

trailing commission for the multi-year term product (i.e. the policy, and/or driver licence). Trailing commissions are calculated the same way as commissions for renewals –on the commission fee schedule.

k) Please see figure below.

**Figure 2 Trailing Commissions**

Line No.	Lines of Business	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
1	(\$000's, except where noted)										
2					19,101	18,502	18,303	19,248	20,609	22,644	24,411
3	Basic	5	4,069	22,709	-17,784	-16,884	-16,869	-17,656	-19,102	-20,855	-22,477
4	Extension	2	2,672	17,622	22,207	24,878	23,038	21,969	22,219	23,487	24,008
5					41,308	43,380	41,341	41,217	42,828	46,131	48,419
6	Trailing Commissions Written	7	6,741	40,331	-39,988	-41,762	-39,897	-39,625	-41,324	-44,342	-46,485

l) *Part V(ii) Ratemaking RM.4.2.2* describes the two components of commissions paid to brokers, which are the variable commission and the commission flat fees. Commission flat fees are allocated on a per unit basis to all vehicles excluding trailers and off-road vehicles. The variable commission is 3% of vehicle required rates, and is applicable to all vehicles.

Commissions paid to brokers are included as part of vehicle required rates whether or not the policyholder attends a broker. This is part of the current arrangement with the brokers.

m) Please, refer to the *Appendix 11* for the Agency Appointment & Operating Standards.

n) As of December 2013, in an agreement with IBAM, MPI stopped accepting applications for new licenses or Agency Appointments. MPI continues to process appointment transfers through sales of existing appointments. Brokers must provide a Sale Agreement between two parties before MPI will process the transfer.

o) Please, refer to *Appendix 12* and *Appendix 13* for the Autopac Agency Agreement and Probationary Autopac Agency Agreement templates.

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