Emily Evans Consulting LLC DBA Wellth Journey: Compensation Guide for Clients

ABOUT EMILY EVANS CONSULTING LLC

Emily Evans Consulting LLC DBA Wellth Journey ("EEC") is dedicated to serving the insurance needs of all our clients, with a focus on local service excellence, and outstanding products and solutions that meet their unique needs.

OUR COMMITMENT TO TRANSPARENCY AND COMPLIANCE

We believe you should understand how we are paid and understand the services we are providing for the compensation we receive. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, EEC and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, EEC may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

We are committed to setting the industry standard for ethical business practices and client service.

To fulfill that commitment, we pledge to our U.S. clients that we will:
disclose the role(s) we perform in insurance transaction(s); disclose the types of compensation we may receive from insurers or others (see below); disclose, upon our clients' request all quotes and premium indications we receive from insurers on our clients' behalf; disclose, upon our clients' request, the amount of our compensation from insurers and from other third parties in relation to placements made on our clients' behalf; and promptly respond to client requests for additional information about our compensation

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We have reinforced this commitment with a comprehensive compliance program that includes:
experienced compliance specialists; detailed compliance procedures; ethics and compliance training; regular transaction monitoring and auditing to make sure we live up to our standards; regular reports to our board of directors; and a hotline for any questions or complaints.

These initiatives translate into many benefits for our clients, including:

a clear understanding of how much you are paying us; a clear understanding of what you are paying us to do; and the ability to evaluate our services and any potential conflicts of interest, much as you evaluate services you purchase from other professionals.

OUR COMPENSATION

We are compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. EEC may receive compensation through one or a combination of the following methods:

Retail Commissions – A retail commission is paid to EEC by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. Retail rates can vary from transaction to transaction. If EEC places business through an affiliated wholesale broker or managing general agent, EEC will advise the client of this at or prior to placement.

Client Fees – Some clients may negotiate a fee for EEC's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by EEC, the compensation to be paid to EEC, and the terms of EEC's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by EEC for the client's placements.

Contingent Commissions – Many insurers agree to pay contingent commissions to insurance producers who meet set thresholds for all or some of the policies the insurance producers place with the insurer during the current year. The set thresholds may include volume, profitability, retention and/or growth metrics. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

Wholesale Broking Commissions – Sometimes EEC acts as a wholesale insurance broker. In these placements, EEC is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, EEC may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

Other Compensation – From time to time, EEC may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers sponsor some EEC training programs and/or events. EEC may also have arrangements with vendor who compensate EEC for referring client for vendor's services.

Our Contractual Arrangements with Insurers

EEC has agreements with certain insurers pursuant to which EEC provides services to them and for which EEC is compensated to the extent permitted by law and regulation in each country in which EEC operates. Examples include captive management services, claims administration services, claims management software and associated services, managing general agent and managing general underwriter services. EEC is also party to agreements with insurers that facilitate insurance transactions, including agency agreements, agreements to administer facilities, and agreements to operate internet-based insurance placing facilities.

EEC also routinely enters into various types of agreements with insurers that are ancillary to the insurance broking process, or other services performed on behalf of clients. Examples include confidentiality and nondisclosure agreements for the release of data relating to insurance placements, claims handling and loss control programs,

nondisclosure and/or noncompetition agreements relating to the development and disclosure of new insurance products and services, and licensing agreements governing access to and use of data management systems and databases.

STATEMENT REGARDING ALTERING COMPENSATION

EEC is prohibited by law in most states from altering the amount of compensation received from an insurer based in whole or in part on the sale of an insurance policy.

This disclosure is mandated by New York State Insurance Department Regulation No. 194 (11 NYCRR 30) §30.3(5). We interpret this provision to refer to the various anti-rebating insurance laws throughout the country, such as New York Insurance Law §2324 which prohibits insurance companies, agents and brokers from sharing or rebating commissions as an inducement to making an insurance contract. WJ/EEC makes the above statement based on that interpretation.

QUESTIONS? JUST ASK.

We encourage you to ask questions regarding any aspect of your relationship with Wellth Journey/Emily Evans Consulting LLC. Please feel free to ask a member of your account team.

If you wish to raise issues, express concerns, or file a complaint regarding compensation paid or payable to us by insurers or any other third parties, please contact us at