



Sovereign General to Focus on Core Strength

Calgary, AB, February 8, 2006 – In keeping with its strategic goal to focus on its core strength of commercial insurance, The Sovereign General Insurance Company announced today that it will no longer write personal auto and home insurance in Alberta, Nova Scotia, Saskatchewan and the Northwest Territories. The size of the portfolios and their geographic concentration create an unacceptable level of exposure for the company. Personal auto and home insurance portfolios are just a fraction of The Sovereign General's business and represent less than one per cent of the total market in each of the affected provinces and territory.

The Sovereign will, however, continue to develop its historically profitable Habitational book in British Columbia and niche personal lines products in other selected areas of the country.

“Sovereign's strength is within the commercial insurance market. To continue along our path of positioning the company for long-term success, it is important that we reaffirm our core strength and focus our energy and resources on commercial lines,” said Sovereign's chief operating officer, Peter Parkin. “I want to emphasize that service for our brokers and policyholders will be uninterrupted. Brokers will have ample time to place the business with other providers and, of course, all claims will be honoured.” Parkin added that all of Sovereign General's offices across Canada will be in an even better position to concentrate on the core needs of their brokers.

By realigning its focus and resources, Sovereign General seeks to build upon its position as one of the major commercial insurers in Canada. Headquartered in Calgary with ten offices across the country, The Sovereign distributes a wide range of commercial, personal, marine and special risk products through independent insurance brokers across Canada. Sovereign General is a member of The Co-operators group of companies.

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