

## Agency Compensation Disclosure

Dimond Bros. Insurance Agency, Inc. takes pride in the services we provide to you. For our efforts, we are compensated primarily by standard commissions. On occasion, we may also receive additional compensation, paid by insurance companies and, in some cases, fees paid by clients. An overview of common compensation arrangements is set forth below.

*Standard Commissions* - Standard commissions are based on commission schedules published by the insurance company and calculated as a percentage of the premium. For the majority of the products, agencies are paid a standard commission, which varies little among companies.

*Additional Compensation*- We may also receive compensation through contingency or profit-sharing agreements prepared by insurance companies with which we place business. This additional compensation, sometimes referred to as contingent commissions, may include profit sharing agreements, fees, overrides and bonuses. Eligibility for, and the amount of contingency compensation is based on pre-established thresholds for overall profitability. If profitability thresholds are met, contingent compensation may also include payments for overall volume, retention and/or growth. Compensation based on profitability is always determined by the loss-ratio of all of the policies placed with a certain company, and not on any one individual policyholder. There is no meaningful method to determine the impact that any particular policy has on contingent compensation. If in a given year our agency does not meet the profitability thresholds outlined above, we are not eligible for a contingent payment.

*Fees paid by clients*- On occasion, a fee may be charged for placement of insurance coverage or additional services. If we charge a fee, we are required to disclose it to you in writing. If the fee exceeds 10% of a directly attributable premium amount of a corresponding contract or policy, we are required to obtain your written acknowledgment of the fee.

This overview provides information about how our agency is compensated by insurers. If you would like additional information about producer compensation practices or about a commission paid on your policy, please contact Don Bartos at our agency for more details.