3 2018 YTD, Corporate Insurance accounted for 19% and 26% of overall GPW and NPW respectively.

	Q3 2018	Q3 2017	$ variance	% variance	Q3 2018 YTD	Q3 2017 YTD	$ variance	% variance
Gross premiums written	9,905	8,276	1,629	19.7%	28,429	24,145	4,284	17.7%
Net premiums written	7,358	6,208	1,150	18.5%	21,963	18,631	3,332	17.9%
Net premiums earned	7,087	6,271	816	13.0%	20,345	18,523	1,822	9.8%
Fee income	-	9	(9)	nm	-	-	n/a	n/a
Net underwriting revenue	7,087	6,280	807	12.9%	20,345	18,523	1,822	9.8%
Net underwriting income (loss)	52	(16)	68	nm	(391)	744	(1,135)	nm
Loss ratio: current accident year	31.5%	38.6%		(7.1pts)	38.1%	38.6%		(0.5pts)
Loss ratio: Prior years' development	7.0%	(1.9%)		8.9pts	1.9%	(6.0%)		7.9pts
Loss ratio	38.5%	36.7%		1.8pts	40.0%	32.6%		7.4pts
Expense ratio	60.7%	63.5%		(2.8pts)	62.0%	63.4%		(1.4pts)
Combined ratio	99.2%	100.2%		(1.0pts)	102.0%	96.0%		6.0pts

GPW grew strongly in Q3 2018 at 19.7% and at 17.7% YTD compared to the same periods in 2017. This was due to a combination of new business, better retention rates and an increase in multi-year premiums where the entire premiums are recognized at the time these multi-year policies are written but are earned over the policy terms. This can cause differences in written and earned premium growth rates, as has occurred in 2018 when NPE has grown at lower rates than NPW.

Corporate Insurance had comparable underwriting results in Q3 2018 and Q3 2017, namely breakeven net underwriting income and combined ratios of 99% and 100%, respectively.

YTD Corporate Insurance produced underwriting loss of $0.4 million and combined ratio of 102.0% compared to an underwriting profit of $0.7 million and a combined ratio of 96.0% in 2017. In 2018 YTD our net claims experienced a higher proportion of large claims cost ($150,000 and above) than 2017, in part, due to adverse development on some older claims on business written using higher net retentions than have applied in more recent years.

(in thousands of Canadian dollars, except as otherwise noted)

SPECIALTY P&C – UNITED STATES

Our US specialty insurance business is now operational as a non-admitted surplus line insurer in all states, primarily as a hybrid fronting carrier with a fee-based business model.

US Specialty P&C has grown strongly since we starting to write business earlier this year. US Specialty P&C wrote GPW of $17.7 million in Q3 2018 and $26.5 million on a YTD basis which accounted for 31% of group GPW in Q3 2018 and 18% of overall GPW on a YTD basis. We retained 5.3% of our YTD GPW, the remainder of which was ceded to reinsurance partners.

Fee income in our US Specialty P&C business is comprised of fronting fees received from reinsurers. In Q3 2018 YTD these fronting fees were 5.9% of written premium ceded to reinsurers. These fees are recognized over the life of the insurance contracts they are associated with, similar to the premium earning profile. Given the early stage of our US business, we have recognized only a small portion of our total fee income written to date. Fronting fees are not reflected in underwriting ratios for the US Specialty P&C business.

The net loss in 2018 arose, as expected, from earned premium, fee income and investment income lagging operating expenses during the early development stage of operations.

	Q3 2018	Q3 2018 YTD
Gross premiums written	17,658	26,537
Net premiums written	797	1,393
Net premiums earned	247	351
Fee income	254	317
Net underwriting revenue	501	668
Net underwriting loss	(974)	(2,432)
Net investment income	431	1,093
Net loss	(543)	(1,339)

REINSURANCE

Our international reinsurance business ceased writing new business in 2008 but previously wrote quota share reinsurance (prospective), loss portfolio transfers (retrospective) and niche, specialty contracts covering international risks across multiple commercial lines. Currently our international reinsurance business is managing its remaining portfolio of in-force reinsurance contracts and is preparing to write new business in support of our on-shore subsidiaries.

The remaining in-force portfolio of reinsurance contracts is dominated by one large life annuity reinsurance contract denominated in euros. We measure the performance of our reinsurance business by reference to net income in order to capture (i) the change in annuity reserves which is included in net underwriting income; and (ii) the offsetting change in the value of the supporting assets, which is included in net investment income as these supporting assets are designated FVTPL.

