

Subject:

FW: RMA Insurance: Important Information Regarding Insurance Renewal



Important Information Regarding Insurance Renewal

Dear Subscribers,

As part of our ongoing commitment to informing you about significant developments, we wish to provide information regarding an upcoming change to premium renewals.

Once again, inflationary increases in buildings and heavy equipment continue to impact premiums; however, the outlook appears to be stabilizing. This year there will be an increase of 4% on buildings and 7% on heavy equipment.

Recent fire and water losses, including the significant impact of the Alberta wildfires, have led to higher costs for Genesis' reinsurance and excess insurance costs. As a result, property premiums for the 2024 renewal will increase, in some cases, reaching up to 20%. While this is higher than the typical adjustments, we've worked diligently to minimize the impact on your premiums by leveraging several important measures:

- We activated our Wildfire Defense contract, which directly protects insured assets during wildfire events, and utilized other risk management initiatives during premium negotiations to secure the best possible outcome.
- Our governance board's established policies allow us to draw on the reciprocal's net position, further reducing the premium increases.

Additionally, to ensure fair and transparent premium distribution, our property premium pricing model will now include a rating system for assets with exposure to wildfire or hail risks. Assets in these areas will see an additional 10% premium, ensuring that properties with lower exposure are not disproportionately impacted. Subscribers can reduce these increases by participating in the FireSmart Program or using construction materials resistant to hail.

While property premiums are increasing, the liability, auto, and other product lines are seeing positive results. These will have flat renewals, with some even experiencing decreases. We hope that when considering your entire insurance budget, the overall cost of risk aligns more closely with previous renewals, which have only seen modest single-digit percentage increases in the 7% to 10% range.

We understand that changes in premiums may impact your budget planning. We want to reassure you that we are committed to working closely with you to provide the most comprehensive and competitive coverage possible. Rest assured, the reciprocal's financial strength remains solid, ensuring continued stability and support.

Our dedicated team is available to address any questions or concerns about this adjustment and support you through this transition.

We genuinely appreciate your continued partnership and look forward to continuing to meet your insurance requirements in the coming year.

Thank you for your understanding and ongoing support.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Pettigrew". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Craig Pettigrew

General Manager of Insurance

780.955.8407

craig@RMAinsurance.com