

# SIMPLIFIED DOCUMENT



MARCHING INTO  
*the future*

WITH THE CONVERSION  
OF INDUSTRIAL-ALLIANCE  
INTO A SHARE CAPITAL  
COMPANY

*The following text presents some of the main points covered in the Member Guide, which contains all the details concerning the proposal to convert Industrial-Alliance into a share capital company, and should be read in conjunction with this document.*



**INDUSTRIAL  
ALLIANCE**  
LIFE INSURANCE COMPANY



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## → MESSAGE TO INDUSTRIAL-ALLIANCE POLICYHOLDERS

Dear Sir/Madam,

The board of directors of Industrial-Alliance is proposing a very important change for the future of the Company. It involves converting its ownership structure from a mutual insurance company into a share capital insurance company. If approved by the policyholders and annuity contract holders, also called "members", this proposal will give Industrial-Alliance a better access to the financial markets to raise the funds necessary for its development.

The conversion will involve the distribution of shares of Industrial-Alliance to nearly 700,000 eligible members of the Company – those who had an insurance policy or annuity contract in force on April 30, 1999. If you are eligible, you will have the option of keeping these shares or receiving a cash amount. It is important to understand that the conversion will in no way affect your insurance or annuity coverage.

In order to proceed, the conversion must be approved by at least two-thirds of the members who vote at a Special Meeting to be held at the Palais Montcalm in Québec City on Monday, November 8, 1999 at 10:00 a.m. Voting will be in person or by proxy. Only members whose policy is in force at the time of the Special Meeting will be entitled to vote.

The purpose of this brochure is to answer the questions you are most likely to ask about the proposal and to explain in simple terms how to notify us of your decision. Please read it carefully. It summarizes the main points of the *Member Guide* enclosed with this mailing.

To help you understand the proposal, we have also prepared a 30-minute television program. The broadcast schedule is indicated on page 17 of this brochure. The program will only be aired in Québec on French channels. For further information, please feel free to contact our Information Centre at the phone number or address indicated on page 16.

The members of the board of directors believe that the conversion is both in your interests and in the interests of Industrial-Alliance. They therefore recommend that you vote **yes** to the special resolution approving the conversion into a share capital company.

We hope you find this material interesting!

Yours very truly,



Yvon Charest

Raymond Garneau

Raymond Garneau  
Chairman of the Board and Chief Executive Officer

Yvon Charest  
President and Chief Operating Officer



## → HIGHLIGHTS OF THE CONVERSION

- The board of directors is proposing that the ownership structure of Industrial-Alliance be converted from a mutual insurance company into a share capital insurance company. A mutual company belongs in a certain way to its policyholders whereas a share capital company belongs to its shareholders.
- This conversion will benefit Industrial-Alliance in that it will facilitate its long-term growth by giving it better access to capital through the financial markets.
- If you are an eligible policyholder, you will also benefit from the conversion because Industrial-Alliance will allot a certain number of Company shares to you. You will have the option, on certain conditions, of keeping the shares or receiving a cash amount.
- You are eligible for the benefits resulting from the conversion if you held an Industrial-Alliance policy or annuity contract in force on April 30, 1999.
- The conversion will in no way affect the insurance or annuity coverage which you hold as an Industrial-Alliance client.
- There are two things you have to do:
  - vote on the conversion proposal, in person or by proxy
    - ↳ if you hold an Industrial-Alliance insurance policy or annuity contract on the day of the Special Meeting;
  - indicate whether you prefer to receive the shares or a cash amount
    - ↳ if you are eligible for conversion benefits.
- The conversion proposal must be approved by at least two-thirds of the votes cast at the Special Meeting which will be held on Monday, November 8, 1999 at 10:00 a.m. at the Palais Montcalm, 995 Place d'Youville, Québec City, Québec. Voting will be in person or by proxy.
- If the conversion proposal is approved, a private member's bill to authorize the conversion will be submitted to the National Assembly of Québec for adoption.
- Industrial-Alliance then intends to proceed with an initial public offering before the end of the first quarter of the year 2000. The Montreal Exchange and The Toronto Stock Exchange have conditionally approved the listing of Industrial-Alliance shares for trading. The shares or cash amounts will be distributed to eligible policyholders after the share issuance.
- To find out more about the proposal, you can watch a special television program which will only be aired in Québec, on French channels. You can also participate in one of two public information meetings, which will be held in the Montréal and Québec City regions, or contact the Information Centre for the conversion specially set up by Industrial-Alliance.

