

# Guide to Compensation and Ownership

## TD INSURANCE MELOCHE MONNEX PROGRAM ESSENTIALS

**Sales Model** The TD Insurance Meloche Monnex home and auto program is underwritten by Security National Insurance Company (SN) for Professionals and Alumni and Primum Insurance Company (PIC) for Employer groups.

SN and PIC operate like direct response insurers distributing their home and auto insurance products through the following exclusive insurance agencies:

Meloche Monnex Insurance and Financial Services Inc. (MMIFS) for SN and PIC in Québec and; TD Insurance Direct Agency Inc. (TDIDA) for PIC and SN in all provinces except Québec.

**Commissions: Security National Insurance Company and Primum Insurance Company**

MMIFS and TDIDA receive commissions for the work they do for SN and PIC, such as recruiting and retaining targeted customers in compliance with high quality criteria. They could also receive an additional conditional commission.

SN and PIC will generally pay between 12.5% and 16.5% of written premiums to MMIFS and TDIDA in the form of commissions.

With the *additional* conditional commission, SN and PIC wish to encourage MMIFS and TDIDA to underwrite risks in compliance with the pricing structures developed for their targeted customers. SN and PIC believe that this approach will generate financial results in line with their business plan.

The additional conditional commission paid to MMIFS and TDIDA represents a maximum of 1.5% of earned premiums.

**Ownership**

PIC is a wholly-owned subsidiaries of SN which is a wholly-owned subsidiary of Meloche Monnex Inc (MMI).

MMIFS and TDIDA are wholly-owned subsidiaries of MMI.

MMI is a wholly-owned subsidiary of the Toronto-Dominion Bank.