



BBD DISCLOSURE STATEMENT

Benefits by Design (BBD) is an Administered Benefits Agency. We access employee benefit products from a variety of insurance and health services companies and then develop employee benefit packages. Our purpose is to provide Canadian companies with the best value in their employee benefit programs. We choose to distribute through professional independent advisors who act as the employer's advocate in this relationship.

BBD is a privately held Canadian company. The head office and western regional office is located in Port Coquitlam, British Columbia. The eastern Canadian regional office is located in Kingston, Ontario, and we also have an office in Toronto, Ontario. BBD is licensed as an insurance agency in all Canadian provinces and territories except Quebec. Our suppliers and the independent advisors we distribute our products through have no ownership interest in BBD. BBD does not have any ownership interest in any of our suppliers or in the practices of the advisors.

We place 80% of our business with our major suppliers which include Green Shield, SSQ Financial Group and Industrial Alliance Pacific. We also have relationships with RBC Insurance, Manulife, Great West Life, Pacific Blue Cross, and Equitable. We have a limited amount of business with some other insurers.

BBD is paid a percentage of premium to issue group contracts for traditionally insured benefit products. BBD manages plan administration, collects premiums, and communicates benefits by providing comprehensive booklets. BBD also provides marketing support and develops a distribution network of advisors. Our suppliers find it is more cost effective to use BBD than develop and provide these services themselves. BBD will assist in the claims process but is not a claims payer. Claims are paid by the insurance suppliers. The percentage of the premium we receive ranges from 5% to 15% depending on the size of the group. Under a cost plus arrangement, we receive a 10% administration fee. For a Health Care Spending Account Service, we receive a fee of 4% on the claims paid. We receive no bonus or contingent commissions from our major suppliers. Some of our secondary suppliers provide a bonus based on levels of production and retention.

Our distribution network of independent advisors is paid a commission which can range from 5%-12% of the premium on insured benefits. For Health Care Spending Accounts, advisors receive 4% of paid claims unless otherwise specified at time of quote. Our distribution network of independent advisors does not receive salary, bonus, or any contingent fees and we do not provide agents with travel incentives. Attendance at educational seminars we provide is not based on production. We do support some distribution and producer networks by providing a training support allowance of 2%.