*The following text presents some of the main points covered in the Member Guide, which contains all the details concerning the proposal to convert Industrial-Alliance into a share capital company, and should be read in conjunction with this document. Additional copies of the Member Guide may be obtained by contacting Industrial-Alliance toll free at 1-877-684-5000.*



## → WHAT IS THE CONVERSION INTO A SHARE CAPITAL COMPANY?

**It is simply an operation intended to convert Industrial-Alliance's ownership structure from a mutual company to a share capital company.**

### *What is a mutual company?*

A mutual company is a company that belongs in a certain way to its policyholders, also known as mutual "members" or "mutualists". By taking out a policy or contract with Industrial-Alliance, the holder not only obtains insurance coverage or an annuity contract but also, often without knowing it, becomes an "owner" of the Company. Under the laws governing the Company, all policyholders are members, whether they have a participating or non-participating policy or contract. If you hold an insurance policy or annuity contract with Industrial-Alliance, you are therefore in a certain way one of the "owners" of the Company.

### *What rights do you have as a mutual member?*

As a mutual member, you are entitled to vote at the General or Special Meetings of the Company and elect its directors. However, your "ownership" right is very limited in practice since you can neither sell nor trade it, and it ends when your insurance policy or annuity contract lapses. You therefore cannot derive any financial benefit from this "ownership" right.

### *What is a share capital company?*

A share capital company is a company that belongs to its shareholders. It is the most widespread form of ownership in the business world. Shareholders are entitled to vote at company meetings and elect its directors, as members can for a mutual company, but they can also sell or trade their shares and thus receive the value of their ownership interest, if they wish.

### *What will the conversion of Industrial-Alliance change?*

The proposal submitted to you is intended to convert Industrial-Alliance's ownership structure from a mutual company into a share capital company. Specialists call this process "demutualization". Under this proposal, Industrial-Alliance's approximately 700,000 eligible policyholders will be allotted shares of the Company. If you qualify, you will therefore be able to actually benefit from the value of your "ownership" interest, converted into shares or a cash amount.

### *Will your insurance policy or annuity contract be affected by the conversion?*

**No.** It is important to understand that the ownership structure will be converted without affecting your insurance or annuity coverage. This means that all the coverage stipulated in your policy or contract will remain exactly the same. **The conversion will not affect your premiums or benefits.**





## → HOW WILL INDUSTRIAL-ALLIANCE BENEFIT FROM THE CONVERSION?

**With the conversion, Industrial-Alliance will be able to issue shares on the financial markets and thus more easily obtain funds to finance its growth.**

### *What are the main advantages for Industrial-Alliance?*

Conversion benefits Industrial-Alliance in many ways. It will facilitate the Company's access to capital markets. It will give it the means to compete with the leading players in the financial sector. It will also give it more flexibility so that it can eventually make acquisitions and create alliances.

### *How will access to the capital market be facilitated?*

As a mutual company, Industrial-Alliance has a limited capacity to finance major investments because it cannot issue shares. As a share capital company, it will be able to issue shares as the need arises. This is one of the most widespread forms of financing.

### *Is Industrial-Alliance the only mutual company to be converted?*

No. Both in Canada and abroad, many companies in the life and health insurance sector have adopted a share capital structure over the past few years or have initiated a process of conversion into a share capital company.

### *Are there any disadvantages to the conversion?*

There could be certain disadvantages to converting into a share capital company:

- *Risk of conflict of interests* – Some people may fear that there will be a conflict between the interests of policyholders and those of shareholders. The Company is aware of the fact that the conversion may result in a change to the corporate culture. However, it believes that it will be able to see that everyone's interests are protected and reconciled, as everyone is hoping for a solid, stable and profitable business.
- *Additional administrative costs* – A share capital company has to assume certain costs that a mutual company is not required to incur, such as those relating to the management of shareholder information and services. However, the Company does not believe that these expenses will substantially increase the Company's operating costs.
- *Risk of takeover* – Industrial-Alliance, once converted, could also be the target of a takeover if there is no protection limiting the percentage of voting shares that a shareholder can own. To protect itself against such a takeover, *An Act respecting conversion* of Industrial-Alliance, which should be approved by the National Assembly of Québec to authorize the conversion, will contain provisions intended to prevent anyone from holding more than 10% of the outstanding voting shares of Industrial-Alliance. The major Canadian insurance companies under federal jurisdiction and the chartered banks of Canada are protected against takeovers by restrictive rules of this type. These limitations are currently being revised by the federal government. The board of directors of Industrial-Alliance may re-examine this ownership restriction depending on the circumstances, especially as legislation governing financial institutions evolves, by following the prescribed procedures.



