



2022 ANNUAL REPORT





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Message from Management

Our 80th anniversary in 2022 coincided with a year of great volatility. Along with new opportunities, we faced unprecedented challenges. Early in the fiscal year we grappled with the ups and downs of the financial markets and with the omicron variant, which severely dampened travellers' enthusiasm and put travel back on pause after the borders had only just opened in November 2021.

However, the recovery kicked into high gear in early spring, and Blue Cross was riding high. Our travel insurance and assistance revenues surged beyond pre-pandemic levels. We also got back on track for growth in personal health insurance, particularly in the Ontario market through a strategic partnership with Medavie Blue Cross initiated in 2021.

It was the perfect time to launch our new brand signature. *"Blue Cross. Wherever life may take you"* exemplifies our commitment to personalized support for our customers, partners, and employees, regardless of location, circumstances, or life stage.

Getting back to growth

After two years of uncertainty, the travel industry has bounced back now that health measures have been relaxed in most of the West.

Although the start of the year was slow, travel insurance sales were on an uptick at the end of the first quarter, buoyed by a greater tendency among travellers to purchase insurance. Sales were up nearly 25% over the 2019 benchmark, a new record.

Despite the obstacles, we managed to maintain the quality of our services and support, particularly on the travel assistance side, where our revenue doubled.

We are bringing our personal health insurance lines up to date with competitive products that better meet the needs of our customers. In Ontario, we have launched new health insurance products in both of our distribution networks, and we expect promising growth in the next few years.

More specifically, we are targeting the youth and family segment as an area where we can grow. New programs highlighting the advantages of Blue Cross insurance will enhance brand awareness among these two groups.

Ramping up our transformation

We are continuing our digital transformation to ensure the best possible experience for our customers, employees, and partners. Our client promise, *"We care for you wherever you are,"* has been crafted to reflect our expert, compassionate, and empathetic approach.

In response to the recovering travel industry, labour market challenges and changing consumer behavior, we have adopted our 2023-2025 strategic plan that aims to accelerate the transformation of our business model by implementing leading-edge technologies and strengthening our strategic partnerships. Our goal is to seize new growth opportunities while pragmatically integrating responsible development (ESG) by focusing on our five pillars: brand, customer experience, financial strength, operational performance and talent development.

We have launched a new innovation unit tasked with creating a travel platform that will boost our efficiency and meet our objectives for an improved customer experience that is simple, fluid, and easy to use. With the rollout of the Salesforce tool, our Customer Relations Centre agents now have access to all customer-generated online quotes. We also used Salesforce to launch a pilot project for our pre-travel assistance teams.

All of these moves will allow us to sharpen our business intelligence acumen and better understand market trends, performance indicators, and our customers' habits. Related investment in our support systems will also enhance data analytics and the overall performance of the organization.

"This has been a year of many great accomplishments. Our committed and motivated teams have made a difference every day through their unwavering support for our partners and customers. As we look forward to 2023, we are ready to chart ambitious goals as a strong and sustainable organization."

Sylvain Charbonneau
President and
Chief Executive Officer

Bigger and stronger partnerships

In 2022 we continued to increase our level of collaboration with other Canadian Association of Blue Cross Plans members. The westward expansion of our travel insurance segment continues, with Alberta joining Saskatchewan and the Atlantic provinces as regions where we distribute our products. Our management services for travel assistance claims are now available in Manitoba.

One of the things that has made these advances possible is our partnership with the Blue Cross Blue Shield health facility network in the United States. We have had access to the network for over a year through our partner GeoBlue, with tangible results squarely in line with our expectations for performance and customer experience.

The 2021 pilot project for the distribution of new health insurance products via the Medavie platform became permanent in 2022, and now all our products are available online. In addition, collaboration with Medavie has allowed us to break into the Ontario brokerage network and benefit from a potential increase in cross-selling across various Blue Cross segments.

Continuing our philanthropic involvement

Community involvement has been part of our DNA since our inception in 1942. Through our philanthropic partners, we have direct access to local communities enabling us to make a difference in their lives. To express our appreciation, we recognized these partners at an event to commemorate our 80th anniversary.

Over the course of the year, we have fine-tuned the pillars that guide our charitable work. We aim to prioritize initiatives that serve children, teens, and families.

With this in mind, we have entered into a new and exclusive six-year partnership with the CHU Sainte-Justine Foundation as part of the Tout doux project, which aims to prevent and manage pain and procedural anxiety in patients and make things less stressful for their parents.

We also set up the first-ever partnership between all Canadian Blue Cross Plans and Make-a-Wish Canada. The official launch will take place in 2023.



