SGI CANADA
Quarterly Report
SEPTEMBER 2010

SGI CANADA

Corporate Profile

Vision

We will be a leading, diversified property and casualty insurer by offering competitive, high-quality products and services in partnership with our brokers.

Values

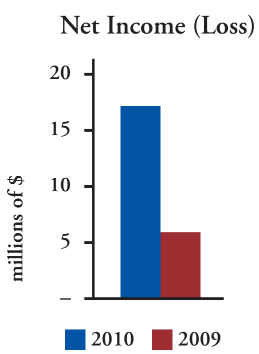
Integrity – Conducting ourselves with honesty, trust and fairness
Caring – Acting with empathy, courtesy and respect
Innovation – Implementing creative solutions to achieve our vision

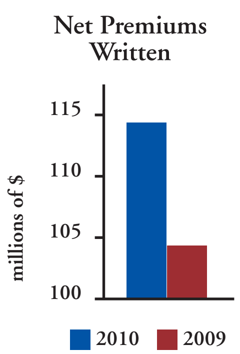
About SGI CANADA

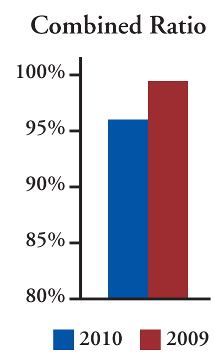
SGI CANADA is a dynamic and innovative company selling property and casualty insurance products. It currently operates as SGI CANADA in Saskatchewan, SGI CANADA Insurance Services Ltd. in Manitoba and Alberta, Coachman Insurance Company in Ontario and the Insurance Company of Prince Edward Island in Prince Edward Island, Nova Scotia and New Brunswick. The company employs about 1,800 people and its head office is located in Regina, Saskatchewan. Products are sold through a network of independent insurance brokers.

Financial Highlights

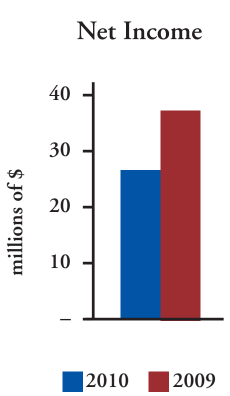
For the three months to September 30

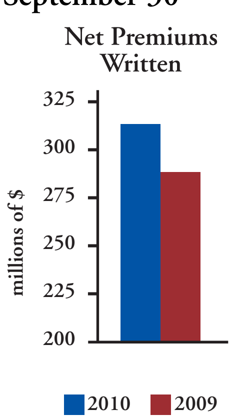


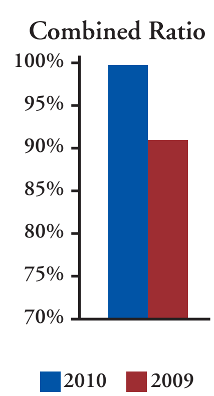


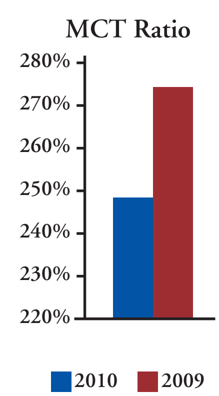


For the nine months to September 30









Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) provides a review of the results of the operations of SGI CANADA and its subsidiaries, SGI CANADA Insurance Services Ltd., the Insurance Company of Prince Edward Island and Coachman Insurance Company, collectively referred to as SGI CANADA or the Corporation. This discussion and analysis should be read in conjunction with the SGI CANADA unaudited consolidated financial statements and supporting notes as at and for the nine-month period ended September 30, 2010, and the SGI CANADA MD&A and annual audited financial statements and supporting notes as at and for the year ended December 31, 2009. All dollar amounts are in Canadian dollars. This MD&A reflects all information known to Management up to November 16, 2010.

Overview

(thousands of $ – except for percentages)

	three months to September 30			nine months to September 30		
	2010	2009	Change	2010	2009	Change
Net premiums written	113,912	104,872	9,040	312,847	289,581	23,266
Net income	17,009	6,431	10,578	26,740	37,322	(10,582)
Combined ratio	96.5%	99.0%	-2.5%	99.8%	90.7%	9.1%

The 2010 third quarter net income of $17.0 million primarily reflects improvement in investment earnings compared to 2009. For the nine months ended September 30, 2010 the $26.7 million profit was lower than 2009 due to significant storm activity experienced in Saskatchewan. A strong first quarter in 2010 ($16.7 million profit) and improving investment returns in 2010 have assisted in offsetting the impact of the storm losses experienced by SGI CANADA in 2010.

Outlook

During the second quarter, underwriting profits suffered as Saskatchewan experienced unprecedented storm activity beginning with a windstorm in April, followed by significant storm activity in Maple Creek, Regina, Saskatoon, Yorkton and surrounding areas. With storms generally more predominant in the warm summer months of July and August, there was risk of further significant storm activity. However, profitability improved in the third quarter, as storm activity returned to normal levels. Also, investment earnings were strong through the third quarter. Additionally, the Corporation continues to spread its insurance risk across other geographic areas in Canada and benefits from a strong reinsurance program. The Corporation is currently focused on adjusting claims and working with customers who have been impacted by the significant storm activity.

Investment markets experienced significant gains during the third quarter of 2010 with nearly all asset classes rising in value. Investment earnings recovered significantly over 2009 levels. In order to protect the Corporation from the expected rise in interest rates, the SGI CANADA and SGI CANADA Insurance Services Ltd. (SCISL) fixed income portfolios have moved to short-term bond mandates. This change will better match the asset and liability portfolios, mitigating somewhat the overall impact of interest rate risk.

In recent years, SGI CANADA has paid a dividend of 65% of annual profit. However, the 2010 dividend rate has been approved at 100% of the annual profit. The Corporation's capital position continues to be adequate to support the higher dividend rate through 2010.

Revenue

(thousands of $)

	three months to September 30			nine months to September 30		
	2010	2009	Change	2010	2009	Change
Premiums earned	102,768	94,468	8,300	300,739	272,389	28,350
Investment earnings	14,415	5,659	8,756	28,160	12,197	15,963

Consistent growth in all jurisdictions resulted in a 10% increase in premium earnings for the first three quarters of 2010, as noted below:

Premiums earned by operating segment

(thousands of $)

	three months to September 30			nine months to September 30		
	2010	2009	Change	2010	2009	Change
Saskatchewan	77,024	74,591	2,433	229,174	216,985	12,189
Manitoba and Alberta	11,176	9,268	1,908	31,575	25,575	6,000
Ontario	9,540	6,419	3,121	25,766	18,332	7,434
Maritimes	5,028	4,190	838	14,224	11,497	2,727
Total	102,768	94,468	8,300	300,739	272,389	28,350

Premiums earned in Saskatchewan increased 6% in the first nine months of 2010 with growth in personal lines and agro products providing the greatest part of the increase. Increased auto business in Ontario and Alberta contributed the bulk of the increase from those operating segments. In the Maritimes, the newer markets in New Brunswick and Nova Scotia provided the majority of the increased premium earnings, largely a result of increased auto writings. In Manitoba, personal lines business contributed the majority of the increase.