## → HOW WILL ELIGIBLE POLICYHOLDERS BENEFIT FROM THE CONVERSION?

**If you are an eligible policyholder, the conversion will entitle you to receive, at your option, a certain number of shares of Industrial-Alliance or a cash amount.**

### *How does this actually benefit you?*

If you are an eligible policyholder, a certain number of Industrial-Alliance shares are allotted to you in connection with the conversion. These shares represent your "ownership" interest in the Company. You may elect to keep them – and thus become a shareholder of Industrial-Alliance – or to receive a cash amount, on certain conditions\*.

\* Note that eligible policyholders whose address is outside Canada will not receive shares. Conversion benefits will be paid to them in cash. However, it is possible that eligible policyholders who have elected to receive a cash amount – or who are deemed to have chosen cash – will receive shares, if the total amount to be paid in cash is greater than the amounts raised in the initial public offering (see page 14 for the meaning of the expression "initial public offering").

### *How many shares are allotted to you?*

The number of shares allotted to you has been calculated according to a fair and equitable distribution formula described in Chapter 7 of the *Member Guide*. The distribution formula takes into account two basic factors: your voting right and the characteristics of your insurance policy or annuity contract. There are thus two components to the distribution formula:

- *A fixed component* – Five shares of the Company are allotted to you to take account of your voting right. This fixed component is identical for each of the approximately 700,000 eligible policyholders because the voting right is the same for all Industrial-Alliance policyholders;
- *A variable component* – One or more additional shares are allotted to you based on the characteristics of your policy or contract. This is a variable component, specific to each policyholder\*. The characteristics used to calculate the variable component include, depending on the products: the amount of insurance payable at death, annuity payments, the premium, savings accumulated under the policy or contract, the cash surrender value and the term of the policy or contract.

\* Note that members of a group RRSP who do not have individual policies will only be entitled to the variable component. The fixed component will be given to the policyholder who, as member of the mutual company, holds the voting right.

### *What is the total number of shares that are allotted to all policyholders?*

Industrial-Alliance plans to allot, subject to adjustments, approximately 35 million shares to all eligible policyholders.



## → HOW WILL ELIGIBLE POLICYHOLDERS BENEFIT FROM THE CONVERSION? (ctd.)

### *What will be the value of the shares?*

The value of the shares will ultimately be determined by the stock market. To establish conditions favourable to the trading of its shares and a market price, Industrial-Alliance intends to conduct an initial public offering (see page 14 for the meaning of the expression "initial public offering"). The initial public offering will take place upon conversion, which is expected to be completed during the first quarter of the year 2000.

### *Is there an estimate of the value of each share?*

The board of directors of Industrial-Alliance has asked the firm Nesbitt Burns to give an opinion on the value of the Company's shares. This opinion is found in Chapter 8 of the *Member Guide*. Subject to the assumptions, limitations, observations and qualifications contained in that opinion, Nesbitt Burns estimates that, if shares had been issued on August 10, 1999, the market valuation range within which the common shares of Industrial-Alliance could have been offered would have been between approximately \$14.55 and \$21.85 per share. This estimate is based on the assumption that 35 million shares would have been outstanding. If you are an eligible policyholder, the estimated market valuation range of the shares allotted to you is provided in the personalized information included with this mailing. However, the initial offering price and the trading value of the shares could be very different from this estimate.

### *Is there an estimate of the total value of the shares?*

Subject to the assumptions, limitations, observations and qualifications contained in its opinion, Nesbitt Burns estimates that, if shares had been issued on August 10, 1999, the market valuation range of the common shares of Industrial-Alliance would have been between approximately \$510 and \$765 million.