	Q3 2018	Q3 2017	$ variance	Q3 2018 YTD	Q3 2017 YTD	$ variance
Net underwriting income (loss)	173	(329)	502	(472)	(1,020)	548
Net investment income	798	977	(179)	1,928	1,176	752
Net income	1,026	492	534	1,338	94	1,244
Operating expenses	468	764	(296)	1,595	2,086	(491)

(in thousands of Canadian dollars, except as otherwise noted)

Q3 2018 net income was $0.5 million higher than Q3 2017. This was due to lower operating expenses and favourable reserve development. European interest rate reductions in Q3 2017 led to reserve increases on the life annuity contract which was matched by investment income arising from increases in the value of assets supporting these reserves.

On a year to date basis, the $1.2 million improvement in net income over the corresponding period in 2017 was attributable to lower operating expenses and favourable reserve development on our P&C transactions. The higher 2018 YTD net investment income arose in large measure from investment gains in the assets supporting our large life annuity reinsurance contract in Q1 2018 in response to falling European interest rates at that time which also led to offsetting reserve increases on this annuity business.

CORPORATE

Our corporate results represent operating expenses that do not relate specifically to any one business line of the Company as well as debt servicing costs and, in 2017, changes in the valuation of the Minority interests.

During Q3 2018, we incurred corporate expenses of $0.7 million which, although higher than Q3 2017, were in line with our expectation that quarterly corporate expenses are starting to normalize.

On a year-to-date basis, corporate expenses are $0.3 million lower than 2017 which was impacted by one-off costs related to the formation and development of the Company and our US subsidiary, Trisura Specialty. We also benefitted from some one-time savings in Q1 2018.

The $5.2 million increase in Minority interests in Q3 2017 YTD reflected the 40% minority interest in Trisura Guarantee which was owned by its management team at that time. In late 2017 we acquired full ownership of Trisura Guarantee following the issuance of common shares at Trisura Group in exchange for this Minority interest. Consequently, we now own 100% of Trisura Guarantee and we no longer reflect minority interests in our financial statements.

	Q3 2018	Q3 2017	$ variance	Q3 2018 YTD	Q3 2017 YTD	$ variance
Corporate expenses	739	575	164	2,155	2,488	(333)
Increase in minority interests	-	(2)	2	-	5,156	(5,156)
Debt servicing	243	273	(30)	709	812	(103)
Corporate	982	846	136	2,864	8,456	(5,592)

(in thousands of Canadian dollars, except as otherwise noted)

SECTION 5 – INVESTMENT PERFORMANCE REVIEW

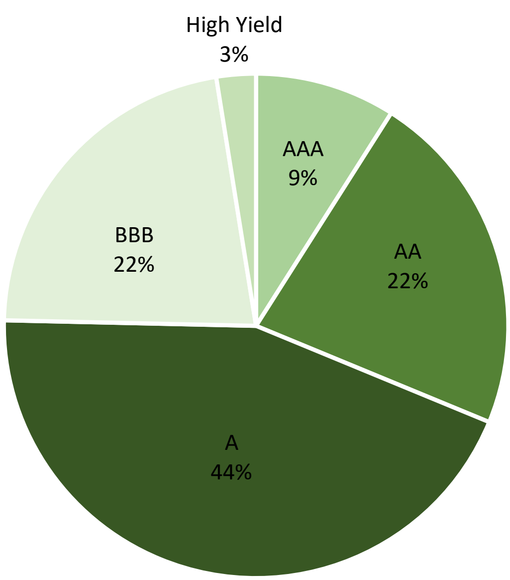
OVERVIEW

The Company's investment policy seeks to achieve attractive total returns without incurring an undue level of investment risk while supporting our liabilities and maintaining strong regulatory and economic capital levels. We continue to develop our investment management capabilities; today we manage our Canadian and US assets internally, and are in the processes of moving international assets in house.

