

R.M. of Big Arm No. 251

From: Rodney Schoettler <RSchoettler@municipalhail.ca>
Sent: June 8, 2026 9:55 AM
To: Rodney Schoettler
Subject: SMHI Indemnity Limit

Importance: High

Good morning,

I hope this message finds you well and that you are as eager as we are for the upcoming June 15 SMHI renewal date. Today, We are reaching out with a sense of frustration as well as a determination to ensure everyone is fully aware of why the SMHI indemnity limit has decreased for the second consecutive year, especially at a time when input costs continue to climb. Please know that this was not a decision made by the SMHI Board of Directors.

Back in 2016, the **Municipal Hail Regulations** were amended to introduce a formula for setting the SMHI indemnity limit. From the outset, we had concerns about this formula, particularly the lack of protection or a “floor” to safeguard the maximum limit. Since those changes, we have proactively engaged with Ag Ministers, Deputy Ministers, and policy analysts, consistently advocating for amendments. Unfortunately, our requests have been denied to this day.

We now find ourselves at a critical juncture with no remaining options. Both **SARM** and **APAS** have passed resolutions supporting the need for a floor to the indemnity limit, yet the Ministry of Agriculture continues to withhold support for this amendment. This seemingly small change holds immense importance for SMHI and producers. For SMHI, it undermines our ability to offer predictable and stable coverage. SMHI is the first crop hail insurance provider compelled to reduce coverage at a time of rising input costs. With SMHI forced to offer less coverage producers are faced with the industry’s historical constraints around capacity, often resulting in selling out. If you go back to the early days and why SMHI was created it was out of need as the private writers did not have the capacity to provide the coverage needed at an affordable cost.

Restricting SMHI’s ability to provide necessary coverage forces producers to seek insurance from other carriers, which not only increases their costs but also adds complexity—especially when producers already have SMHI, a dedicated insurance company capable of meeting their needs. It is worth noting that most of the other crop hail insurance providers are US-owned, which means producers must purchase coverage from insurers outside of Saskatchewan and Canada.

While SMHI welcomes healthy competition, our main concern lies in the fact that we can no longer independently set our indemnity limits and offer the coverage we are able and ought to provide. We are not striving to write all the business; rather, we simply wish to operate as originally envisioned—to deliver reliable, predictable coverage for the benefit of Saskatchewan producers.

SMHI was created in 1917 by farmers for farmers, SMHI has not and does not receive any financial support from any levels of Government. **SMHI** is funded entirely by producer premiums, with no

government subsidy or financial backing to support its operation. **SMHI** is a standalone Insurance company operating for the sole benefit of farmers.

Because of the number of calls we are receiving from producers, we want you to be fully aware of what has transpired. If you receive questions from producers, please update them on what has transpired and if they seek additional clarity on this have them call me or they can contact their MLA or the Minister of Agriculture. It's essential to emphasize that **SMHI** should be empowered to set its own indemnity limit, and at the very least, regulations must be amended so the limit cannot fall below the amount set by the Board the previous year.

SMHI and **SARM** are collaborating to arrange a meeting with the Minister of Agriculture, aiming to find a constructive solution to these pressing concerns. As these discussions move forward, we are committed to keeping you updated on any developments and progress made.

Should you or your ratepayers have any questions about this issue, please feel free to reach out to me directly.

Yours truly,

Rodney Schoettler | Chief Executive Officer

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