

Disclosure of Broker and Agent Compensation

Westminster Mutual Insurance Company has been providing insurance products since 1857, making it the second oldest Farm Mutual in Ontario. Insurance products sold through Westminster Mutual Insurance Company are available through both Insurance Brokers who represent several companies and Captive Agents who represent Westminster Mutual Insurance only.

The policyholders of Westminster Mutual Insurance Company in fact own and govern the Company. There are no stockholders and all profits are reinvested into the Company.

We compensate brokers and agents in two ways:

Firstly, they earn a commission which is a fixed percentage of the premium you pay. Secondly, they may earn an annual contingent commission which recognizes brokers and agents for helping us to write profitable business. Contingent commissions are not guaranteed and are based on a share of the profitability of business submitted by the broker or agent over a one year period.

We support and respect our brokers and agents and know from experience that they will provide you with the expert advice, choice, and excellent service you require.

<u>Line of Business</u>	<u>Base Commission</u>
Automobile	8 – 12 ½ %
Property	14 – 20%
Liability	14 – 20%
New Farm Property & Liability	19 – 25%

The average commission rates paid in 2004 were 11.7% for automobile insurance and 19.3% for property and liability policies.

Westminster Mutual Insurance Company does not offer any other form of compensation, remuneration, or loans, nor does it hold any equity in any brokerage or exclusive agency that distributes our insurance products.