



SMI CENTENNIAL CHARITABLE DONATION PROGRAM 2011

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 five-year charitable donation program. A pool of funds not to exceed \$250,000 over five years will be distributed through our independent broker network based on specific criteria. Each year, 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>

Our focus for 2011 will again be on SMI making a profit so that we can remain financially strong in the years to come. We will also continue to focus on growing the commercial line of business and as always we will continue to support those brokers who are willing to make an effort to work in partnership with SMI.

Eligibility for 2011

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

- Loss Ratio for 2011 must not exceed 30%, and
- Increase in DWP for 2011 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 2011, those ten brokers with the lowest loss ratios will be chosen.

SMI will notify who the eligible brokers are by February 15, 2012. 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.