

THE FARMERS INSURANCE® RETAIL OPPORTUNITY



CONFIDENTIAL

ABOUT FARMERS®

Leadership, Stability, and Brand Recognition

Established
1928

24/7 
Award-winning claims
department service



More than
11,000 
Exclusive agents

Over 20
Insurance and
Financial Products



Industry-leading
training 
University of Farmers®

Serve more than
10 Million
Households
with more than 
19 Million
individual policies

Over **\$20**
Billion
in combined assets



BRAND RECOGNITION AND COMMUNITY INVOLVEMENT

One of America's most recognizable brands

- Nationally recognized **We Are Farmers**® advertising campaign
- Proud sponsor of golfer **Rickie Fowler** and the **Farmers Insurance Open**®
- G.I. Jobs named Farmers a **Top 150 Military Friendly Employer** in the US
- Supports at-risk youth through grants and sponsorship for the **The First Tee**, **ASYMCA** and **Boys & Girls Clubs**.
- Collaborates with **SBP**, **American Red Cross**®, and **Team Rubicon**® on long-term disaster recovery, along with the **Farmers Catastrophe Response Team**
- Annual float participant in the **Rose Parade**® on New Year's Day



INSURANCE AND FINANCIAL SERVICE PRODUCTS

Personal Lines, Commercial, Specialty, Life¹, and Financial Services²

Property & Casualty

- Auto
- Home & Renters
- Umbrella
- Small Business
- Habitational
- Boat
- Motorcycle
- Motor Home
- Mobile Home
- Commercial P&C
- Workers' Compensation

Life Insurance¹

- Term Life
- Whole Life
- Universal Life
- Indexed Universal Life
- Critical Illness
- Accidental Death
- Disability
- Group Term
- Fixed Annuities
- Advanced Market Life Solutions

Financial Products²

- 529 Plans
- 401(k) Plans
- Variable Annuities
- Roth IRAs
- SEP
- Simple IRAs
- Variable Life
- Mutual Funds
- Nationally Recognized Fund Families



Auto



Home



Life¹



Business



Recreational



Motorcycle



Umbrella



Renters



Financial²

¹ Life insurance issued by Farmers New World Life Insurance Company, 3003 77th Ave. SE, Mercer Island, WA 98040. Products and features may not be available in all states and may vary by state. Restrictions, exclusions, limits, and conditions apply.

² Securities offered through Farmers Financial Solutions, LLC. Member FINRA & SIPC. Some products may not be available in all states.

OUTPLACEMENT OPTIONS

Through wholly owned Kraft Lake Insurance Agency, Inc. and outside appointments

- **National brokerage wholly owned** by Farmers
- Provides Farmers agents with **access to external company products** that complement Farmers products and help round out accounts
- Based in Grand Rapids, Michigan, Kraft Lake is staffed with representatives who have a **wide background of insurance experience**



Contractor's
General Liability

High Value
Homeowners

Farm
& Ranch

Professional
Liability (E&O)

E&S Vacant
Building/Land

- **Business that is not acceptable** to Farmers and not eligible for placement through Kraft Lake **may be placed outside of Farmers**

THE RETAIL PROGRAM

36-month new agent financial support program
that rewards high levels of performance



THE RETAIL PROGRAM

36-month new agent financial support program that rewards high levels of performance

Five retail bonus opportunities

1. **\$10,000 Agency Start-Up Bonus** for establishment of branded office location
2. **\$300 Monthly Marketing Bonus** for up to 36 months
3. **Bonus on net NB commissions earned while on Reserve agent program¹**
4. **Monthly Bonus Program** based on net NB commissions for up to 36 months
5. **Annual Bonus Program** based on net NB commissions for up to 3 years

Other key program benefits

1. **Retail bonuses are all non-repayable and in addition to commissions**
2. **Bonuses are paid monthly** per the established schedules and guidelines
3. **Production requirements reset each quarter and year**
4. **Additional bonus opportunities following completion** of the Retail Program
5. **New agent training program** from the University of Farmers®

¹ This one-time bonus also applies to the Associate agent program

THE RETAIL PROGRAM

Quarterly bonus schedule for the monthly bonus opportunity¹

Monthly Bonus on Net New Business Commissions Paid												
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Tier A	300%	300%	300%	300%	180%	180%	180%	180%	60%	60%	60%	60%
Tier B	300%	270%	270%	270%	162%	162%	162%	162%	54%	54%	54%	54%
Tier C	300%	240%	240%	240%	144%	144%	144%	144%	48%	48%	48%	48%