Investment earnings in the third quarter were significantly higher than the same period in 2009, primarily due to realized gains on the sale of equities and bonds. Strong equity markets generated significant gains during the quarter while investment policy changes implemented in the bond portfolio involved selling longer duration bonds with significant realized gains positions. No investment write-downs were recorded in the third quarter of 2010, compared to a $1.4 million write-down recorded during the same period of 2009. Third quarter interest income decreased slightly from the 2009 period, while dividend income increased significantly.

Year-to-date investment earnings were significantly higher than the same period in 2009, primarily due to gains on common shares of $5.4 million compared to losses of $4.0 million in the same period of 2009. Gains on the sale of bonds of $7.9 million were $3.4 million higher than the same period of 2009. In addition, the 2010 results include investment write-downs of $464,000 as compared to $3.8 million in write-downs in the 2009 period. The annualized cost-based rate of return at September 30, 2010 was 5.8%, compared to 2.3% for 2009.

Expenses

(thousands of $ – except percentages)

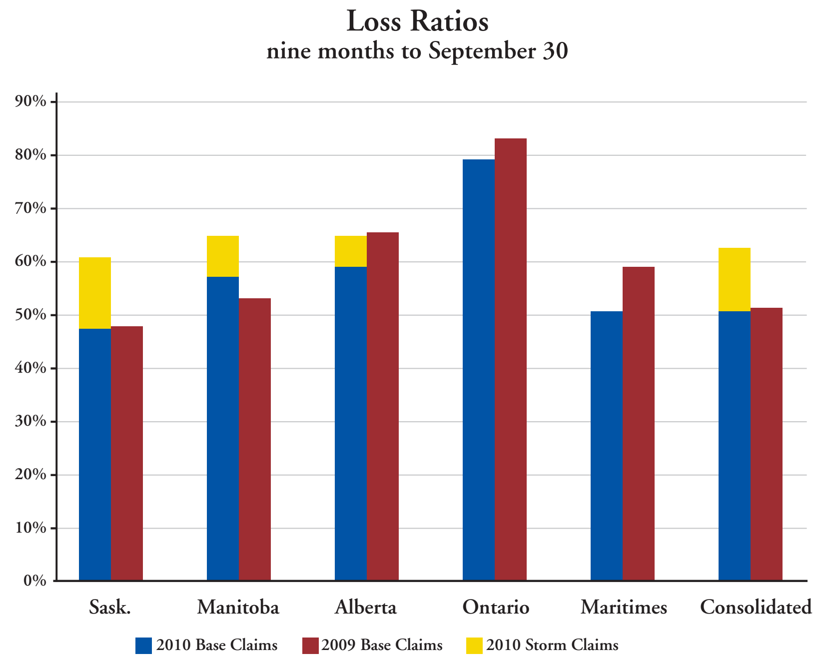
	three months to September 30			nine months to September 30		
	2010	2009	Change	2010	2009	Change
Claims incurred	61,829	56,912	4,917	187,419	140,475	46,944
Other expenses	37,150	36,643	507	112,835	106,471	6,364
	98,979	93,555	5,424	300,254	246,946	53,308
Loss ratio	60.2%	60.2%	0.0%	62.3%	51.6%	10.7%

Expenses are comprised of claims incurred and other expenses, which include commissions, premium taxes, administrative expenses and Facility Association participation costs.

Claims incurred

Third quarter claims incurred of $61.8 million were $4.9 million, or 8.6%, higher than 2009, with a consolidated loss ratio of 60.2%, consistent with the consolidated loss ratio for the third quarter of 2009. Although a comparable loss ratio, claims incurred increased primarily due to significant policy growth in out-of-province operations, particularly in the Ontario auto product. While out-of-province claims incurred were $3.6 million higher than the third quarter of 2009, the loss ratio of 66.2% was lower than the 67.7% loss ratio for the third quarter of 2009.

Claims incurred totalled $187.4 million for the first nine months of 2010, a 33.4% increase from 2009. The increase is primarily due to unusually severe storm activity in Saskatchewan, particularly in the second quarter of 2010. The consolidated loss ratio increased to 62.3% in 2010 from 51.6% in 2009, as detailed in the following chart.



Saskatchewan's loss ratio of 60.7% increased from last year's nine-month ratio of 47.4%, with the increase primarily related to the storms noted above. To the end of September, Saskatchewan storms resulted in net claims incurred of $32.4 million.

Manitoba's loss ratio increased to 65.2% from 53.4% in 2009, and was impacted by a severe rainstorm in late May. Further contributing to the increase were losses relating to several large property fires in 2010.

Alberta's loss ratio is consistent with the prior year, at 65.6% compared to 65.8% in 2009. The 2010 claim results were impacted by two significant rainstorms in June and July.

Ontario's loss ratio decreased to 78.9% in 2010 (2009 – 83.9%), with the improvement resulting from personal and commercial property loss ratios. Auto results have deteriorated over the first nine months of 2010, a result of higher injury claim severity and inherent uncertainty in the Ontario auto market.

The Maritimes' loss ratio decreased to 51.1% in 2010 from 58.5% in 2009, primarily due to fewer house fires in the current year.

Other expenses

For the third quarter, other expenses increased marginally ($0.5 million) compared to the same period in 2009. This is primarily due to an increase in commissions and premium taxes, a result of the premium growth experienced in the quarter.

For the first nine months of 2010, other expenses increased by $6.4 million or 6.0% from 2009. Consistent with the quarter, the majority of this increase is attributable to the growth in the premium base, with $6.1 million of the increase related to higher broker commissions and premium taxes.

Balance Sheet Review

(thousands of $)	September 30 2010	December 31 2009	Change
Total assets	**868,386**	**827,437**	**40,949**
Key asset account changes:			
Cash and cash equivalents	23,806	16,920	6,886
Accounts receivable	132,076	125,334	6,742
Reinsurers' share of unearned premiums	15,300	9,480	5,820
Unpaid claims recoverable from reinsurers	50,000	29,626	20,374

The increase in cash and cash equivalents is discussed in the Cash Flow and Liquidity section that follows. Accounts receivable increased primarily due to an increase in customer receivables, which is reflective of the premiums written growth.

Reinsurers' share of unearned premiums is higher than at the end of 2009 as most annual reinsurance contracts are written during the first quarter of the year, and earned over the remainder of the year. Additionally, in 2010 reinstatement premiums were required as a result of the storm activity in the second quarter. Storm-related claims also contributed to the growth in unpaid claims recoverable from reinsurers, with the increase largely representing amounts due under storm catastrophe reinsurance agreements.

