

SMI CONSUMER DISCLOSURE

SMI's products are distributed exclusively through an independent broker network throughout the three Prairie Provinces. These brokers have contracts with us to market our products and to renew and service existing insurance policies sold through their brokerages. Many of these brokers also market other companies' products and services. Independent insurance brokers are licensed professionals and are regulated by the province they do business in. We believe in the independent brokerage system as we feel that they are the consumer's best choice to help the consumer make informed decisions about the type and quality of insurance products they require. SMI does not own either directly or indirectly or have any financial links with any of its brokers.

SMI provides a basic commission to these brokers for each new policy, renewal and endorsement sold. This basic commission, a percentage of the premium charged, pays for the service the broker provides to you, the consumer. SMI's rates of commission in accordance with the broker's agency agreements are as follows:

Automobile Business – Manitoba	18.5%
Garage Automobile Business – Manitoba	12.5%
Automobile and Garage Automobile Business – Saskatchewan	15%
Commercial Property and Casualty Business – All Provinces	20%
Equipment Breakdown Insurance (Boiler and Machinery)	15%
Farm Business – All Provinces	20%
Habitational Business – All Provinces	20%
Recreational Vehicle Business – Alberta	20%

SMI provides its brokers with a Contingent Profit Plan. We may pay up to 4% of the broker's written premiums for the current year based on the broker's three-year average for profitability and current year for minimum volume requirements. Brokers who are managing general agents may receive up to 4.5%.