

Disclosure of Distributor Compensation

The following information is provided to assist consumers to better understand the issue of compensation to sales associates whether they are a broker or agent.

Dumfries Mutual sells insurance products through intermediaries referred to as brokers or agents. These intermediaries are compensated for their work by being paid a commission. Commissions are paid at a different percentage depending upon the type of policy purchased.

We are confident that our sales force possesses the highest professional standards. They have a duty to disclose their commission on any policy if so asked by you, the client.

Commissions currently paid by Dumfries Mutual are as follows:

Private passenger & commercial auto: 7% - 10%

Personal Lines and Commercial Property: 14% - 20%

Contingent Profit Commission:

Contracts with our brokers include a performance bonus which we refer to as a contingent profit commission. The formula to measure profitability includes claims costs, broker commissions, staff salaries and all other operating expenses. The contingent profit is not guaranteed and is averaged over an extended period of time, usually 3 years.

Business Loans:

Dumfries Mutual does not provide financial support to brokers to assist in their succession plans or expansion of their business.

Broker Point of Sale Protocol:

Your broker can provide you with a statement of their compensation showing what commission is paid by all of their insurers by policy type. These commissions are paid to the broker annually.