### *How will the cash amount be calculated?*

The cash amount will be calculated by multiplying the number of shares allotted to you as an eligible policyholder by the initial offering price of an Industrial-Alliance share. The "initial offering price" is the price at which the shares of Industrial-Alliance will be sold to new investors during the initial public offering. This price will be negotiated between Industrial-Alliance and its financial advisors. It is important to understand that this price could vary significantly from the estimate given above. During an initial public offering, the initial offering price usually represents a discount, which could be significant, from the full market value of the shares once they are completely distributed. However, there is no assurance that the market value or the trading value will thereafter be higher or lower than the initial offering price.





## → WHO IS ELIGIBLE FOR CONVERSION BENEFITS?

**Anyone who held an Industrial-Alliance policy or contract in force on April 30, 1999 is eligible for conversion benefits.**

### *Why an eligibility date?*

Industrial-Alliance set an eligibility date to benefit from the conversion – April 30, 1999 – when it began to prepare its plan to convert into a share capital company. By setting this date, it protected the rights of policyholders who had a policy or contract in force at that time. Approximately 700,000 people had an Industrial-Alliance policy or contract in force on April 30, 1999.

### *Which policies or contracts make their holder eligible?*

The following policies or contracts make their holder eligible:

- all individual or group policies issued by Industrial-Alliance (insurance policies or annuity contracts, participating or non-participating, invested in general funds or in segregated investment funds);
- insurance policies issued by the following companies, which have merged: Industrial, Alliance and The Solidarity;
- life insurance policies originally issued by Canadian Union and assumed by Industrial-Alliance on December 16, 1996, as well as those issued by L'Unique, Compagnie d'Assurance-Vie.

### *Can you be eligible if your policy or contract was not in force on April 30, 1999?*

If your policy or contract was not in force on April 30, 1999, you can still benefit from the conversion:

- if you presented an application for a new policy or contract no later than April 30, 1999 and your application was subsequently approved; or
- if your insurance policy or contract was terminated for failure to pay the premium after April 30, 1997, but it was reinstated following a request to this effect received before the earlier of the end of the reinstatement period and August 2, 1999.



## → WHAT DO YOU HAVE TO DO?

**You have to do two things: vote on the conversion and indicate whether you elect to receive shares or a cash amount.**

### **1. Voting on the conversion: where, when and how to vote**

**A Special Meeting of Industrial-Alliance policyholders will be held on Monday, November 8, 1999 at 10:00 a.m. at the Palais Montcalm, 995 Place d'Youville, Québec City, Québec. If you have a policy or contract in force on November 8, 1999, you can vote. This vote can be exercised in two ways: in person or, if you cannot attend the Special Meeting, by returning the proxy form on the back page of your personalized information contained in this mailing.**

#### *What is the purpose of the vote?*

The main purpose of the vote is to have policyholders approve a special resolution to convert Industrial-Alliance into a share capital company.

#### *Where and when will voting take place?*

A Special Meeting of policyholders will be held on Monday, November 8, 1999, at 10:00 a.m., at the Palais Montcalm, 995 Place d'Youville, Québec City, Québec.

#### *Who can vote?*

People who have a policy or contract in force on November 8, 1999, the date of the Special Meeting, are entitled to vote. Thus, people can vote even if they became members after April 30, 1999. However, they cannot receive conversion benefits because they are not eligible policyholders. On the other hand, certain people may not be entitled to vote because they do not hold a policy or contract in force on November 8, 1999, but they may still be entitled to conversion benefits because they held an eligible policy or contract on April 30, 1999.

#### *How can you vote in person?*

To vote in person at the Special Meeting, you must register at the meeting by giving your name and address. We suggest you have your policy or contract or the personalized information attached to this mailing with you. Policyholders who are registered will vote at the Special Meeting by show of hands or secret ballot. If you think you will need special assistance due to a disability, we would ask you to contact us by calling our toll-free number (1-877-684-5000).

#### *How can you vote if you cannot attend the Special Meeting?*

If you cannot attend the Special Meeting, you may vote by filling out the proxy form included with your personalized information and returning it in the envelope provided for this purpose. Do not forget to sign it. The proxy form must be received no later than 5:00 p.m. on Thursday, October 28, 1999. By completing and signing the proxy form, you are asking a person to vote on your behalf and according to your instructions. If you do not give any instructions – for or against the conversion – that person may vote on your behalf as he or she wishes. The person you appoint to represent you may be a director of Industrial-Alliance. If a director is appointed as your proxy, he will vote according to your instructions. If you do not indicate whether you vote for or against the conversion, he will vote in favour of the resolutions relating to the conversion.