(thousands of $)	September 30 2010	December 31 2009	Change
Total liabilities	**635,899**	**599,246**	**36,653**
Key liability account changes:			
Accounts payable and accrued liabilities	21,692	39,476	(17,784)
Unearned premiums	237,148	218,893	18,255
Provision for unpaid claims	333,764	293,575	40,189

Accounts payable and accrued liabilities decreased, largely due to payments made in the first quarter related to 2009 broker bonuses and investment commitments that were payable at year-end. The provision for unpaid claims increased by $40.2 million, largely due to losses related to the severe storm activity in Saskatchewan, of which many remain unpaid at September 30, 2010. Unearned premiums increased due to increased premium volumes.

(thousands of $)	September 30 2010	December 31 2009	Change
Total equity	**230,139**	**226,312**	**3,827**
Key equity account changes:			
Retained earnings	125,161	126,479	(1,318)
Accumulated other comprehensive income	24,978	19,833	5,145

Total equity increased by $3.8 million, attributable to a decrease of $1.3 million in retained earnings and an increase of $5.1 million in accumulated other comprehensive income (AOCI). The decrease in retained earnings is attributable to $28.0 million of dividends declared, offset by the $26.7 million profit realized to the end of September. The increase in AOCI is due to an increase in the market value of investments, primarily in the third quarter of 2010.

Cash Flow and Liquidity

	three months to September 30			nine months to September 30		
(thousands of $)	2010	2009	Change	2010	2009	Change
Operating activities	11,170	18,897	(7,727)	22,022	35,071	(13,049)
Investing activities	(4,602)	(29,823)	25,221	17,913	(30,913)	48,826
Financing activities	(2,839)	–	(2,839)	(33,049)	(14,009)	(19,040)
Net cash flow	3,729	(10,926)	14,655	6,886	(9,851)	16,737

Cash generated from operating activities in the third quarter is $7.7 million less than that generated in the third quarter of 2009 and, on a year-to-date basis, cash generated from operations is $13.0 million lower. These variances are primarily a result of the significant claims activity experienced in 2010, contributing to higher paid claims.

Positive cash flow from operations was used to purchase $4.6 million of long-term equity and bond investments and fund $2.8 million in dividend payments in the third quarter. On a year-to-date basis, positive cash flow from operations of $22.0 million and proceeds from the sale of investments of $17.9 million were used to fund dividend payments of $33.0 million with the excess invested in cash equivalent short-term investments.

Capital

	nine months to September 30	
	2010	2009
Minimum Capital Test Ratio	248%	273%

The Corporation uses a common industry measurement, the Minimum Capital Test (MCT), to monitor its capital adequacy. At September 30, 2010, the Corporation's MCT was 248% (December 31, 2009 – 254%), which is in excess of the 150% minimum regulatory target. For further information on capital management, refer to note 5 of the notes to the consolidated financial statements for the quarter.

Quarterly Consolidated Financial Highlights

The following table highlights quarter over quarter results for SGI CANADA:

	2010			2009				2008	
(thousands of $)	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3
Net premiums earned	102,768	100,751	97,220	98,166	94,468	90,477	87,444	88,282	85,651
Claims incurred	61,829	76,998	48,592	49,136	56,912	42,956	40,607	43,172	63,593
Net income (loss)	17,009	(7,006)	16,737	15,045	6,431	17,659	13,232	9,430	(6,442)
Cash flow from (used in) operations	11,170	14,419	(3,567)	33,361	18,897	25,208	(9,034)	34,163	11,937
Investments	577,533	554,967	564,926	579,730	566,248	519,335	489,212	506,114	484,208
Provision for unpaid claims	333,764	332,606	292,484	293,575	289,608	277,681	280,737	287,103	289,579
Minimum Capital Test	248%	246%	280%	254%	273%	265%	232%	228%	234%

The following points are intended to assist the reader in analyzing trends in the quarterly financial highlights for 2010:

- Net premiums earned generally increase on a quarter-over-quarter basis during the year.
- The first quarter generally experiences lower claims incurred compared to the rest of the year. Claims incurred generally rise in the second and third quarters as a result of the summer storm season.
- With the exception of the first quarter, the Corporation generates positive cash flow from operations. Cash is typically low in the first quarter as the Corporation pays its annual premium taxes to the province in March. Operating cash flows are generally strong throughout the remaining nine months of the year and during these months excess cash generated is reinvested into investments.

Risk Management

Understanding and managing risk is fundamental to the Corporation's success. Risks that the Corporation manages in order to reduce the impact on its operations and profitability include low tolerance for loss from diversification, claim provisions risk, financial markets risk, privacy risk, system availability and integrity risk, recruitment, retention and engagement risk, and responsiveness to business needs risk. These risks remain unchanged from the previous year-end and are described in detail in the Corporation's 2009 Annual Report.

Accounting Matters

Critical accounting estimates and assumptions

There are no new critical accounting estimates or assumptions as compared to those discussed in the Corporation's 2009 Annual Report.

New accounting standards

There are no new accounting standards as compared to those discussed in the Corporation's 2009 Annual Report.

Related party transactions

There have been no material changes to the Corporation's related party arrangements during the quarter. For further details on the Corporation's related party arrangements, refer to the 2009 Annual Report.

Off-balance sheet arrangements

SGI CANADA, in its normal course of operations, enters into certain transactions that are not required to be recorded on its Consolidated Statement of Financial Position, commonly referred to as the balance sheet. These items include litigation, structured settlements and a long-term telecommunications contract. There have been no new off-balance sheet arrangements during the quarter. For further details on off-balance sheet arrangements, refer to the 2009 Annual Report.

Future accounting standard changes

In February 2008, the CICA Accounting Standards Board confirmed that publicly accountable enterprises, including the Corporation and its subsidiaries, will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian generally accepted accounting principles (GAAP) for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures. The Corporation is considered to be a government business enterprise and therefore the Corporation and its subsidiaries are proceeding with the adoption of IFRS.

The Corporation has an IFRS conversion project ongoing that began with the development of a high-level IFRS implementation plan. The plan includes stakeholder identification, milestones and deadlines, planned scope and approach, risks and mitigations, project governance, and accountability responsibilities and resource requirements. A steering committee is in place that includes senior-level management who have the responsibility to ensure the project is adequately planned in sufficient detail, appropriate resources are available, necessary milestones are established and project progress is properly monitored. An external advisor has been engaged to assist with the conversion project. Regular reporting is provided by the project team to senior management, the Steering Committee and the Audit and Finance Committee of the Board of Directors.