Net New Business Commissions Paid and Life Issued and Paid Quarterly Requirements ²												
Area	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Area 1												
Tier A	10,000 / 3	10,000 / 3	10,000 / 3	10,000 / 3	12,000 / 4	12,000 / 4	12,000 / 4	12,000 / 4	15,000 / 5	15,000 / 5	15,000 / 5	15,000 / 5
Tier B	7,000 / 2	7,000 / 2	7,000 / 2	7,000 / 2	8,500 / 3	8,500 / 3	8,500 / 3	8,500 / 3	12,000 / 4	12,000 / 4	12,000 / 4	12,000 / 4
Tier C	3,000 / 1	3,000 / 1	3,000 / 1	3,000 / 1	5,000 / 2	5,000 / 2	5,000 / 2	5,000 / 2	7,500 / 3	7,500 / 3	7,500 / 3	7,500 / 3
Area 2												
Tier A	9,500 / 3	9,500 / 3	9,500 / 3	9,500 / 3	11,400 / 4	11,400 / 4	11,400 / 4	11,400 / 4	14,250 / 5	14,250 / 5	14,250 / 5	14,250 / 5
Tier B	6,650 / 2	6,650 / 2	6,650 / 2	6,650 / 2	8,075 / 3	8,075 / 3	8,075 / 3	8,075 / 3	11,400 / 4	11,400 / 4	11,400 / 4	11,400 / 4
Tier C	2,850 / 1	2,850 / 1	2,850 / 1	2,850 / 1	4,750 / 2	4,750 / 2	4,750 / 2	4,750 / 2	7,125 / 3	7,125 / 3	7,125 / 3	7,125 / 3
Area 3												
Tier A	9,000 / 3	9,000 / 3	9,000 / 3	9,000 / 3	10,800 / 4	10,800 / 4	10,800 / 4	10,800 / 4	13,500 / 5	13,500 / 5	13,500 / 5	13,500 / 5
Tier B	6,300 / 2	6,300 / 2	6,300 / 2	6,300 / 2	7,650 / 3	7,650 / 3	7,650 / 3	7,650 / 3	10,800 / 4	10,800 / 4	10,800 / 4	10,800 / 4
Tier C	2,700 / 1	2,700 / 1	2,700 / 1	2,700 / 1	4,500 / 2	4,500 / 2	4,500 / 2	4,500 / 2	6,750 / 3	6,750 / 3	6,750 / 3	6,750 / 3

- **Production determines bonus** based on net NB commissions paid the next quarter
 - For example, achieving \$10,000 net NB commissions and 3 Life Issued & Paid in Q1 would receive a 300% bonus based on net NB commissions produced during Q2¹

¹ Monthly and annual bonuses paid based on Life and Commercial commissions are subject to specified maximum amounts

² Each ZIP Code assigned to Area 1, 2, or 3 which determines monthly and annual bonus requirements

THE RETAIL PROGRAM

Annual bonus schedule for the monthly bonus opportunity¹

Annual Bonus on Net New Business Commissions Paid			
	Year 1	Year 2	Year 3
Tier A	60%	60%	60%
Tier B	50%	50%	50%
Tier C	40%	40%	40%

Net New Business Commissions Paid and Life Issued and Paid Quarterly Requirements ²			
Area 1	Year 1	Year 2	Year 3
Tier A	40,000 / 12	48,000 / 16	60,000 / 20
Tier B	28,000 / 8	34,000 / 12	48,000 / 16
Tier C	12,000 / 4	20,000 / 8	30,000 / 12

Area 2	Year 1	Year 2	Year 3
Tier A	38,000 / 12	45,600 / 16	57,000 / 20
Tier B	26,600 / 8	32,300 / 12	45,600 / 16
Tier C	11,400 / 4	19,000 / 8	28,500 / 12

Area 3	Year 1	Year 2	Year 3
Tier A	36,000 / 12	43,200 / 16	54,000 / 20
Tier B	25,200 / 8	30,600 / 12	43,200 / 16
Tier C	10,800 / 4	18,000 / 8	27,000 / 12

Production determines bonus based on net NB commissions paid

- For example, achieving \$40,000 net NB commissions and 12 Life Issued & Paid in Y1 would receive a 60% bonus based on net NB commissions produced during Y1¹

Bonus paid in 12 equal installments the following year

¹ Monthly and annual bonuses paid based on Life and Commercial commissions are subject to specified maximum amounts

² Each ZIP Code assigned to Area 1, 2, or 3 which determines monthly and annual bonus requirements

THE RETAIL PROGRAM

Bonus illustration

Illustration of Potential Retail Bonuses for 1st Year Based on 12 Life I&P and \$60K in Applicable Net NB Commissions

	Net NB Commissions Paid		Monthly Bonus on Net NB Commissions Paid ¹		Monthly Marketing Bonus		Annual Bonus on Net NB Commissions Paid ²		Total Bonus and Net NB Commissions Paid
Q1	\$15,000	+	300% or \$45,000	+	\$900		=	\$60,900	
Q2	\$15,000	+	300% or \$45,000	+	\$900		=	\$60,900	
Q3	\$15,000	+	300% or \$45,000	+	\$900		=	\$60,900	
Q4	\$15,000	+	300% or \$45,000	+	\$900		=	\$60,900	
Y1	\$60,000	+	\$180,000	+	\$3,600	+	60% or \$36,000	=	\$279,600

The above agent would receive **\$219,600 in non-repayable Retail bonuses** for achieving a total of **\$60,000 in applicable net NB commissions** during the first year³

¹Monthly and annual bonuses paid based on Life and Commercial commissions are subject to specified maximum amounts; this example assumes Tier A applies

²Bonus paid in 12 equal installments the following year

³Assumes all bonus eligibility requirements were achieved

WHAT IT MEANS TO BE AN EXCLUSIVE AGENT



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Farmers support and products, acquisition opportunities, bonuses and incentives, and more

- **Agent appointment agreement**
 - Business that is not acceptable to Farmers or eligible for placement through Kraft Lake can be placed outside
- **Numerous incentives and bonus opportunities including¹**
 - Growth bonuses for Personal Lines, Commercial, and Life
 - Achievement Clubs, including Topper Club and Presidents Council
 - Trips to the Farmers Insurance Open
 - Other bonuses and incentives for performance as a Farmers agent
- **Opportunity to participate in our Protégé Agency Producer program¹**
 - Agents may receive up to \$25,000 for any Protégé Agency Producer who produces \$100,000 in applicable NB premium within 12 months and becomes a Farmers agent
- **Service and commission rights²**
 - Opportunity to sell service and commission rights on the open market
 - Ability to purchase service and commission rights of another Farmers agent
- **Contract Value opportunity²**

¹Incentives and bonus opportunities subject to change at any time and may not be available to all agents

²Refer to agent appointment agreement for more information



FARMERS[®]
INSURANCE