



365 Crossways Park Drive, Woodbury, New York 11797 - Tel: 516-799-8222 • Fax: 516-799-8248

---

## Compensation Disclosure

Bender Insurance, Incorporated is an independent insurance agent that places personal, commercial and benefits related insurance coverage for its customers with a variety of insurance carriers. The agency's compensation is primarily derived from commissions paid by carriers based on a fixed percentage of the premiums paid on customer's policies. In a few cases, where insurance is placed with a carrier that does not pay commissions, Bender Insurance, Inc. must charge its customers a fee. When a fee is charged the agency provides its clients with a service agreement that specifies the fees that will be charged and the services that will be provided in return.

Although commissions are Bender Insurance, Inc.'s principal source of revenue, the agency derives additional compensation from a number of sources. The agency earns interest income on the premiums that pass through its bank accounts, and may also receive payments from insurance carriers for the costs it incurs for marketing and business development. In addition, the agency may earn income from "contingency agreements"-profit sharing arrangements that offer compensation based on the profitability and volume of the agency's book of business with an insurance company. These payments are not guaranteed, and because they are based on the results of Bender Insurance, Inc.'s annual book of business with a carrier, the compensation earned is calculated after the close of each calendar year. This makes it impossible to ascertain what impact a specific policy may have on Bender Insurance, Inc.'s end of year results.

It is important to note that contingency agreements are filed with and approved by state insurance departments, and the payments generated by such agreements are not passed on to customers. Finally, since most-if not all-insurance companies have these agreements, the presence of such an agreement with a particular carrier has no influence on which carrier Bender Insurance, Inc. recommends for its clients. The agency's recommendations are based solely on cost competitiveness and policy suitability for a client's risk profile.