

Disclosure of Financial Advisor Compensation – 2021

The Co-operators mission—to provide financial security for Canadians and their communities—begins and ends with you, our client. We aim to understand and anticipate your insurance needs and build long lasting relationships with you.

We believe that our ability to meet your needs and expectations is impacted by your perception and level of understanding of insurance, insurance-related issues, and The Co-operators as an organization. Therefore, we feel it is important to disclose how our Financial Advisors are paid and any financial arrangements they may have with The Co-operators.

Financial Advisor Compensation

Co-operators General Insurance Company (CGIC) writes the vast majority of its business through its network of exclusive Financial Advisors. These Financial Advisors write business only for The Co-operators and, therefore, have no conflict of interest when making insurance recommendations.

Our Financial Advisors' compensation is part of your insurance premium. A percentage of your premium is paid annually to Financial Advisors for generating new business, servicing your account, and securing subsequent renewals. For your information, we have listed the property and casualty commission rates paid to our Financial Advisors below:

Product	Base Commission	Contingent Commission	Total Commission
Auto Insurance*	6.5% or 7.5% or 8.5%	0 – 1% or 0 – 2.5%	6.5% – 7.5% or 7% - 9.5%
Home Insurance	9% or 10%	0 – 3% or 0 – 7%	9% – 12% or 10% – 17%
Business Insurance	10% or 13.5%	0 – 4.5% or 0 – 12%	13.5% – 18% or 10% – 22%
Farm Insurance	10%	0 – 4.5% or 0 – 10%	10% – 14.5% or 10% – 20%

- * Note
- > Auto insurance may be offered through the Facility Association (6% or 7% commission) or Echelon General Insurance Company (6% or 8.5% commission) in certain markets when business does not meet the underwriting requirements for CGIC. No contingent commission is available on these policies.
 - > In Saskatchewan, The Co-operators offers extension coverage to the basic policy offered by the government run auto insurer. Base Commission is 8.5% or 9.0% and the Contingent Commission is 0 – 1.5% or 0 – 3%. Total Commission ranges from 8.5% – 10% or 9.0% – 12%.
 - > In British Columbia and Manitoba, Financial Advisors receive commissions based on rates set by the government run auto insurer.
 - > In Alberta, New Brunswick, Nova Scotia and Ontario, Financial Advisors receive a service fee of 6% or 8% on the total Pool Auto direct written premium.
 - > Financial Advisor commission on business that Federated places with external markets is between 2.5% – 10%. This does not apply to Quebec Financial Advisors.
 - > Financial Advisor commission on business they place directly with Premier Group is 10%-13%.
 - > Financial Advisor commission on business they place directly with PAL (Party Alcohol Liability) is 10%.
 - > Financial Advisor commission on business they place directly with Reliance Glass is 10%-12.5% (BC only).
 - > Financial Advisor commission on business they place directly with Eagle is 13% (Atlantic only).
 - > Financial Advisors trainees may receive a base salary and may receive less commission than listed in the above chart, but nothing greater.
- Note: The term "Financial Advisor" refers to a "Representative" in Quebec.

Contingent Commission

Payment of contingent commissions may be based on profitability, quality of the Financial Advisors' portfolio, life insurance sales volume and mix of business. Combined, these measures contribute to our overall strength as a company and enhance service to clients. These incentives are not guaranteed and depend on superior agency performance.

Corporate Advisor Compensation – Quebec Only

In addition to exclusive Financial Advisors, Quebec uses a network of Corporate Advisors to sell auto, home, business and farm insurance. They are paid a fee or percentage (depending on the product) for generating new business in addition to receiving a base salary. For your information, we have listed the rates below:

Product	Fee/Percentage	Product	Fee/Percentage
Personal Auto Insurance	\$40 per vehicle	Home Insurance	\$40 per policy
Commercial Auto Insurance	10%	Business & Farm Insurance	22% - 25%

Ownership and Loans

Our Financial Advisors are independent contractors with exclusive distribution agreements with The Co-operators. Financial Advisors are fully responsible for paying all operating expenses associated with running their agency. The company has no financial ownership of our financial advisors' offices, and we have no substantial financing arrangements with them. In Quebec, we do have also Corporate Advisors who exclusively distribute our products and financial services.

Code of Consumer Rights and Responsibilities

The Code of Consumer Rights and Responsibilities provided by The Insurance Bureau of Canada is available for review on their website. Please visit IBC.ca for additional information.

Questions

If you have any questions about the Information provided please contact your Financial Advisor.

* The Co-operators does not underwrite auto insurance in BC and MB. Extension policy offered in SK.