Sylvain Charbonneau
President and Chief Executive Officer

Financial highlights

Our 2022 financial results were satisfactory overall. Total revenue reached the \$200 million mark, up more than 100% over the previous year, driven by the travel industry and profit from the sale of certain investments. We posted a net surplus of \$4 million despite a challenging economic environment and significant investment in cybersecurity and system upgrades.

Our investments have also suffered from the economic and geopolitical turmoil of the past year. We have thoroughly reviewed our strategy as a result of this potentially persisting environment and the investments we will make in the next few years. The purpose of this is to reduce the volatility of investment income.

We also ended the year with a solvency ratio of 281%, well above the industry average.

Employee-driven success

Blue Cross is strong and growing. We have brought new employees on board to serve the travel industry, and everyone is committed to our redefined corporate values (commitment to customers, excellence, caring, and collaboration).

We offer flexible back-to-the-office work arrangements and continue to invest in the latest, most efficient and innovative tools to enrich the customer experience and improve performance in all our business sectors.

The outstanding collaboration and adaptability of all our teams are what makes it possible to achieve our ambitious goals. That is why we are deeply grateful to all of our employees, whose enthusiasm and commitment day in and day out allow Blue Cross to remain a trusted ally for our customers, partners, and communities.

We also recognize the efforts of our board members and management team. Their hard work and dedication are major factors in the success of our organization.

We look forward to 2023 with the confidence to achieve our goals.



Jean Laurin
Chair of the Board of Directors



“Our organization had a very demanding year in 2022. We surpassed our benchmark year and set new records. The hard work of our teams and partners has put us back on track for sustainable growth. There will be bumps along the way in 2023, but I am confident that we will rise to the challenge.”

Jean Laurin
Chair of the Board of Directors



Bringing Our Employees Together

Adapting to the new reality

In March 2020, we had to face the unknown with its many obstacles and changes. Though the upheavals were many, each challenge has made us stronger and more united. After two years of uncertainty, we were able to adapt to the new reality of work.

To address these changes, we put in place a flexible work arrangement. We did so hand in hand with our many employees, listening to them to better meet their new needs. We guided them through the transition from office to remote work and helped make things as smooth as possible for each of them.

Our growth this year required a series of hires, expanding our team to nearly 700 employees. A record year!

Embodying our values

This year, we seized the opportunity to reshuffle the deck. With a continued focus on our corporate culture, we introduced new organizational values.

Commitment to customers: Give our best to deliver on the Blue Cross Promise and build customer loyalty

Excellence: Strive to meet customer needs in every situation

Caring: Establish healthy, lasting relationships with our customers, employees, partners and the community by looking after their well-being

Collaboration: Work and succeed together

We organize initiatives throughout the year to take care of our employees—as ever our top priority. In addition to adding eligible categories to the Wellness Account, we expanded our Employee Assistance Program. These new features support our regular activities such as the monthly health and wellness newsletter and November in Action event.

Solidifying relationships with our employees

Because we are committed to supporting all of our teams during these changing times, we will continue fine-tuning our HR practices to enrich our employees' experience.

We are pleased to see growing enthusiasm for team activities at the office, which promote friendly interaction in our daily routine.

Lastly, we were named one of Montreal's Top Employers for the fifth consecutive year. We are proud of this new nomination, which gives us motivation for 2023.

Renewing our Philanthropic Approach

Making customers our top priority

We have been a part of people's lives for over 80 years, and we've always been committed to making a difference in our communities. This integral part of who we are led us to strengthen our philanthropic approach in 2022 by defining our mission:

Protect, promote and improve the health and well-being of children and adolescents.

The areas of focus and partnerships we will pursue for this purpose were selected for their positive and lasting impact. We are committed to supporting initiatives that offer caring and personalized support, as well as projects aiming to reduce inequalities in access to healthcare services. We partner with organizations that help people meet their basic needs and provide fair and equitable living conditions for all.

We are pleased to share our partners' concrete actions in this first [philanthropic impact report](#).

Being there for our partners

Once again this year, we supported our long-standing partners: Make-A-Wish® | Rêves d'enfants^{MD} Canada, Fondation Olo, Orchestre symphonique de Montréal, CHU Sainte-Justine, Dr. Clown Foundation, NOVA Home Care and UpstartED. To help even more children and teens, we partnered with Holland Bloorview and the SickKids Foundation's Herbie Fund.

Our initiatives would not be so successful without our corporate culture that encourages our employees to get involved. Their outstanding participation and support are key. We are grateful for their generosity in our annual United Way/HealthPartners campaign.

