



## Broker and Agent Compensation

Since 1874 Bay of Quinte Mutual Insurance Co. has worked hard to maintain a close professional relationship with our member policyholders, brokers and agents.

We take pride in being a community based company in the heart of the territory we serve. We employ local personnel, contractors, insurance brokers, appraisers and adjusters. Our board of directors are not only our policyholders, but are elected by our member policyholders at our annual meetings.

Bay of Quinte Mutual distributes its products in two ways. The first is by exclusive agents of this company, who sell for no other company other than Bay of Quinte Mutual. The second is through a network of independent insurance brokers, who will offer a choice of insurance products from a variety of insurance companies. Whichever you choose, you will be treated professionally and offered expert advice.

Our exclusive agents are compensated by an annual salary. The salary paid to our exclusive agents is determined by total job performance, and is not specifically tied to the amount of gross premium written.

Our brokers are paid a commission for the business they have with our company. The commission paid is a percentage of the gross premium (excluding retail sales tax) and varies depending on the type of business. The commission paid by Bay of Quinte Mutual to our brokers is as follows:

Line of Business	Commission Range
Commercial (including liability)	20%
Farm (including liability)	20-27%
Residential Homeowner (including liability)	20%

Total salary and commission paid to our exclusive brokers and agents for 2018 was 18.6% of our gross premium.

Bay of Quinte Mutual also pays bonuses to our exclusive brokers and agents who achieve certain profit levels with our company. The bonus is direct reward for placing and maintaining good business with Bay of Quinte Mutual. The bonus paid ranges from 1.5% to 5% of the entire gross premium with our company depending upon the profit level earned. The profit is based on one year's financial results. The bonuses paid for 2018 amount to 1.9% of our gross premium written for that year.

Bay of Quinte Mutual does not offer any other forms of compensation, remuneration, or loans to our exclusive brokers or agents. Our company does not have an ownership position in any of the brokerage offices who distribute our insurance products.

Bay of Quinte Mutual is dedicated to meeting its obligations to its policyholders by employing prudent management of operation costs, investments, and product pricing, with stable, effective underwriting guidelines.