### *Who has to sign the proxy and election forms?*

Every person whose name appears on the proxy and election forms has to sign them. If you are authorized to sign on behalf of someone else, indicate in what capacity you are doing so. The duly completed proxy and election forms must be received no later than 5:00 p.m. on Thursday, October 28, 1999. If all the conditions are not complied with, the forms will not be valid, and your proxy and your choice will not be taken into consideration.

### *How many votes must be cast in favour of the conversion resolution for it to be approved?*

For the conversion to be approved, the resolution must be passed by at least two-thirds of the votes cast at the meeting, including those cast by proxy. Each member is entitled to one vote, regardless of the number and value of the policies or contracts held.

### *What is the board of directors recommending?*

The board of directors recommends that you vote **yes** to the proposal to convert Industrial-Alliance into a share capital company. The Board feels that this will better position the Company to meet the challenges of the 21st century. It also believes, having studied all possible options, that this is the only way to distribute the full value of the Company to eligible policyholders, in the form of shares or cash, without affecting insurance coverages, annuity payments, surrender values, premiums, nor any right to receive policyholder dividends.

### *What will happen if the proposal is not approved?*

If the proposal is not approved, Industrial-Alliance will remain a mutual life insurance company. No shares or cash will be distributed to eligible policyholders. Control of the Company will remain in the hands of policyholders.

## **2. Choosing between shares and cash**

**If you are an eligible policyholder, the conversion will entitle you to receive, at your option, a certain number of shares of Industrial-Alliance or a cash amount.**



### *How should you let us know whether you choose shares or cash?*

You must indicate your choice on the form provided for this purpose, which is included in the personalized information accompanying this brochure. It is important to fill out, sign and return the form. We must receive it no later than 5:00 p.m. on Thursday, October 28, 1999.



## → WHAT DO YOU HAVE TO DO? (ctd.)

### *What will happen if you do not indicate whether you elect shares or cash?*

If you do not indicate whether you elect shares or cash by filling out the election form and sending the duly completed form to us within the time given:

- you will be deemed to have elected to receive a cash amount
  - ↳ if the number of shares allotted to you is less than 100 (subject to the amounts which will be raised during the initial public offering); or
- you will be deemed to have elected to receive shares
  - ↳ if the number of shares allotted to you is equal to or greater than 100.

However, if the total amount to be paid in cash is greater than the amounts raised in the initial public offering, you could receive shares even if you have elected or are deemed to have elected a cash amount.

### *How to decide whether you should elect shares or cash?*

Unfortunately, it is not possible for Industrial-Alliance to advise you as to whether you should elect to receive shares or cash. Each case is unique. Your decision should be based on criteria such as the number of shares to which you are entitled, their value and potential return, your knowledge of the stock market, your aversion to risk, the cost you will incur to resell the shares as well as your ability to resell them, your income level, your tax situation, the amount of savings you already have, the government benefits you receive, your age, etc. We recommend that you consult an investment advisor to help you make a decision.

### *What is the difference between the value of the shares and cash?*

If you choose cash, the value of the amount you receive will be determined when the conversion takes place. However, if you decide to receive Industrial-Alliance shares and keep them, the value of the shares may fluctuate up or down, depending in particular on changes in the stock market. Even though shares may offer potential returns, there are risks associated with owning them.

### *Can you sell your shares afterwards if you elect to receive them?*

If you elect to receive shares upon conversion, instead of cash, you can sell your shares later yourself, through a registered dealer. You can also use a special service which will be set up by Industrial-Alliance, 30 days after the conversion. This service will be offered for two years. If you use it, you will have to pay all brokerage fees normally charged, including sales commissions. This service will be offered to help eligible policyholders who do not have an account with a registered dealer.

### *On which stock exchanges will the shares be listed for trading?*

Both The Montreal Exchange and The Toronto Stock Exchange have conditionally approved Industrial-Alliance's application for listing its shares, if the conversion takes place.



