



Make \$218 in Passive Monthly Income With This Leading Financial Giant

Description

Investors are always looking for ways to increase their [passive income](#) for their retirement needs and wealth accumulation goals.

Passive income that is secure and steady, safe and reliable, in good times and in bad times.

Insurance companies provide these characteristics for investors, and none better than **Intact Financial Corp.** ([TSX:IFC](#)), Canada's largest home, auto, and business insurer that has been a consolidator in a fragmented market.

As an illustration of the fragmented nature of the market, we can look to the market share statistics. Intact currently has a market share of 16%, its closest competitor has a market share of 10% and the top five have a market share of only 47%.

So we can see the opportunity that Intact has to continue to be a consolidator with many years of growth ahead, thus providing shareholders with many years of growth and passive income from a leading, [high-quality company](#) with a strong history of shareholder value creation and solid business practices and management.

Mature industry

The Canadian property and casualty insurance industry is a mature industry operating within a highly fragmented market, so Intact has grown through acquisitions to its leading position today, with approximately \$10 billion in direct premiums written and a \$15 billion investment portfolio.

Size and scale

This leading position affords Intact with the size and scale that has helped the company to drive down costs and bring up returns, further driving its leading position.

There is no better illustration of this than Intact's combined ratio performance, which measures the profitability and financial health of insurance companies, and is calculated as the total claims plus expenses divided by earned premiums.

The lower the ratio, the more profitable the company.

Over the last 10 years, Intact's combined ratio has averaged 95.4%, compared to the industry's combined ratio of 99.7%, so we can see the edge that Intact has.

Final thoughts

If you invest \$100,000 today, you will receive \$2,610 in annual dividend income (or \$218 a month), as Intact continues to work at growing in size, market share, and returning cash to shareholders.

In the last 10 years, Intact has grown its dividends at a 9.1% compound annual growth rate, and with continued acquisitions and market share growth, we can expect this type of dividend growth to continue.

Management expects that 15-20% market share will change hands in the next 5 years. Given that barriers to entry are high in this business, this leaves Intact well positioned to continue to be the consolidator in Canada and in the U.S.

CATEGORY

1. Dividend Stocks
2. Investing

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