

# PartnerProfitPlan

Here are the specifics of the **2018 Florida PartnerProfitPlan**. And as always, we are here to answer any questions you may have.

## PartnerProfitPlan Eligibility Requirements:

- The minimum written premium to qualify for the plan in this year is \$300,000.
- The Allowable Reported Calendar Year Net Incurred Loss Ratio is determined by Agent Tenure. Incurred losses include paid, case outstanding, as well as Catastrophe and Large ("Shock") Losses. Please reference the chart on page 2
- Year over year Direct Written Premium growth must be positive.
- An additional incentive of 0.5 percent of the final percentage payout will be added for our large producers with written premium over \$750,000 at year-end 2018!
- At least 12 months as an appointed Bankers Agent to qualify
- Maximum Payout is 4% of Direct Written Premium
- Qualifying product lines: Business Owners (all programs), Commercial Umbrella & Builder's Risk.

## PartnerProfitPlan Formula:

Profit sharing percentage is calculated per the below formula:

$$\text{Profit \%} = [ (\text{Volume Factor} + \text{Growth Factor}) \times \text{Loss Ratio Factor} + \text{Additional Incentive Factor} ] \times \text{Premium}$$

Where:

- Volume factor is based on written premium amount at year end, subject to a minimum premium threshold of \$300,000;
- Growth factor is based on year over year percentage growth and must be positive;
- Loss ratio factor is based on current calendar year incurred
- Additional incentive factor of 0.5% applies if written premium exceeds \$750,000 at year-end. Maximum Payout Still Applies.
- Premium is defined as direct written premium at year-end, less cancellations and return premiums.

## PartnerProfitPlan *continued*

### PartnerProfitPlan Reporting:

Your profit sharing report is currently under development and will be posted online under the Reports tab of the website. Once completed, more details will follow regarding the release of the profit sharing report. Activity will be analyzed until year-end. Profit sharing checks for 2018 will be paid by April 15, 2019 to active and qualified agencies in good standing. For confidentiality reasons, your profit sharing worksheet is viewable only when logged in under your administrative login.

<b>Agent Tenure</b>	<b>Allowable CY Loss Ratio</b>
7+	26%
6	25%
5	22%
4	21%
3	19%
2	17%
1	14%

### PartnerProfitPlan Additional info:

- The profit sharing program, including, but not limited to, eligibility requirements and profit sharing calculation, may be cancelled or modified at any time, with or without prior notice, in the sole discretion of Bankers Insurance Group, Inc. and its affiliates (collectively, the "Company"). The offering of this program does not alter the terms of your existing agency agreement.
- The determination of your eligibility and computation of any profit sharing will be determined based on our records, accounting methods and other procedures, in the sole discretion of the Company.
- The Company will calculate your profit sharing payment as of December 31 of each calendar year that the profit sharing plan is in effect and you meet the eligibility requirements.
- If the agency agreement between you and the Company ends for any reason, your eligibility for profit sharing is also terminated.