The IFRS conversion project is progressing on schedule, in accordance with the plan. The project consists of four phases: Project Initiation and Initial Assessment, Detailed Assessment, Design and Execution. The Corporation has completed the Project Initiation and Initial Assessment stage, which involved a high-level preliminary assessment of the differences between Canadian GAAP and IFRS, and the potential impacts of IFRS to accounting and reporting processes, approval of the project charter and a high-level project plan, and the development of an IFRS training plan.

The Initial Assessment, completed in the first quarter of 2009, provided insight as to the most significant differences applicable to the Corporation, which include insurance contract classification and measurement, first-time adoption, financial instruments, property, plant and equipment, joint ventures, employee future benefits, consolidation and minority interest, provisions and leases, as well as the more extensive presentation and disclosure requirements under IFRS.

During the Detailed Assessment, completed in the fourth quarter of 2009, the Corporation selected IFRS accounting policies, made transitional elections and identified any information technology system requirements. This phase of the project was substantially completed December 31, 2009.

Set out below are the key areas where changes in accounting policies are expected to impact the Corporation's consolidated financial statements. The list and comments below should not be regarded as a complete list of all changes that will result from the transition to IFRS. The list is intended to highlight those areas believed to have the most significant financial impact to the Corporation at the time of writing this report.

Employee benefits

The Corporation plans to utilize an election to recognize all cumulative actuarial gains and losses existing at the date of transition immediately in retained earnings. In addition, vested past service costs are required to be expensed immediately under IFRS, whereas these costs were deferred and amortized under Canadian GAAP. This change in accounting policy will also be adjusted at the date of transition through retained earnings.

On a go-forward basis, actuarial gains and losses are permitted to be recognized using one of three options: the corridor method, immediately through profit or loss, or immediately in other comprehensive income. The Corporation plans to recognize actuarial gains and losses immediately in other comprehensive income upon adoption of IFRS.

Financial instruments

The Corporation plans to utilize the IFRS 1 election that allows it to change the designation of its financial instruments upon transition to IFRS. Upon transition, all investments are planned to be designated as fair value through profit and loss rather than their current designation as available for sale. This will result in changes in unrealized gains and losses on investments being recognized in the statement of operations, rather than through other comprehensive income.

Business combinations
The Corporation plans to utilize the IFRS 1 exemption, which allows the Corporation the option to apply IFRS 3, Business Combinations, prospectively from the transition date. If this exemption was not used, IFRS would require the restatement of all business combinations that occurred prior to the transition date. The Corporation will elect to not retrospectively apply IFRS 3, Business Combinations, to business combinations that occurred prior to the transition date and, as such, business combinations have not been restated. As a result of applying this exemption, goodwill and non-controlling interest arising on business combinations prior to the transition date have not been adjusted from the carrying value previously determined under Canadian GAAP.

Insurance contracts
The Corporation plans to utilize the IFRS 1 exemption, which allows the Corporation to disclose only five years of data in its loss development tables, consistent with the transitional provision of IFRS 4, Insurance Contracts. The disclosure will be increased in each subsequent year, until a full 10 years of information is included.

Under Canadian GAAP, the Corporation does not discount its provision for unpaid claims for all lines of business. In transitioning to IFRS, the Corporation is changing this policy to discount the provision for unpaid claims and the associated unpaid claims recoverable from reinsurers for all lines of business.

Leases
The Corporation plans to utilize the IFRS 1 exemption with regards to determining if an arrangement contains a lease. This exemption eliminates the requirement for the Corporation to re-assess the determination of whether an arrangement contains a lease at the date of transition if the conclusion reached under Canadian GAAP is the same as the conclusion that would have been reached under IFRS.

Property, plant and equipment
The Corporation plans to utilize the IFRS 1 election to measure its land and building as of the date of transition to IFRS at its fair value, and use that fair value as its deemed cost on a go-forward basis.

Caution Regarding Forward-Looking Statements

Forward-looking statements include statements regarding SGI CANADA's objectives and strategies, and its ability to achieve them. Forward-looking statements are based on estimations and assumptions made by the Corporation in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors it believes are relevant in the circumstances. SGI CANADA deems that the assumptions built into the forward-looking statements are plausible; however, undue reliance should not be placed on the Corporation's forward-looking statements, which only apply as of the date of this MD&A document.

Consolidated Statement of Financial Position

as at September 30, 2010 and December 31, 2009

	September 30 2010 (unaudited)	December 31 2009 (audited)
	(thousands of $)	
Assets		
Cash and cash equivalents	$ 23,806	$ 16,920
Accounts receivable	132,076	125,334
Deferred policy acquisition costs	56,044	52,412
Future income taxes	313	1,406
Reinsurers' share of unearned premiums	15,300	9,480
Investments (note 2)	577,533	579,730
Unpaid claims recoverable from reinsurers	50,000	29,626
Property, plant and equipment	9,688	8,746
Other assets	3,626	3,783
	$ 868,386	$ 827,437
Liabilities		
Accounts payable and accrued liabilities	$ 21,692	$ 39,476
Dividend payable	17,208	22,199
Premium taxes payable	14,070	17,474
Amounts due to reinsurers	9,030	4,578
Unearned reinsurance commissions	2,987	3,051
Unearned premiums	237,148	218,893
Provision for unpaid claims	333,764	293,575
	635,899	599,246
Non-controlling interest	**2,348**	1,879
Province of Saskatchewan's equity		
Equity advances	80,000	80,000
Retained earnings	125,161	126,479
Accumulated other comprehensive income	24,978	19,833
	230,139	226,312
	$ 868,386	$ 827,437

(see accompanying notes)

Consolidated Statement of Operations

for the periods ended September 30, 2010 and 2009

	three months to September 30		nine months to September 30	
	2010	2009	**2010**	2009
	(**unaudited**)	(unaudited)	(**unaudited**)	(unaudited)
	(thousands of $)		(thousands of $)	
Gross premiums written	$ 123,375	$ 112,349	$ 343,609	$ 313,313
Net premiums written	$ 113,912	$ 104,872	$ 312,847	$ 289,581
Net premiums earned	**$ 102,768**	$ 94,468	**$ 300,739**	$ 272,389
Claims incurred	61,829	56,912	187,419	140,475
Commissions	20,128	19,841	61,974	57,170
Administrative expenses	12,233	11,992	37,048	35,738
Premium taxes	4,924	4,493	14,302	13,017
Facility Association participation (note 8)	(135)	317	(489)	546
Total claims and expenses	**98,979**	93,555	**300,254**	246,946
Underwriting profit	**3,789**	913	**485**	25,443
Investment earnings (note 3)	14,415	5,659	28,160	12,197
Income before income taxes and non-controlling interest	**18,204**	6,572	**28,645**	37,640
Income taxes	1,004	23	1,567	321
Income after income taxes and before non-controlling interest	**17,200**	6,549	**27,078**	37,319
Non-controlling interest	191	118	338	(3)
Net income	**$ 17,009**	$ 6,431	**$ 26,740**	$ 37,322