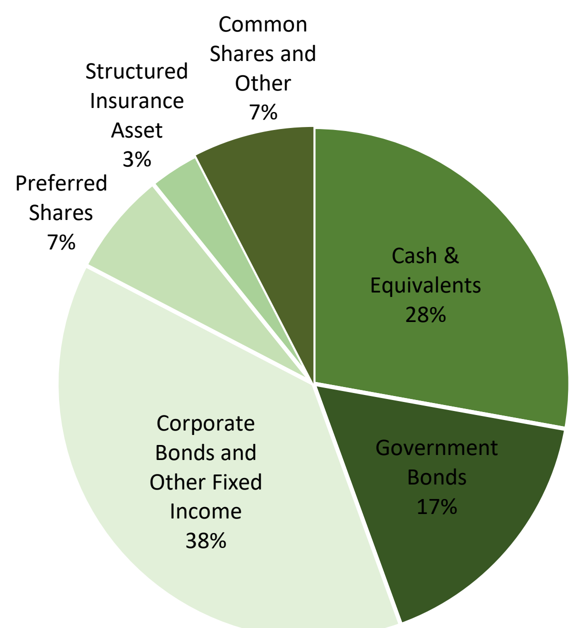
SUMMARY OF INVESTMENT PORTFOLIO

Our $369 million investment portfolio consists of cash and cash equivalents, government and corporate bonds, preferred shares, common shares and a small amount of fund investments. Ninety-seven percent of our fixed income holdings are highly liquid, investment grade bonds. A significant portion of the consolidated investment portfolio remains invested in cash and cash equivalents, reflective of capital in our international entity, a significant portion of which is held as collateral supporting our reinsurance policies.

Fixed Income Securities by Rating



Investment Portfolio by Asset Class



INVESTMENT PERFORMANCE

Net Investment Income

	Q3 2018	Q3 2017	$ variance	Q3 2018 YTD	Q3 2017 YTD	$ variance
Specialty P&C - Canada	2,405	960	1,445	4,582	3,098	1,484
Specialty P&C - US	431	-	431	1,093	-	1,093
Reinsurance	803	1,107	(304)	1,953	1,306	647
Net investment income	3,639	2,067	1,572	7,628	4,404	3,224

(in thousands of Canadian dollars, except as otherwise noted)

The Company's operations currently include Specialty P&C insurance (Surety, Risk Solutions, and Corporate Insurance business lines) in Canada, Specialty P&C insurance in the US and international reinsurance through Trisura International. These businesses focus on different market segments, geographic regions and risks, and accordingly, hold different assets and currencies to support their liabilities. Consequently, investment returns are most appropriately viewed at a business unit level.

Canadian Specialty P&C net investment income is driven by interest and dividend income on portfolio assets. Interest and dividend income in Q3 2018 was improved over Q3 2017, driven by a rotation to higher-yielding securities. Investment income reflected a gain on the disposition of AFS assets as we rebalanced the portfolio, primarily in the equity portfolio. The market-based yield of the Canadian Specialty P&C portfolio as at September 30, 2018 was 3.4%. We have recently introduced alternative investments to the Canadian Specialty P&C portfolio, including private debt products which are expected to enhance portfolio yield.

We began deploying capital in our US P&C portfolio in February, following dramatic movement in US interest rates. Currently the portfolio is limited to investment grade bonds, as we prioritize maintaining minimum capital levels and lower volatility in the start-up phase of the business. The market based yield of the US Specialty P&C portfolio as at September 30, 2018 was 4.0%. Investment income is driven by interest income on this portfolio of investment grade bonds. Our market yield improved versus Q2 2018 as we redeployed government securities into higher yielding corporate securities.

Cash and investments held at the Reinsurance business reduced by $21 million between Q3 2017 and Q3 2018, resulting in a reduction in net investment income on cash and bonds. Euro-denominated bonds supporting the annuity reserves are held at FVTPL. Investment returns on these assets were lower in Q3 2018 compared with Q3 2017 due to the increase in Euro interest rates, which had a negative impact on the valuation of these assets. Importantly, there was a partially offsetting reduction in reserves alongside the rise in interest rates. The market based yield of the Reinsurance portfolio as at September 30, 2018 was 1.7%.

Other Comprehensive Income ("OCI")

	Q3 2018	Q3 2017	$ variance	Q3 2018 YTD	Q3 2017 YTD	$ variance
Unrealized (losses) gains in OCI	(1,150)	213	(1,363)	(3,123)	230	(3,353)
Cumulative translation	(1,562)	(3,178)	1,616	2,655	(5,866)	8,521
OCI	(2,712)	(2,965)	253	(468)	(5,636)	5,168

The Company records unrealized gains and losses in the market value of its AFS assets through OCI. The mark to market impact of these assets on OCI was a negative in Q3 2018. This was in part because of an increase in unrealized losses in the fixed income portfolio, due to continued weakness in the fixed income market, as well as the impact of the sale of a number of equity securities which caused unrealized gains to be recycled out of OCI and into Investment income where they were recognized as realized gains. Our Q3 YTD results continue to reflect weakness of the Canadian equity and global fixed income markets experienced through the year 2018.