## → WHAT ARE THE TAX CONSEQUENCES OF CONVERSION AND HOW WILL YOUR GOVERNMENT BENEFITS BE AFFECTED?

**The usual tax rules will apply to the conversion benefits you receive, if you are an eligible policyholder. You should analyze the implications specific to your personal situation before choosing shares or cash. We recommend that you consult a tax advisor to find out how such benefits will affect your situation.**

### *What tax rule applies if you choose cash?*

As a general rule, if you elect to receive cash, the amount will be taxed as a dividend for the year in which you receive it. For tax purposes, the cash amount will be subject to the provisions applicable to taxable dividends received from Canadian corporations.

### *What tax rule applies if you choose shares?*

The value of the shares received by an eligible policyholder is taxable when the shares are sold. In general, the entire selling price is treated as a capital gain. If you keep the shares, however, you will be required to pay income tax on any dividends you receive.

### *Will government benefits be affected?*

Eligibility for several government programs and tax credits is based on the income or assets of taxpayers. Ownership of shares, their sale or the receipt of an amount in cash could either reduce these benefits and credits for the current year or for a subsequent year, or necessitate the repayment of certain benefits for the current year. To find out more about government benefits likely to be affected, we recommend that you address any inquiries to the appropriate government bodies or consult a tax advisor.





## → WHEN WILL THE SHARES OR CASH BE DISTRIBUTED?

**The shares or cash will be distributed at the time of the initial public offering of Industrial-Alliance shares. The Company expects this initial public offering to take place by the end of the first quarter of the year 2000.**

### *What is an initial public offering?*

An initial public offering is the offering of shares by a share capital company to the general public for the first time. When the conversion takes effect, Industrial-Alliance intends to proceed with an initial public offering. This will create an organized market for Industrial-Alliance's shares and make it easier for investors to buy and sell them.

### *When will the initial public offering take place?*

Industrial-Alliance expects the initial public offering to take place by the end of the first quarter of the year 2000.

### *Where does the cash that will be distributed come from?*

The amounts that will be distributed to policyholders who receive a cash amount will come from this initial public offering. The amounts raised directly from investors will be distributed to these policyholders. Since these are new funds, no money will leave Industrial-Alliance's coffers, and the Company will be just as financially sound as ever. The protection or coverage related to the policies or contracts of Industrial-Alliance's insureds will not be affected.

### *What happens if the total funds raised are less than the total amount to be distributed?*

Industrial-Alliance cannot guarantee that the total amount raised through the initial public offering will be equal to or greater than the total amount to be distributed. A possibility therefore exists, if the total amount raised is less than the amounts to be distributed, that some eligible policyholders will receive shares, even if they have indicated that they prefer cash or a cash amount has been allotted to them by default.





## → WHAT ARE THE NEXT STEPS IN THE CONVERSION PROCESS?

**To proceed, the conversion proposal must first be accepted by at least two-thirds of the votes cast, in person or by proxy, during the Special Meeting on November 8, 1999.**

### *What happens next?*

It is expected that the conversion as such and the distribution of the shares or cash to eligible policyholders will be completed by the end of the first quarter of the year 2000. In the meantime, the following steps have to be taken:

#### **1 Special Meeting**

Policyholders must approve a special resolution to convert Industrial-Alliance into a share capital company at a Special Meeting which will be held on Monday, November 8, 1999 at 10:00 a.m., at the Palais Montcalm, 995 Place d'Youville, Québec City, Québec. The scrutineer appointed for the occasion, Montreal Trust Company, will receive, examine and count the votes and be in charge of announcing the results.

#### **2 Private member's bill**

If the conversion proposal is accepted by policyholders, a private member's bill (*An Act respecting conversion*) will be tabled with the National Assembly of Québec for adoption, to authorize the conversion.

#### **3 Letters patent**

If the private member's bill is adopted by the National Assembly, letters patent of conversion for Industrial-Alliance will then be issued. The conversion will take effect on the date the letters patent are issued.

#### **4 Initial public offering**

If market conditions are favourable, Industrial-Alliance intends to proceed with an initial public offering of its shares before the end of the first quarter of the year 2000. Once the initial public offering is completed, Industrial-Alliance will be able to distribute the shares or cash to eligible policyholders through its transfer agent, Montreal Trust Company.