(see accompanying notes)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the periods ended September 30, 2010 and 2009

	three months to September 30		nine months to September 30	
	2010	2009	**2010**	2009
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	(thousands of $)		(thousands of $)	
Net income	**$ 17,009**	$ 6,431	**$ 26,740**	$ 37,322
Other comprehensive income net of income taxes:				
Unrealized gain on available for sale financial assets arising during the period	18,922	17,268	18,434	29,829
Income tax expense	(1,407)	(1,302)	(1,370)	(2,321)
	17,515	15,966	17,064	27,508
Reclassification of net realized gain on sale of investments included in operations	(9,063)	(2,257)	(12,660)	(173)
Reclassification for investment write-downs included in operations	–	1,359	464	3,805
Income tax expense	390	–	277	81
	(8,673)	(898)	(11,919)	3,713
Other comprehensive income	**8,842**	15,068	**5,145**	31,221
Comprehensive income	**$ 25,851**	$ 21,499	**$ 31,885**	$ 68,543

(see accompanying notes)

Consolidated Statement of Changes in Province of Saskatchewan's Equity

for the periods ended September 30, 2010 and 2009

	three months to September 30		nine months to September 30	
	2010	2009	**2010**	2009
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	(thousands of $)		(thousands of $)	
Equity advances				
Balance, end of period	**$ 80,000**	$ 80,000	**$ 80,000**	$ 80,000
Retained earnings				
Balance, beginning of period	125,360	132,440	126,479	108,151
Net income	17,009	6,431	26,740	37,322
Dividend	(17,208)	(5,237)	(28,058)	(11,839)
Balance, end of period	**125,161**	133,634	**125,161**	133,634
Accumulated other comprehensive income (loss)				
Balance, beginning of period	16,136	5,835	19,833	(10,318)
Other comprehensive income	8,842	15,068	5,145	31,221
Balance, end of period	**24,978**	20,903	**24,978**	20,903
Total Province of Saskatchewan's equity	**$ 230,139**	$ 234,537	**$ 230,139**	$ 234,537

(see accompanying notes)

SGI CANADA

CONSOLIDATED STATEMENT OF CASH FLOWS

for the periods ended September 30, 2010 and 2009

	three months to September 30		nine months to September 30	
	2010	2009	**2010**	2009
	(**unaudited**)	(unaudited)	(**unaudited**)	(unaudited)
	(thousands of $)		(thousands of $)	
Cash provided by (used for):				
Operating activities				
Net income	$ 17,009	$ 6,431	$ 26,740	$ 37,322
Non-cash items:				
Amortization	918	549	2,472	1,778
Net realized gain on sale of investments	(9,063)	(2,257)	(12,629)	(173)
Future income taxes	1,017	–	1,093	–
Investment write-downs	–	1,359	464	3,805
Income (loss) attributable to non-controlling interest	191	118	338	(3)
Income from investments accounted for on the equity basis	(19)	(52)	(197)	(201)
Change in non-cash operating items (note 6)	1,117	12,749	3,741	(7,457)
	11,170	18,897	**22,022**	35,071
Investing activities				
Purchases of investments	(187,024)	(146,336)	(377,548)	(330,037)
Proceeds on sale of investments	182,851	116,235	396,737	298,541
Repayment of capital lease	136	123	399	361
Disposals (purchases) of property, plant and equipment	(565)	155	(1,675)	222
	(4,602)	(29,823)	**17,913**	(30,913)
Financing activities				
Dividends paid	**(2,839)**	–	**(33,049)**	(14,009)
Increase (decrease) in cash and cash equivalents	**3,729**	(10,926)	**6,886**	(9,851)
Cash and cash equivalents, beginning of period	20,077	13,374	16,920	12,299
Cash and cash equivalents, end of period	**$ 23,806**	$ 2,448	**$ 23,806**	$ 2,448

(see accompanying notes)

Notes to the Consolidated Financial Statements (unaudited)

September 30, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

These unaudited consolidated interim financial statements do not include all of the disclosures included in the Corporation's annual audited consolidated financial statements. The accounting policies used in the preparation of these interim financial statements are in accordance with Canadian generally accepted accounting principles (GAAP) and are consistent with those used in the preparation of the Corporation's 2009 annual audited consolidated financial statements. Accordingly, these interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Corporation's 2009 Annual Report.

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates, and changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the provision for unpaid claims, investment valuation, income taxes and employee future benefits.

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises, including the Corporation, will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Corporation commenced an IFRS conversion project in 2008. The project is on schedule and the Corporation is currently finalizing the impact that the adoption of IFRS will have on the financial statements.

2. INVESTMENTS

The carrying values of the Corporation's investments are as follows:

	(thousands of $)	
	September 30 2010	December 31 2009
Short-term investments	$ 15,695	$ 18,933
Bonds and debentures	385,655	393,128
Canadian common shares	74,080	68,330
U.S. common shares	20,919	22,637
Pooled funds:		
Canadian equity	17,240	17,287
United States equity	6,689	7,529
Non-North American equity	31,025	26,747
Mortgage	25,139	23,067
Preferred shares	735	735
Investments accounted for on the equity basis	356	1,337
Total investments	$ 577,533	$ 579,730

Investments accounted for on the equity basis

In June, the Corporation disposed of its 21.25% ownership interest in Charlie Cooke Insurance Agency Ltd. (CCIA) for proceeds of $1,146,000. After recording income of $160,000 during the first five months of the year, the net book value of CCIA was $1,177,000, resulting in a net loss on sale of $31,000. The purchasers are affiliated with the minority shareholder of ICPEI, who is a member of ICPEI's senior management. The transaction was in the normal course of operations.

The Corporation, through its subsidiary ICPEI, loaned the purchasers $1,146,000 in order to fund their purchase of the CCIA shares. The loan requires 10 equal annual payments of $128,790, including principal and interest, beginning on March 31, 2011. The loan accrues interest at an effective annual rate of 2.25% and is secured by a general security agreement covering all assets of CCIA. The loan is included as a component of accounts receivable and its fair value is considered to equal its book value.

The Corporation continues to have a 25% ownership interest in Atlantic Adjusting & Appraisals Ltd. and Maritime Finance & Acceptance Corporation.

Unrealized loss positions

The following table presents available for sale investments with unrealized losses at September 30, 2010 where the decline is considered temporary. The unrealized losses are recorded as a component of accumulated other comprehensive income.