Foreign exchange differences arising from the translation of the financial statements of Trisura International and Trisura Specialty to Canadian dollars are recognized as cumulative translation gains or losses, which are a constituent part of overall OCI. The cumulative translation losses in Q3 2018 were due to the strengthening of the Canadian currency against the US dollar, driving high Canadian dollar valuations of capital and securities held outside of Canada.

Refer to Note 14 Investment income in the Interim consolidated financial statements for more detail on the components of investment returns.

SECTION 6 – OUTLOOK & STRATEGY

INDUSTRY

The specialty insurance market offers products and services that are not written by most insurance companies. The risks covered by specialty insurance policies generally require specialist underwriting knowledge and technical financial and actuarial expertise. Consequently, these risks are difficult to place in the standard insurance market where many carriers are unable or unwilling to underwrite them. As a result, specialty insurers have more pricing and policy form flexibility than traditional market insurers whose prices and policy forms are subject to authorization and approval by insurance regulators. For this reason, specialty insurers have historically, and are expected to continue to outperform the standard markets by having lower claims ratios and combined ratios than traditional insurance companies.

In contrast to the standard P&C insurance market, which is divided almost evenly between personal and commercial lines, specialty insurers are focused almost exclusively on commercial lines. Even within the commercial sector, the business mix of the specialty insurers can vary significantly from that of the overall P&C industry. Although no standard definition for the specialty insurance market exists, some common examples of business written by specialty insurers include: non-standard insurance, niche market segments (such as Surety, D&O and E&O) and products that require tailored underwriting. Many insurance groups with a specialty focus have several different carriers and licenses and allocate business between these carriers depending on market conditions and regulatory requirements. The agency channel is the primary distribution channel for specialty insurance. Managing general agents often serve an important role in helping carriers distribute specialty insurance products.

In the US, the specialty P&C insurance industry is more fragmented than the standard marketplace. It is estimated that the top ten players capture just under 40% of market share, with the top 25 players averaging one to two percent market share positions. An estimated $150 to $200 billion of specialty insurance direct premiums (including excess and surplus) were written in 2016.

OUTLOOK AND STRATEGY

Our Company has an experienced management team with strong industry relationships and excellent reputations with rating agencies, insurance regulators and business partners. We have operated in the Canadian specialty P&C insurance market for more than 12 years and in the international specialty reinsurance market for over 16 years, establishing a conservative underwriting and investing track record.

In Canada, we have built our brand through Trisura Guarantee to serve our clients, brokers and institutional partners as a leading provider of niche specialty insurance products. Trisura Guarantee will continue to build out its product offerings in existing and new niche segments of the market with suitably skilled underwriters and professionals. Trisura Guarantee remains committed to its broker distribution channel to promote and sell its insurance products. Trisura Guarantee is selective in partnering with a limited brokerage force, focusing its efforts on leading brokerage firms in the industry with expertise in specialty lines. This distribution network currently comprises over 150 major international, national and regional brokerage firms operating across Canada in all provinces and territories as well as boutique niche brokers with a focus on specialty lines.

Our US specialty insurance business, Trisura Specialty, is fully operational and commenced binding transactions in 2018. It is licensed as a domestic surplus lines insurer in Oklahoma. Trisura Specialty can operate as a non-admitted surplus lines insurer in all states and is rated A- (Excellent) by A.M. Best with stable outlook. It is our belief that the conditions are favourable for the continued growth of Trisura Specialty, which operates as a hybrid fronting carrier using a fee based business model. Its focus is to source high quality business opportunities by partnering with a core base of established and well-managed program administrators. From our business activity to date these program administrators welcome our new capacity as there is currently a lack of fronting carriers and the products and arrangements currently offered to them by the existing market do not always meet the needs of their business and clients.

Furthermore, we believe there is a strong supply of highly rated international reinsurance capacity keen to gain exposure to this business, allowing Trisura Specialty to cede the majority of the risk on its policies to these reinsurers on commercially favourable terms. This belief has been supported by our early experiences in the market. We are confident that this platform will generate attractive, stable fee income while maintaining a small risk position, limiting underwriting risk and aligning our interests with our program distribution partners and reinsurers. As Trisura Specialty grows, we expect that our US operations will become a more significant component of our Company.