## → WHERE CAN YOU FIND MORE INFORMATION?

**Industrial-Alliance has undertaken several other initiatives to give you more information on the conversion proposal.**

### *Public information meetings*

You can attend one of two public information meetings that will be held in the Montréal and Québec City regions. All you have to do is go to the locations indicated below at the specified times.

#### Québec City

region

**Wednesday, October 6, 1999**

7p.m.

Palais Montcalm  
995 Place d'Youville  
Québec City, Québec

#### Montréal

region

**Thursday, October 7, 1999**

7p.m.

Sheraton Laval  
2440 Autoroute des Laurentides  
Laval, Québec

### *Special television program*

If you are a policyholder residing in Québec, you can watch a 30-minute special information program produced by Industrial-Alliance. This television program, entitled *En marche vers l'avenir*, will present the Company's conversion proposal in simple terms. It will only be broadcast in Québec, in French, from September 29, 1999 to the end of October 1999, on the TQS and TVA networks and on the "Canal Infopub". You will find the broadcast schedule on the following page.

### *Information Centre*

Industrial-Alliance has set up an Information Centre. If you have any questions or comments, please do not hesitate to contact us.

**Telephone:** (toll free) 1-877-684-5000\*

**Internet:** [www.inalco.com](http://www.inalco.com)

**Fax:** (418) 684-5454

**E-mail:** [future@que.inalco.com](mailto:future@que.inalco.com)

#### **Address:**

#### **Conversion Proposal**

Industrial-Alliance  
1080 Saint-Louis Rd., Sillery  
P.O. Box 1907, Terminal Station  
Québec City, Québec  
G1K 7M3

\* If you live outside Canada and the United States, please call us collect at (418) 684-5222.



→ *En marche vers l'avenir (Marching into the future)*

**BROADCAST SCHEDULE\***

Date	Day	TQS	TVA	"Canal Infopub"
September 29, 1999	Wednesday	—	—	9:00 14:00 18:30
September 30, 1999	Thursday	—	23:59	10:00 14:00 19:00
October 1, 1999	Friday	—	23:59	10:00 14:00 19:00
October 2, 1999	Saturday	9:00	15:00	—
October 3, 1999	Sunday	10:00	—	—
October 4, 1999	Monday	—	—	9:00 14:00 18:30
October 5, 1999	Tuesday	—	5:30	9:00 14:00 18:30
October 6, 1999	Wednesday	—	—	9:00 14:00 18:30
October 7, 1999	Thursday	—	23:59	10:00 14:00 19:00
October 8, 1999	Friday	—	23:59	10:00 14:00 19:00
October 9, 1999	Saturday	9:00	15:00	—
October 10, 1999	Sunday	10:00	14:30	—
October 11, 1999	Monday	—	—	10:00 14:00 19:00
October 12, 1999	Tuesday	—	—	10:00 14:00 19:00
October 13, 1999	Wednesday	—	—	10:00 14:00 19:00
October 14, 1999	Thursday	—	5:30	9:00 14:00 18:30
October 15, 1999	Friday	—	—	9:00 14:00 18:30
October 16, 1999	Saturday	9:00	—	—
October 17, 1999	Sunday	10:00	14:30	—
October 18, 1999	Monday	—	—	9:00 14:00 18:30
October 19, 1999	Tuesday	—	—	9:00 14:00 18:30
October 20, 1999	Wednesday	—	—	9:00 14:00 18:30
October 21, 1999	Thursday	—	—	10:00 14:00 19:00
October 22, 1999	Friday	—	—	10:00 14:00 19:00
October 23, 1999	Saturday	9:00	15:00	—
October 24, 1999	Sunday	10:00	14:30	—

\* This schedule may be changed. Please check your TV listings for broadcast times.



## → INDUSTRIAL-ALLIANCE – AN OVERVIEW

### *Industrial-Alliance, insuring Canadians for over one hundred years*

Industrial-Alliance Life Insurance Company has been providing life and health insurance to Canadians since it was founded in 1892. Its main goal is to offer its insureds and their beneficiaries financial protection in the event of death, disability, illness and upon retirement.

Industrial-Alliance is the result of the amalgamation in 1987 of two life and health insurance companies, Industrial, which was founded in 1905 in Québec City, and Alliance, founded in 1892 in Montréal. Industrial-Alliance amalgamated with The Solidarity, a Québec City life insurance company, in 1996.