Continuing our community involvement

This year also marks the beginning of an exclusive six-year partnership with the CHU Sainte-Justine Foundation as part of the TOUT DOUX (gentle care) program. Since 2014, we have supported this foundation in enabling many young CHU Sainte-Justine patients travel despite their pre-existing conditions.

This program was created by Dr. Marie-Joëlle Doré-Bergeron, pediatrician and head of the pain clinic and Dr. Evelyne Doyon Trottier, pediatric emergency physician. Dr. Doré-Bergeron and Dr. Doyon Trottier co-direct the program. It seeks to prevent and manage pain and procedural anxiety for patients and reduce stress for their parents.

This strong and sustainable new collaboration further reflects our shared vision of caring for the children of Quebec.

2022 was a pivotal year for our philanthropic approach.

In 2023, we are committed to doing even more to help communities in Quebec and Ontario.

Consolidating Our Expertise in the Travel Industry

Keeping in touch with our customers

Although demand for travel was weak at the beginning of the year, it has finally picked up speed. Travellers are ready for new adventures! To boost this hesitant recovery, we implemented several initiatives as part of our travel relaunch, which ran from May to October, to reach new audiences and build customer loyalty.

Our campaign was particularly successful, outperforming our 2019 sales and far exceeding our 2022 targets. To thank our loyal customers, we are now offering 5% off their annual travel insurance renewal.

For our travel assistance services, we are continuing our digital shift, including rollout of the Salesforce pilot project for our pre-travel teams. This forward momentum allows us to ensure a personalized experience for our customers, partners and employees.

Improving our products and services

In May we changed the name of our Serenity Service to Flight Delay Service for clarity and ease of understanding. The new name says in a few words what this service offers and improves the customer experience. It is now available to Alberta Blue Cross and Saskatchewan Blue Cross customers.

The past few years have taught us the importance of adapting. We draw on our customers' experience to adjust our products and ensure they meet new market realities. As of November, all customers who purchase Trip Cancellation or Interruption coverage are eligible for our Optional Protection: Pandemic.

In an effort to improve the customer experience and our efficiency, we modernized our online quote and underwriting tool in July. In September, we reactivated our annual travel insurance renewal platform.

In 2022, we improved our Visitors to Canada travel insurance, which is available online. We also upgraded certain coverage amounts for a streamlined, enhanced offering.





Expanding our partnerships

In 2022, our partnerships with other Blue Cross Plans continued growing. Our Baggage and Trip Cancellation or Interruption coverages are now available to Saskatchewan Blue Cross customers. We also work with Alberta Blue Cross to offer our travel products, including our Visitors to Canada insurance. These partnerships strengthen our presence across the country and allow us to reach a wider audience.

In 2022, we celebrated the one-year anniversary of our partnership with GeoBlue, which gives our customers access to one of the largest networks of providers and healthcare facilities in the United States. This year, our teams processed over 12,500 claims through this partnership.

We encountered all sorts of roadblocks over the past year, but we stayed the course thanks to our determination to support our customers and partners wherever, whenever. This is what allows us to make a difference today and consolidate our approach as a travel insurance expert.

Upgrading the Health Experience

Launching new products

Building on our projects to optimize our health insurance solutions and boost our growth in Ontario in 2021, we launched the Blue Cross Health product line in brokerage, in partnership with Medavie Blue Cross.

We offer flexible and customizable health insurance coverage to meet the needs of each customer, including those without access to group insurance, retirees and self-employed workers.

Our full range of products includes essential health care such as dental and drug coverage. Our customers also enjoy exclusive benefits at no cost, such as wellness programs.

This new offering makes our customers' lives easier by providing them with an end-to-end web and mobile solution. Our customers can get a quote or submit a claim anytime, anywhere. This project to improve customer experience by making it seamless and user-friendly takes us in the right direction.

We reviewed our product line in an effort to modernize our portfolio and carefully tailor our offering to our customers' needs. This included reassessing the amounts of some of our health insurance products to give our customers enhanced benefits.





Offering solutions at every life stage

This year, we worked hard to complete the transfer of life and living benefits to put everything under one roof: Blue Cross Life. We brought together a wide range of products to make things easier for our customers.

Since December, we have offered a simplified issue product for people age 61 to 70. This solution, available for purchase online, allows us to expand our current coverage.

For the past few months, our certified agents using the Lia sales platform have been able to offer our customers a variety of exclusive life insurance products to support them in their life insurance purchasing journey.

2022 marked a real turning point for our growth in the health insurance sector. We innovated to get closer to our customers. We will continue on this path in 2023, with the same goal in mind: provide a seamless and personalized omnichannel experience. This includes preparing for the Blue Cross Health rollout in Quebec in the coming months.



Wherever life may take you