

To My Valued Clients and Prospective Clients:

Ontario Insurance Regulations requires all clients working with licensed insurance brokers to be provided a disclosure document outlining the method by which their broker is compensated plus any conflicts of interest that may exist. This document does not require the reporting of the actual amount, just that compensation is paid. We think that clients should be aware of how we are compensated and as such, have shared this information with clients since 2005 (by formula) and in monetary form since 2017.

Mainstay Insurance Brokerage Inc. does not have any conflicts of interest. We do not have an ownership in any of the firms we deal with (beyond personal mutual fund investments) nor are we provided any financial support (loans etc.) from our suppliers or partners.

Mainstay Insurance is compensated a portion of your premium costs for designing, marketing and facilitating the placement of, and the continued service of your benefit plan. This includes: commissions; bonuses; and may contain other inducements and rewards. Some insurers offer additional incentives such as travel incentives in recognition of sales made, but Mainstay does not accept this type of reward. We do not operate on a "fee for service" type of billing due to the prohibitive costs that may result for smaller companies who often require higher service levels. We never want our clients to hesitate in contacting us for fear of getting a bill. This is supported by our "if in doubt, shout" service motto.

Mainstay Insurance Brokerage Inc. is an independent insurance broker that specializes only in employee benefits. Our role is to help your firm obtain a cost effective and sustainable benefits package for you and your employees. In doing so we consider factors including: the initial, long term and overall stability of pricing; plan design; customer service; and organizational fit. We strive to provide the highest levels of customer service to you, our client. Our proactive service approach is delivered through comprehensive training of plan administrators, plus a plan structure and administrative approach designed to minimize employer liability.

The commission paid to Mainstay Insurance for employee benefits is based on your annualized paid premium. The compensation we charge is 4-6% for HSA's, and 3-12.5% for most group benefit plans. We use the GBS commission calculator <https://cgib.ca/group-benefit-scale-gbs-commission/> to establish the actual rate charged and disclose retrospectively each year at renewal.

Our level of commission is similar (though lower) to property insurance that pays 15-20%, auto insurance that pays 10-12.5%. and business insurance that can pay as much as 30% in commissions.

Mainstay Insurance uses GroupQuest Benefits Resources Inc. to provide more efficient support in the administration of your plan. They are paid additional fees directly from the providers. An amount equal to 1% - 3% of premium, may be paid by the insurer to the MGA, and generally does not directly affect your rates. In other situations, an amount of up to 2% could be deducted from your target loss ratio and paid to the MGA resulting in a slight rate increase. Each insurers compensation model is different and is subject to change.

The amount of commission we earn may be paid by a variety of methods: as a percentage of your annualized premium paid in advance; on an “as earned” basis; or a combination thereof. If your group undergoes significant changes or terminates before the end of the policy year, any reduction in the compensation advanced to Mainstay will be required to be paid back to the insurer, by us.

The Commission level on your benefit policy is calculated as	XX%
The estimated annualized premium paid was approximately	\$XX,XXX
The estimated annualized commission paid was approximately	\$XX,XXX

As an independent insurance broker in Ontario, we are bound by the laws that govern life insurance agents. We are members of our professional association, the *Independent Financial Brokers of Canada* and follow their Code of Ethics. This means that the group insurance products that we recommend are the ones we believe are best suited to meet your needs without regard to the compensation practices of any one company. Mainstay Insurance is also the founder of Canadian Group Insurance Brokers, an association of brokers that provides education to brokers in the employee benefits field. We use that education, as well the good relationships with the firms we work with, to advocate on behalf of our clients when insurance, claim or administrative issues arise.

David Patriarche and Mainstay Insurance Brokerage Inc. specialize in ONLY employee benefits/group insurance. Though licensed to sell individual life, accident and sickness, living benefits and other insurance products, we choose not to distribute them, and allow specialists in those areas to do so. Mainstay Insurance will not provide professional advice in any other areas of insurance except employee benefits. There may be products available (such as: EAP’s, HSA’s, Critical Illness, LTD, STD etc.) that our plan may not currently offer, but that may be available by making an insurer request.

To distinguish Mainstay as a brokerage that deals with a number of providers rather than an agent dealing with only one, we are contracted to sell products from the following companies:

BBD (Benefits by Design)	The Benefits Trust	Beneplan	Canada Life (Great-West)
Claim Secure	Desjardins Financial	Empire Life	GroupSource
Manulife Financial	Medavie Blue Cross	MyHSA	RWAM Group
Sun Life	Victor (ENCON)		

In addition, some TPA’s may use the following insurers to provide or re-insure their services:

Chubb	AIG	AXA Insurance	Beneva	Co-Operators	Camden
Green Shield Canada		Industrial Alliance	La Capital	SSQ insurance	Wawanesa

This does not limit us from obtaining pricing from other insurers, TPA’s and benefit providers.

This disclosure is made in accordance with Ontario Regulation 347/04, of the *Insurance Act*, dated this 8th day of September 2022.

MAINSTAY INSURANCE BROKERAGE INC.



David J. Patriarche - President