### *A Canada-Wide Company*

The outcome of an expand-and-grow strategy which began in the earlier 1980's, today the Industrial-Alliance Group – the parent company and its subsidiaries – operates right across Canada. It ranks seventh among Canadian life and health insurance companies.

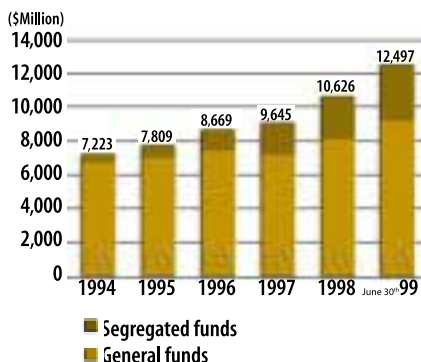
In the life and health insurance sector, the Group includes a network of three companies operating in all regions of Canada:

- **Industrial-Alliance** Life Insurance Company (the parent company)
  - the head office of which is in Québec City;
- The **National Life** Assurance Company of Canada
  - the head office of which is in Toronto;
- The **North West Life** Assurance Company of Canada
  - including **Seaboard** (a division of North West of Canada),
  - the head office of which is in Vancouver.

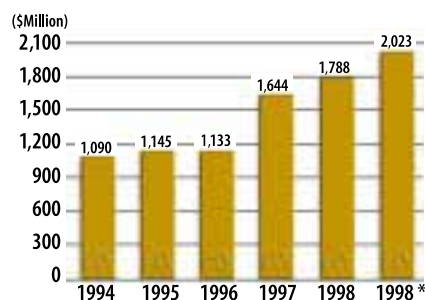
### *A Partner You Can Trust*

Today the Industrial-Alliance Group insures over 1.5 million persons and manages consolidated assets and segregated investment funds with a value of over \$12 billion. Its income from premiums, including Seaboard, is over \$2 billion and its capital base totals over \$875 million. In 1998, its net income reached \$70 million, exceeding the \$50 million threshold for the fifth consecutive year. Its life and health insurance operations are entrusted to over 2,000 employees.

#### Assets



#### Total Premiums

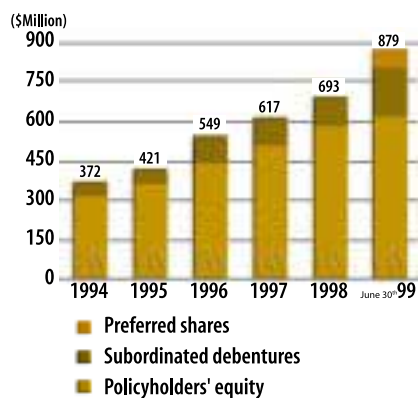


\* Including the purchase of Seaboard.

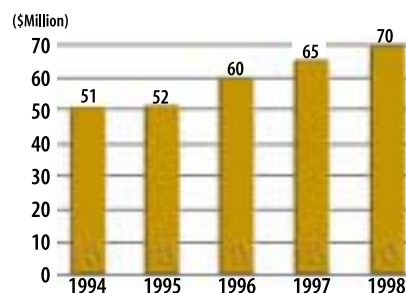


## INDUSTRIAL-ALLIANCE – AN OVERVIEW (ctd.)

### Capital Base



### Net Income



### Customized Products


Industrial-Alliance and its subsidiaries offer a wide range of financial products distributed to individuals, on a personalized basis, and companies and groups, on a collective basis:

- Insurance products: life, health, disability, medication, mortgage insurance and others;
- Retirement and savings plans: RRSPs, RRIFs, deposit accumulation contracts, retirement plans and life annuities;
- Guaranteed investment certificates and segregated investment funds;
- Mortgage loans and other financial products.

The companies in the Group have one of the largest teams of financial intermediaries in Canada, offering its products through several distribution networks (the following information is as at June 30, 1999):

- A network of exclusive agents, comprised of 1,219 intermediaries;
- A network of general agents, comprised of 11,087 brokers;
- A network of investment dealers, comprised of 570 representatives, as well as social benefits and retirement planning advisors.



 1-877-684-5000



**INDUSTRIAL  
ALLIANCE**  
LIFE INSURANCE COMPANY

*The partner  
you can trust*  
SINCE 1892