We will continue to develop our distribution network, building on our existing partner network in Canada and our core base of program administrators in the US. Our Company will strive to increase the penetration of our products in our partner network by providing the support they require to enhance the effectiveness of their sales and marketing efforts.

We also intend to consider acquisitions on an opportunistic basis and pursue those that fit with our strategic plan. Building on the knowledge and expertise of our existing operations, we intend to initially target businesses in the US that operate in similar niches of the specialty insurance market. Additionally, our reinsurance business is preparing to write new business in support of our on-shore subsidiaries and will continue to evaluate writing third party new business in the context of market conditions.

(in thousands of Canadian dollars, except as otherwise noted)

SECTION 7 – OTHER INFORMATION

RATINGS

Trisura Guarantee has been rated A- (Excellent) by A.M. Best since 2012. This rating was reaffirmed with stable outlook by A.M. Best in October 2018. Trisura Specialty obtained an A- (Excellent) rating with stable outlook from A.M. Best in September 2017, which was reaffirmed in October 2018. A.M Best increased the financial size category of Trisura Specialty from VI to VII (US $45 million to US $50 million capital) in May 2018.

CASH FLOW SUMMARY

	Q3 2018	Q3 2017	$ variance	Q3 2018 YTD	Q3 2017 YTD	$ variance
Net income (loss) from operating activities	4,160	2,010	2,150	7,007	(265)	7,272
Non-cash items to be deducted	457	873	(416)	3,089	1,209	1,880
Change in working capital operating items	9,255	12,070	(2,815)	7,010	20,722	(13,712)
Realized gains (losses) on AFS investments	(1,083)	(340)	(743)	(782)	(704)	(78)
Income taxes paid	(426)	(968)	542	(2,367)	(6,123)	3,756
Interest paid	(256)	(286)	30	(725)	(810)	85
Net cash from operating activities	12,107	13,359	(1,252)	13,232	14,029	(797)
Proceeds on disposal of investments	49,607	554	49,053	81,725	20,386	61,339
Purchases of investments	(55,982)	(12,202)	(43,780)	(160,731)	(131,864)	(28,867)
Net purchases of capital and intangible assets	(269)	(38)	(231)	(584)	(145)	(439)
Net cash used in investing activities	(6,644)	(11,686)	5,042	(79,590)	(111,623)	32,033
Change in minority interests	-	(2)	2	-	5,156	(5,156)
Dividends paid	(24)	-	(24)	(72)	-	(72)
Common shares issued	-	-	-	-	140,270	(140,270)
Issuance of new loan payable	-	-	-	29,700	-	29,700
Repayment of note payable	-	-	-	-	(355)	355
Repayment of loan payable	-	(500)	500	(29,700)	(4,200)	(25,500)
Net cash (used in) from financing activities	(24)	(502)	478	(72)	140,871	(140,943)
Net increase (decrease) in cash	5,439	1,171	4,268	(66,430)	43,277	(109,707)
Cash at beginning of the period	97,739	160,344	(62,605)	165,675	122,096	43,579
Currency translation	(490)	(5,194)	4,704	3,443	(9,052)	12,495
Cash at the end of the period	102,688	156,321	(53,633)	102,688	156,321	(53,633)

(in thousands of Canadian dollars, except as otherwise noted)

The main cash flow activities in Q3 2018 were investing activities and reflected the purchase and disposal of investments, primarily related to activity in our bond portfolios, and to a lesser extent our common share and preferred share portfolios. A significant component of the bond purchases in Q3 2018 YTD included US Specialty P&C deploying cash and cash equivalents from its initial capital injection. In Q3 2017 YTD, purchases of investments were primarily related to the purchase of Trisura International and Trisura Guarantee from Brookfield.

In Q3 2018 and Q3 2017 cash from operating activities was primarily related to positive changes in working capital operating items, particularly at Trisura Guarantee. Cash from operating activities in Q3 2018 YTD and Q3 2017 YTD both increased primarily as a result of increases in working capital operating items in Trisura Guarantee.

During Q3 2018 YTD, the Company replaced the outstanding Loan payable of $29.7 million held at an intermediary holding company, with a new credit facility with an outstanding balance of $29.7 million (see Note 11 in the Interim consolidated financial statements). The net impact of this transaction was $nil. In Q3 2017 YTD the Company reflected the impact of the change in value of the Minority interests in its financial statements, however in Q4 2017 the Minority interests were purchased by the Company and therefore this movement in financing activity is no longer reflected in the statements of cash flows in Q3 YTD 2018 (see Note 12 in the Interim consolidated financial statements). In Q3 2017 YTD cash from financing activities was primarily from the Company issuing common shares to Brookfield for cash.