	(thousands of $)			
	as at September 30, 2010		as at December 31, 2009	
	Carrying Value	Gross Unrealized Losses	Carrying Value	Gross Unrealized Losses
Bonds and debentures:				
Federal	$ –	$ –	$ 87,165	$ (491)
Provincial and municipal	187	(1)	20,956	(247)
Corporate	5,286	(5)	29,046	(365)
Canadian common shares	14,291	(925)	7,694	(465)
U.S. common shares	5,886	(646)	7,176	(498)
Pooled funds:				
Canadian equity	–	–	17,287	(1,807)
United States equity	–	–	7,529	(195)
Non-North American equity	31,025	(95)	26,747	(296)
	$ 56,675	$ (1,672)	$ 203,600	$ (4,364)

As at September 30, 2010, the cost of 32 (December 31, 2009 – 131) available for sale investments exceeded their fair value by $1,672,000 (December 31, 2009 – $4,364,000). The unrealized losses on the bonds and debentures arose primarily from changes in interest rates. For Canadian and U.S. common shares and pooled funds, the unrealized losses are primarily the result of investment-specific business environment factors associated with the underlying equity investments.

The Corporation conducts a quarterly review to identify and evaluate investments that show indications of impairment. An investment is considered impaired if its fair value falls below its cost, and a write-down is recorded in investment earnings when the decline is considered other than temporary. Factors considered in determining whether a loss is temporary include: the length of time and extent to which fair value has been below cost; financial condition and near-term prospects of the issuer; and, the ability to hold the investment for a period of time sufficient to allow for any anticipated recovery. During the quarter, no investment write-downs were recorded (September 30, 2009 – $1,359,000) related to impairments that were considered other than temporary.

Determination of fair value

Fair value is best evidenced by an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available, representing regularly occurring transactions. The determination of fair value requires judgment and is based on market information where available and appropriate. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation.

Level 1 – where quoted prices are readily available from an active market
Level 2 – valuation model not using quoted prices, but still using predominantly observable market inputs, such as market interest rates
Level 3 – models using inputs that are not based on observable market data

(thousands of $)	September 30, 2010 Level 1	September 30, 2010 Level 2	September 30, 2010 Total	December 31, 2009 Level 1	December 31, 2009 Level 2	December 31, 2009 Total
Short-term investments	$ 15,695	$ –	$ 15,695	$ 18,933	$ –	$ 18,933
Bonds and debentures	385,655	–	385,655	393,128	–	393,128
Canadian common shares	74,080	–	74,080	68,330	–	68,330
U.S. common shares	20,919	–	20,919	22,637	–	22,637
Pooled funds:						
Canadian equity	17,240	–	17,240	17,287	–	17,287
United States equity	6,689	–	6,689	7,529	–	7,529
Non-North American equity	31,025	–	31,025	26,747	–	26,747
Mortgage	–	25,139	25,139	–	23,067	23,067
	$ 551,303	$ 25,139	$ 576,442	$ 554,591	$ 23,067	$ 577,658

Preferred shares and investments accounted for on the equity basis are not included in the above fair value hierarchy table as the preferred shares are carried at cost and the investments accounted for on the equity basis are recorded using the equity method.

3. INVESTMENT EARNINGS

The components of investment earnings are as follows:

(thousands of $)	three months to September 30 2010	three months to September 30 2009	nine months to September 30 2010	nine months to September 30 2009
Net realized gain on sale of investments	$ 9,063	$ 2,257	$ 12,629	$ 173
Interest	3,150	3,433	10,167	10,436
Premium financing	1,106	919	3,157	2,603
Pooled fund distributions	605	123	1,537	1,706
Dividends	668	419	1,528	1,387
Investments accounted for on the equity basis	19	51	197	199
Interest on net investment in capital lease	9	22	38	76
Investment write-downs	–	(1,359)	(464)	(3,805)
Total investment earnings	$ 14,620	$ 5,865	$ 28,789	$ 12,775
Investment expenses	(205)	(206)	(629)	(578)
Net investment earnings	$ 14,415	$ 5,659	$ 28,160	$ 12,197

4. FINANCIAL RISK MANAGEMENT

The nature of the Corporation's operations result in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Corporation's investments. These financial risks are managed by having a Statement of Investment Policies and Goals (SIP&G), which is approved annually by the Corporation's Board of Directors, based on a recommendation from the Board's Investment Committee. The SIP&G provides guidelines to the investment manager for the asset mix of the portfolio and specifics regarding quality and quantity of debt, real estate and equity investments using a prudent person approach. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. SGI CANADA receives regular reporting from the investment manager and custodian regarding compliance with the SIP&G.

Credit risk

The Corporation's credit risk arises primarily from two distinct sources: accounts receivable (from its customers, brokers and reinsurers) and certain investments. The maximum credit risk to which it is exposed at September 30, 2010 is limited to the carrying value of the financial assets summarized as follows:

	(thousands of $)	
	September 30 2010 Carrying Value	December 31 2009 Carrying Value
Cash and cash equivalents	$ 23,806	$ 16,920
Accounts receivable	132,076	125,334
Fixed income investments [1]	426,489	435,128
Unpaid claims recoverable from reinsurers	50,000	29,626

[1] Includes short-term investments, bonds and debentures, and the mortgage pooled fund

Cash and cash equivalents include money market investments of $32,403,000 less bank indebtedness of $8,597,000 (December 31, 2009 – money market investments of $22,300,000 less cash on hand, net of outstanding cheques of $5,380,000). The money market investments mature within 90 days from the date of acquisition and have a credit rating of R-1.

Accounts receivable are primarily from customers, diversified among residential, farm and commercial customers, along with amounts from brokers across the provinces that SGI CANADA operates in. Accounts receivable consist of balances outstanding for one year or less. Provisions for credit losses are maintained in an allowance account and regularly reviewed by the Corporation. Amounts are written off once reasonable collection efforts have been exhausted.

Details of the allowance account are as follows:

	(thousands of $) nine months ended September 30 2010	(thousands of $) 12 months ended December 31 2009
Allowance for doubtful accounts, opening balance	$ 6,261	$ 4,900
Accounts written off	(1,507)	(1,430)
Current period provision	437	2,791
Allowance for doubtful accounts, ending balance	$ 5,191	$ 6,261

Credit risk within investments is primarily related to short-term investments, bonds and debentures, and the mortgage pooled fund. It is managed through the investment policy that limits debt instruments to those of high credit quality (minimum rating for bonds and debentures is BBB, and for short-term investments is R-1) along with limits to the maximum notional amount of exposure with respect to any one issuer. Credit ratings for the bonds and debenture investments are as follows:

	September 30, 2010		December 31, 2009	
Credit Rating	Carrying Value (thousands of $)	Makeup of Portfolio (%)	Carrying Value (thousands of $)	Makeup of Portfolio (%)
AAA	$ 231,177	59.9%	$ 202,557	51.5%
AA	73,974	19.2%	84,534	21.5%
A	59,264	15.4%	86,160	21.9%
BBB	21,240	5.5%	19,877	5.1%
Total	$ 385,655	100.0%	$ 393,128	100.0%

Within the bond and debenture portfolio, there are no holdings from one issuer, other than the Government of Canada or a Canadian province, over 10% of the market value of the combined bond and short-term investment portfolios. No one holding of a province is over 20% of the market value of the bond portfolio.

