



## 1 Top TSX Stock Investors Should Buy Right Now

### Description

**Intact Financial** ([TSX:IFC](#)) is a great option for investors who intend to safeguard their portfolios' value or maximize returns. Indeed, I think this is a [perfect stock for long-term investors](#) seeking a core portfolio holding.

Here's why investors should consider buying shares of the largest property and casualty insurer in Canada.

### Best-in-class growth and market exposure

Intact Financial caters to diverse consumer preferences, implementing an effective multi-channel distribution strategy. Accordingly, the company has transformed into one of the leading specialty insurance providers. As of March 2021, Intact Financial's share in the property and casual insurance markets in Canada is a staggering 17%. Indeed, this is a significant rise compared to its 2009 share of 11%.

Intact's share price fell by 30% from its peak in 2020 due to the recent pandemic-driven economic turmoil. Nevertheless, 2020 turned out to be the company's best year, as it recorded its highest ever revenue. Moreover, what fascinates me about this company is that its overall combined ratio was approximately 89%, denoting profitable underwriting performance. This was primarily due to the strong performance in both the U.S. and Canada.

Intact Financial's last dividend hike of more than 9% was also its 16th consecutive annual increase since it went public. As of March 2021, the company has a dividend yield of a solid 2.3%. Indeed, this is one of the best-quality dividend plays for income-oriented investors today.

### Riding high on increased policy premiums

Intact Financial, as a consolidator of the Canadian fragmented insurance industry, has successfully increased earnings at a CAGR of 13% over the past five years. Additionally, the company's acquisition

of RSA Insurance for an estimated \$12 billion is likely to boost its growth further. Intact is expected to raise its domestic market share by around 5% as a result of this deal. Moreover, it will put the company instantly on the map in the United Kingdom.

Intact Financial can also benefit from a rise in policy premiums on increased insured property values, owing to long-term macroeconomic factors, like climate change and a rise in property valuation. Moreover, I am convinced that Intact Financial will consistently grow its revenue due to a steady increase in premiums in the property and casualty insurance market over the medium term.

## Bottom line

Indeed, I firmly believe Intact is not just another income stock. Intact Financial's strong financials and growth prospects make this TSX stock an excellent option for investors with a long-term investment horizon.

Investors seeking excellent long-term growth potential ought to ignore the noise in the markets and consider this stock right now.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### POST TAG

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### TICKERS GLOBAL

1. TSX:IFC (Intact Financial Corporation)

### PARTNER-FEEDS

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