

DISCLOSURE STATEMENT—YOUR PRIVACY IS PROTECTED

Canada's national privacy legislation, the Personal Information Protection and Electronic Documents Act, applies to all insurance brokerages collecting, using or disclosing personal information. CJB Insurance Services Inc. is pledged to protect your privacy and safeguard your personal information.

CJB Insurance Services Inc. is an independent insurance broker.

Insurance is a contract of **UTMOST GOOD FAITH** between all parties of the contract: **YOU (the client) and YOUR INSURANCE COMPANY.**

Sources of Financing:

CJB Insurance Services Inc. recognizes the value of capital growth and business expansion in a very competitive industry. To finance new initiatives and start new programs, our company and its shareholders may seek financing from Canadian Banks, Trust and/or Insurance Companies to support these operations. The financial requirements of repayment of such loans do not require, and will not influence the placement of business with any insurer or Financial Institution.

Broker Compensation by Insurance Companies:

Insurers are most selective when choosing an insurance broker with whom they establish a brokerage contract. They seek relationships with professional brokers capable of understanding the complexity of risk management, policy wordings and limitations. Both insurers and clients place the responsibility on brokers to arrange appropriate protection for our clients.

Accordingly, insurers compensate brokers for:

- Attracting the class of risk that the insurer is interested in writing.
- Providing complete details as determined by the insurer.
- Prescribing the type of protection to meet the needs of the client and the interest of the insurer.
- Addressing all service issues and maintaining communications.
- Remitting the required premium after deducting a fixed tariff, commission, or fee, as prescribed by the contract from the insurer.

The compensation for providing these services is as follows:

- Personal automobile insurance contract compensation ranges from 5% to 15% of premium, or a flat fee of \$250 regardless of the amount of the premium.
- Liability and property insurance contract compensation ranges from 7% to 25%. Occasionally a flat fee is charged as identified in an invoice.

Contingent profit commissions are additional compensatory income available to the broker if the portfolio of business written with any individual insurer is profitable to the insurer. This is a standard tool used by some insurers to help encourage brokers to select above average clients. We may receive approximately 1% to 2% of the premium as a contingent profit commission from our insurance markets. Insurers occasionally offer small gifts to insurance brokers in appreciation of the relationship. These gratuities in no way influence the volume of business we place with an insurer. Unequivocally, the needs of our clients govern our risk placement decisions.