The unit value of the mortgage pooled fund is impacted by the credit risk of the underlying mortgages. This risk is limited by restrictions within its own investment policy, which include single loan limits, diversification by property type and geographic regions within Canada.

Through its custodian, the Corporation participates in an investment security lending program. Collateral of at least 102% of the market value of the loaned securities is held for the loan. This collateral is marked to market on a daily basis. In addition, the custodian provides indemnification against any potential losses in the securities lending program. At September 30, 2010, the Corporation had $151,416,000 (December 31, 2009 – $40,139,000) of securities on loan under the program and held collateral of $158,932,000 (December 31, 2009 – $42,149,000).

Credit risk associated with reinsurers is managed through regular monitoring of credit ratings of the reinsurers utilized by the Corporation. Reinsurers' credit ratings range from AA+ to A- based on the most recent ratings by A.M. Best.

Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk

The Corporation is exposed to changes in interest rates in its fixed income investments, including bonds and debentures, and the mortgage pooled fund. It is estimated that a 100 basis point increase/decrease in interest rates would decrease/increase other comprehensive income and accumulated other comprehensive income by $12.1 million at September 30, 2010 (December 31, 2009 – $18.1 million), representing 2.9% of the $410.8 million (December 31, 2009 – 4.2%, $435.1 million) of fixed income investments.

Foreign exchange

The Corporation is subject to changes in the U.S./Canadian dollar exchange rate on its U.S. equity investments, purchases of goods and services that are denominated in U.S. dollars, and a portion of claims payable and reinsurance receivable denominated in U.S. dollars. Also, the Corporation is exposed to Europe, Australasia and Far East (EAFE) currencies through its investment in the non-North American equity pooled fund. Exposure to both U.S. equities and non-North American equities is limited to a maximum 7% each of the market value of the total investment portfolio, excluding investments accounted for on the equity basis and preferred shares. At September 30, 2010, the Corporation's exposure to U.S. equities was 4.8% (December 31, 2009 – 5.2%) and its exposure to non-North American equities was 5.4% (December 31, 2009 – 4.6%).

At September 30, 2010, a 10% appreciation/depreciation in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a $2.8 million (December 31, 2009 – $3.0 million) decrease/increase in other comprehensive income and accumulated other comprehensive income. A 10% appreciation/depreciation in the Canadian dollar versus the EAFE currencies would result in approximately a $3.1 million (December 31, 2009 – $2.7 million) decrease/increase in other comprehensive income and accumulated other comprehensive income. As U.S. common shares, the U.S. equity pooled fund and non-North American equity pooled fund are classified as available for sale, any unrealized changes due to foreign currency are recorded as other comprehensive income and do not directly impact net income until the investment is sold.

The Corporation's exposure to foreign exchange risk within its bond and debenture portfolio is limited to a maximum 5% of the market value of the bond and debenture portfolio. As well, no more than 10% of the market value of the bond portfolio shall be invested in bonds of foreign issuers.

The Corporation's exposure to exchange rate risk resulting from the purchase of goods and services, and claims and reinsurance receivables and payables, is not considered material to the operations of the Corporation.

Equity prices
The Corporation is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities comprise 26.1% (December 31, 2009 – 24.7%) of the carrying value of the Corporation's total investments. Individual stock holdings are diversified by geography, industry type and corporate entity. No one investee or related group of investees represents greater than 10% of the market value of the Corporation's common share portfolio, and no one holding represents more than 10% of the voting shares of any corporation.

The Corporation's equity price risk is assessed using Value at Risk (VaR), a statistical technique that measures the potential change in the value of an asset class. The VaR has been calculated based on volatility over a four-year period, using a 95% confidence level. As such, it is expected that the annual change in the portfolio market value will fall within the range outlined in the following table 95% of the time (19 times out of 20 years).

	(thousands of $)	
Asset Class	September 30 2010	December 31 2009
Canadian pooled equity fund and Canadian common shares	+/- 35,902	+/- 32,877
U.S. pooled equity fund and U.S. common shares	+/- 6,957	+/- 7,542
Non-North American pooled equity fund	+/- 10,424	+/- 9,147

The Corporation's equity investments are classified as available for sale and, as such, any unrealized changes in their fair value are recorded as other comprehensive income and do not directly impact net income until the investment is sold.

Liquidity risk
Liquidity risk is the risk that the Corporation is unable to meet its financial obligations as they fall due. Cash resources are managed daily based on anticipated cash flows. The majority of financial liabilities, excluding certain unpaid claims liabilities, are short-term in nature, due within one year. The Corporation generally maintains positive overall cash flows through cash generated from operations, although they can be negative in the first quarter as a result of annual premium tax payments.

5. CAPITAL MANAGEMENT

The Corporation's primary objectives when managing capital are to ensure adequate funding is available to pay policyholder claims, be flexible in its product offerings and support its growth strategies, while providing an adequate return to its shareholder. Its main sources of capital are retained earnings and cash injections in the form of equity advances from its parent, Crown Investments Corporation. There were no changes to the Corporation's capital structure during the period.

The Corporation uses a common industry measurement, the Minimum Capital Test (MCT), to monitor its capital adequacy. The MCT is a risk-based capital adequacy formula that assesses risks to assets, policy liabilities and off-balance sheet exposures by applying various factors to determine a ratio of capital available over capital required.

SGI CANADA is not a regulated insurer; however, its subsidiaries, SGI CANADA Insurance Services Ltd., Coachman Insurance Company and the Insurance Company of Prince Edward Island, are subject to rate regulation related to their automobile premiums. Regulators require insurers to maintain a level of capital sufficient to achieve an MCT ratio based on the risk profile of the insurer and its insurance business, generally at or above 150%. At September 30, 2010, the Corporation's MCT was 248% (December 31, 2009 – 254%). There have been no changes to the Corporation's capital management processes and measures since the prior year-end.

