



SMI CENTENNIAL CHARITABLE DONATION PROGRAM 2017

While SMI exists to provide peace of mind to its policyholders through quality insurance products at reasonable prices, as a responsible corporate citizen we feel 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 2017.

As in 2016, the top ten eligible brokers will choose a charity of their choice to which SMI will distribute \$5,000. The Charity must be registered with the Canada Revenue Agency (CRA) and must have a charitable registration number. 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. A list of Registered Charities that fall into the above categories can be found on the CRA's website <http://www.cra-arc.gc.ca/chrts-gvng/menu-eng.html>.

The chosen brokers based upon their 2017 results must provide SMI with the name of their charity and its charitable registration number by October 1, 2018. SMI will administer the program by issuing a cheque directly to the charities that are chosen.

SMI has been committed to this program since 2008. This has been a very rewarding undertaking for SMI and the Board of Directors has committed to extending the program for 2017. The eligibility criteria are unchanged from 2016 with growth in commercial business, underwriting profitability and specific volume requirements continuing to be the focus.

SMI brokers are eligible for this program in 2017 based on the following criteria:

- Loss Ratio for 2017 must not exceed 30% and
- Increase in the 2017 Commercial Lines DWP must exceed 10% and
- SMI minimum volume requirements must be exceeded

If more than ten brokers meet the eligibility requirements in 2017, those ten brokers with the lowest loss ratios will be chosen. This program does not impact the current cost-share arrangements already established.

This will be the last year for the Charitable Donation Program in its present form as we are researching other options for a comprehensive Corporate Donation Policy