



**Insurance**

Meloche Monnex

# Guide to Compensation and Ownership

## TD INSURANCE MELOCHE MONNEX ESSENTIALS

<b>Sales Model</b>	<p>The TD Insurance Meloche Monnex home and auto program is underwritten by Security National Insurance Company.</p> <p>Security National Insurance Company operates like a direct response insurer distributing its products through two exclusive insurance brokerage firms: Meloche Monnex Insurance and Financial Services Inc. (MMIFS) in Québec, and Meloche Monnex Financial Services Inc. (MMFS) in the other provinces. Their representatives are duly licensed and fixed salaried personnel.</p>
<b>Commissions from Security National Insurance Company</b>	<p>MMIFS and MMFS entirely ensure the brokerage services for the products distributed by Security National Insurance Company (SN).</p> <p>MMIFS and MMFS receive commission for the work they do for SN, such as recruiting and retaining targeted customers in compliance with our high quality criteria. The brokers could also receive an additional conditional commission.</p> <p>During the last years, SN paid between 13 and 18% of total written premiums to brokers in the form of commission. SN believes that its actual standard fees will generate similar commission ratios.</p> <p>With the additional conditional commission, SN wishes to incite brokers to underwrite risks in compliance with the pricing policies developed for its targeted customers. SN believes that this approach will generate financial results in line with its business plan. Introduced in 2006, the additional conditional commission paid to the brokers represented between 0 and 4% of total written premiums.</p>
<b>Commissions from Other Insurers</b>	<p>MMIFS and MMFS also distribute a travel insurance product, underwritten by Royal &amp; Sun Alliance Insurance Company of Canada. In the last year, the commissions represented approximately 19% of premiums. No additional conditional commission is paid.</p>
<b>Ownership</b>	<p>Security National Insurance Company, MMIFS and MMFS are subsidiaries of Meloche Monnex Inc. which is a subsidiary of the Toronto-Dominion Bank.</p>