SEGMENTED REPORTING

As at	September 30, 2018				
	Trisura Guarantee	Trisura International(1)	Trisura Specialty	Corporate(2)	Total(3)
Assets	350,313	101,720	108,064	(2,326)	557,771
Liabilities	274,812	80,144	44,643	30,032	429,631
Shareholder's Equity	75,501	21,576	63,421	(32,358)	128,140
Book Value Per Share, $(4)	11.40	3.26	9.58	(4.89)	19.35

(1) Subsidiary includes the assets and liabilities of its holding company and adjustments for intercompany loans.

(2) Corporate includes consolidation adjustments and intercompany loans.

(3) Total reflects the Group's Assets, Liabilities, and Book Value Per Share after consolidation adjustments.

(4) Number of common shares used in the calculation of book value per share equals to the Group's total number of common shares outstanding as at September 30, 2018.

As at	December 31, 2017				
	Trisura Guarantee(1)	Trisura International(1)(2)	Trisura Specialty	Corporate(3)	Total(4)
Assets	317,124	114,608	56,888	(260)	488,360
Liabilities	243,979	92,658	426	29,795	366,858
Shareholder's Equity	73,145	21,950	56,462	(30,055)	121,502
Book Value Per Share, $(5)	11.05	3.31	8.53	(4.54)	18.35

(1) Operating companies include the assets and liabilities of their holding companiess, except for the loans payable of $29,700 held in 6436978 Canada Limited which is included in Corporate.

(2) Subdiary results include adjustments for intercompany loans.

(3) Corporate includes consolidation adjustments and intercompany loans.

(4) Total reflects the Group's Assets, Liabilities, and Book Value Per Share after consolidation adjustments.

(5) Number of common shares used in the calculation of book value per share equals to the Group's total number of common shares outstanding as at December 31, 2017.

FINANCIAL INSTRUMENTS

See Note 4 to the Company's Interim consolidated financial statements.

OPERATING METRICS

We use operating metrics to assess our operating performance. The combined ratio is the sum of the loss ratio and the expense ratio. The difference between 100% and the combined ratio represents underwriting income as a percentage of net premiums earned, or underwriting margin. A combined ratio under 100% indicates a profitable underwriting result. A combined ratio over 100% indicates an unprofitable underwriting result. The loss ratio is claims and loss adjustment expenses incurred as a percentage of net premiums earned. The expense ratio is all expenses incurred (net of bonding facility fee income on Canadian Specialty Surety business) as a percentage of net premiums earned. In our MD&A for Q1 through Q3 2017, the expense ratio was all expenses incurred net of commissions on fee income as a percentage of net premiums earned.

We use ROE as a measure of operating performance. ROE is calculated based on net income, divided by the average amount of shareholders' equity of the Company for a given time period.

We report the results of our MCT as prescribed by OSFI's *Guideline A — Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies*, as amended, restated or supplemented from time to time. MCT determines the supervisory regulatory capital levels required by Trisura Guarantee.

These operating metrics are operating performance measures that highlight trends in our core business or are required ratios used to measure compliance with OSFI and other regulatory standards. Our Company also believes that securities analysts, investors and other interested parties use these operating metrics to compare our Company's performance against others in the specialty insurance industry. Our Company's management also uses these operating metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Such operating metrics should not be considered as the sole indicators of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Trisura Group Ltd. and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Trisura Group Ltd. to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Trisura Group Ltd. undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
AFS	Available for Sale Financial Asset
CTA	Cumulative Translation Adjustment
D&O	Directors' and Officers' insurance
E&O	Errors and Omissions Insurance
EPS	Earnings Per Share
FVTPL	Fair Value Through Profit & Loss
GPW	Gross Premium Written
MCT	Minimum Capital Test
Minority interests	The liability to participating shareholders
n/a	not available
NII	Net Investment Income
nm	not meaningful
NPE	Net Premium Earned
NPW	Net Premium Written
NUI	Net Underwriting Income
OCI	Other Comprehensive Income
pts	Percentage points
PYD	Prior Years' Net Reserve Development
Q1, Q2, Q3, Q4	The three months ended March 31, June 30, September 30 and December 31 respectively
Q2 YTD	The six months ended June 30
Q3 YTD	The nine months ended September 30
Q4 YTD	The twelve months ended December 31
ROE	Return on Shareholders' Equity
YTD	Year to Date