6. CHANGE IN NON-CASH OPERATING ITEMS

	(thousands of $)			
	three months to September 30		nine months to September 30	
	2010	2009	2010	2009
Accounts receivable	$ (5,450)	$ (4,003)	$ (6,742)	$ (20,445)
Deferred policy acquisition costs	(2,521)	(2,618)	(3,632)	(4,424)
Reinsurers' share of unearned premiums	395	(488)	(5,820)	(2,551)
Unpaid claims recoverable from reinsurers	(7,484)	(2,473)	(20,374)	541
Other assets	(720)	222	(1,335)	(220)
Accounts payable and accrued liabilities	349	(4,171)	(17,784)	(3,860)
Premium taxes payable	5,032	4,688	(3,404)	(2,781)
Amounts due to reinsurers	(368)	(1,537)	4,452	3,631
Unearned reinsurance commissions	(28)	151	(64)	(111)
Unearned premiums	10,754	11,051	18,255	20,258
Provision for unpaid claims	1,158	11,927	40,189	2,505
	$ 1,117	$ 12,749	$ 3,741	$ (7,457)

7. EMPLOYEE FUTURE BENEFITS

The costs incurred during the quarter associated with the Corporation's defined benefit pension plan and its defined benefit service recognition plans and the allocation of costs to the Saskatchewan Auto Fund for those employees of the Corporation who provide service to it are as follows:

	(thousands of $)			
	three months to September 30		nine months to September 30	
	2010	2009	2010	2009
Costs incurred	$ 811	$ 729	$ 2,433	$ 2,187
Allocated to:				
SGI CANADA	255	258	765	773
Saskatchewan Auto Fund	556	471	1,668	1,414
	$ 811	$ 729	$ 2,433	$ 2,187

8. FACILITY ASSOCIATION PARTICIPATION

Through its subsidiaries, the Corporation is a participant in various risk-sharing pools whereby most companies in the industry share resources to provide insurance for high risks. Facility Association transactions recorded in the Corporation's financial results are as follows:

	(thousands of $)			
	three months to September 30		nine months to September 30	
	2010	2009	2010	2009
Net premiums written	$ 800	$ 1,324	$ 3,315	$ 3,561
Net premiums earned	$ 794	$ 1,165	$ 2,988	$ 3,047
Claims incurred	424	1,178	1,465	2,697
Commissions	46	66	292	97
Premium taxes	25	64	94	95
Administrative expenses	200	238	721	833
Total claims and expenses	695	1,546	2,572	3,722
Underwriting profit (loss)	99	(381)	416	(675)
Investment earnings	36	64	73	129
Net profit (loss)	$ 135	$ (317)	$ 489	$ (546)

9. SEGMENTED INFORMATION

The Corporation provides property and casualty insurance through four operating segments: Saskatchewan, Manitoba and Alberta, Ontario and the Maritimes (where Maritimes represents Prince Edward Island, New Brunswick and Nova Scotia). The performance of each operating segment is reported separately to the Corporation's Board of Directors. These operating segments correspond with the legal entities that make up the Corporation, as listed below:

- SGI CANADA in Saskatchewan;
- SGI CANADA Insurance Services Ltd. in Manitoba and Alberta;
- Coachman Insurance Company in Ontario; and,
- The Insurance Company of Prince Edward Island in Prince Edward Island, New Brunswick and Nova Scotia.

(thousands of $)

three months to September 30, 2010	Saskatchewan	Manitoba & Alberta	Ontario	Maritimes	Consolidation Adjustments	Total
Net premiums written	$ 84,437	$ 13,606	$ 10,215	$ 5,654	$ –	$113,912
Net premiums earned	$ 77,024	$ 11,176	$ 9,540	$ 5,028	$ –	$102,768
Claims incurred	44,783	6,830	7,895	2,321	–	61,829
Other expenses	28,703	3,773	2,871	1,803	–	37,150
Underwriting profit (loss)	3,538	573	(1,226)	904	–	3,789
Investment earnings	11,471	1,492	1,221	231	–	14,415
Income (loss) before the following:	15,009	2,065	(5)	1,135	–	18,204
Income taxes (recovery)	–	637	(2)	369	–	1,004
Non-controlling interest	–	–	–	–	191	191
Net income (loss)	$ 15,009	$ 1,428	$ (3)	$ 766	$ (191)	$ 17,009

(thousands of $)

three months to September 30, 2009	Saskatchewan	Manitoba & Alberta	Ontario	Maritimes	Consolidation Adjustments	Total
Net premiums written	$ 80,817	$ 12,010	$ 6,960	$ 5,085	$ –	$104,872
Net premiums earned	$ 74,591	$ 9,268	$ 6,419	$ 4,190	$ –	$ 94,468
Claims incurred	43,460	6,199	5,541	1,712	–	56,912
Other expenses	28,801	3,556	2,258	2,028	–	36,643
Underwriting profit (loss)	2,330	(487)	(1,380)	450	–	913
Investment earnings	4,278	(312)	1,428	265	–	5,659
Income (loss) before the following:	6,608	(799)	48	715	–	6,572
Income taxes (recovery)	–	(236)	16	243	–	23
Non-controlling interest	–	–	–	–	118	118
Net income (loss)	$ 6,608	$ (563)	$ 32	$ 472	$ (118)	$ 6,431

SGI CANADA

(thousands of $)

nine months to September 30, 2010	Saskatchewan	Manitoba & Alberta	Ontario	Maritimes	Consolidation Adjustments	Total
Net premiums written	$232,119	$ 33,811	$ 31,256	$ 15,661	$ –	$312,847
Net premiums earned	$229,174	$ 31,575	$ 25,766	$ 14,224	$ –	$300,739
Claims incurred	139,165	20,668	20,324	7,262	–	187,419
Other expenses	88,741	10,803	7,839	5,452	–	112,835
Underwriting profit (loss)	1,268	104	(2,397)	1,510	–	485
Investment earnings	22,243	2,420	2,926	571	–	28,160
Income before the following:	23,511	2,524	529	2,081	–	28,645
Income taxes	–	727	164	676	–	1,567
Non-controlling interest	–	–	–	–	338	338
Net income	$ 23,511	$ 1,797	$ 365	$ 1,405	$ (338)	$ 26,740
Total assets	$608,131	$107,264	$141,598	$ 42,981	$ (31,588)	$868,386
Province of Saskatchewan's equity	$143,008	$ 37,841	$ 40,810	$ 10,828	$ (2,348)	$230,139

(thousands of $)

nine months to September 30, 2009	Saskatchewan	Manitoba & Alberta	Ontario	Maritimes	Consolidation Adjustments	Total
Net premiums written	$226,211	$ 28,950	$ 21,070	$ 13,350	$ –	$289,581
Net premiums earned	$216,985	$ 25,575	$ 18,332	$ 11,497	$ –	$272,389
Claims incurred	102,809	15,561	15,378	6,727	–	140,475
Other expenses	84,816	9,979	6,293	5,383	–	106,471
Underwriting profit (loss)	29,360	35	(3,339)	(613)	–	25,443
Investment earnings	7,202	948	3,372	675	–	12,197
Income before the following:	36,562	983	33	62	–	37,640
Income taxes	–	289	11	21	–	321
Non-controlling interest	–	–	–	–	(3)	(3)
Net income	$ 36,562	$ 694	$ 22	$ 41	$ 3	$ 37,322
Total assets	$563,735	$106,705	$124,862	$ 37,929	$ (41,713)	$791,518
Province of Saskatchewan's equity	$155,307	$ 31,894	$ 40,133	$ 9,062	$ (1,859)	$234,537