

CRA Commercial Insurance Program



CANADIAN RENTAL ASSOCIATION
ASSOCIATION CANADIENNE DE LOCATION

Want to Be Part of This Great CRA Member Insurance Program?

Call Justin Friesen
at HED Insurance
for information

1-800-665-8990 Ext. 7211

Plan Administrator

Hayhurst Elias Dudek Inc.
777 Portage Avenue

Winnipeg, Manitoba R3G 0N3
www.hedinc.com/cra

Come and See Us at the CRA and ARA Trade Shows

BC – January 15-16,
Cloverdale Rodeo & Exhibition,
Surrey, BC

ARA the Rental Show – February 8-10,
Orlando, FL

Atlantic – February 20, Moncton, NB

Ontario – March 9-10, Toronto, ON,
Rental Mart produced by
Annex Publishing

Prairie – March 13,
PrairieLand Exhibition, Saskatoon, SK

Quebec – March 23-24,
Hotel des Seigneurs, St Hyacinthe

HED Hayhurst
Elias
Dudek Inc.
INSURANCE AND RISK SERVICES

Great News!

\$660,369 Return of Premium to CRA “Protected Self-Insurance” Program Participants

The **Canadian Rental Association** and **HED Insurance and Risk Services** are very pleased to announce that the first three policy years of the “**Protected Self-Insurance Program (PSIP)**” have resulted in a **member-owned surplus of \$660,369** in excess of a \$1,000,000 member-owned reserve fund.

“Protected Self-insurance” vs.

Traditional Insurance:

If this were a traditional program, all of your premiums would stay with the insurer that would be responsible for paying all the claims, but would also get to keep all of the leftover premiums, no matter how low claims were during the years. Under the PSIP model, when claims are low there is an opportunity for a return of premium.

The CRA PSIP retains a large portion of all the premiums paid each year.

Low levels of **claims** were experienced since the PSIP was established on June 1, 2006. The preventative measures that the rental dealers have made to prevent losses have helped keep claims low. The positive Program results allowed the members to establish the required \$1,000,000 member-owned reserve that may be needed to pay potentially large claims that may have occurred but have not been reported until after the end of the term. (Note: Third party claimants have two years after an incident to report a claim.)

PSIP Program Reserve:

The \$1,000,000 reserve is maintained to ensure that the program has enough funds to pay for two \$500,000 claims (pool deductible) that may have been incurred but were not reported (IBNR). This \$1,000,000 IBNR reserve is only needed once. **The \$660,369 surplus above the IBNR reserve is now available to be returned to the members of the PSIP.**

How Premium Returns Are Calculated:

The calculations are simple. Returns are payable to those properties participating in the Program at the time of the premium return, based on the percentage of the total Program premiums paid by the property in the previous three policy years (but not dating back past the June 1, 2006 Program inception date) compared to the total premium for the period. This percentage will be applied against the total amount of return premium.

A property that has been participating in the Program since inception will receive a greater amount of returned premium than a new participant. **A rental dealer that has been a program member since inception will receive an average return premium of approximately 10% for their premiums paid for the last three years.**

Date of Return of Premium:

Cheques will be distributed by the end of October 2009.

Future Returns:

Additional amounts will be returned in future to then-qualifying properties when future surpluses are accumulated.

For premium return questions or insurance information please call HED Insurance and Risk Services at 1-800-665-8990

Steve Baker, Ext. 7219

Ken Fingler, Ext. 7279