



SMI CENTENNIAL CHARITABLE DONATION PROGRAM 2012

While SMI exists to provide peace of mind to its policyholders through quality insurance products at reasonable prices, as a responsible corporate citizen it is important to put something back into the communities we do business in. To continue to promote our business partnerships with our independent brokers in Alberta, Saskatchewan and Manitoba, SMI is continuing with its Centennial Charitable Donation Program in 2012.

As in 2011, the top ten eligible brokers will choose a charity of their choice to which SMI will distribute \$5000. The charities must fit into the following categories: Disaster Funds, Hospitals, Health, Education, Schools, Cultural Activities and Promotion of the Arts, Libraries, Museums and other Repositories, Preservation of Sites, Beauty and Historical, Community, Protection of Animals, Recreation, Playgrounds and Vacation Camps, Sports Centers and Amateur Athletic Associations. The Charity must be registered with Canada Revenue Agency (CRA) and must have a charitable registration number. A list of Registered Charities that fall into the above categories can be found at CRA's website: <http://www.cra-arc.gc.ca/chrts-gvng/menu-eng.html>

Having committed to providing the program for five years, 2012 is the fifth year at the end of which SMI will have contributed \$250,000 into the communities where our brokers and policyholders work and live. This has been a very rewarding undertaking for SMI and it is the intention of the Board of Directors to consider extending the program. Information in this regard will be provided in early 2013.

The eligibility criteria are unchanged from 2011, Growth in commercial business, underwriting profitability and specific volume requirements continue to be our focus.

Eligibility for 2012

SMI brokers are eligible for this program based on the following criteria:

- Loss Ratio for 2012 must not exceed 30%, and
- Increase in DWP for 2012 in the commercial line of business must exceed 10%, and
- SMI minimum volume requirements must be exceeded.

If more than ten brokers meet the eligibility requirements for 2012, those ten brokers with the lowest loss ratios will be chosen.

SMI will notify who the eligible brokers are by February 15, 2013. The chosen brokers must provide SMI with the name of their charity, address and registration number by October 1st. SMI will administer the program by issuing a cheque directly to the charities that are chosen. This program will not impact the current cost-share arrangements already established.