

2024 Qualification Year, 2025 Membership Benefits Year



Benefits

Written Premium	President's Club \$1.5-3 million			President's Club Plus >\$3-6 million			President's Club Elite >\$6-12 million			President's Club Premier >\$12 million
	≤ 50% to 40%	< 40% to 30%	< 30%	≤ 50% to 40%	< 40% to 30%	< 30%	≤ 50% to 40%	< 40% to 30%	< 30%	≤ 50%
Commercial Lines New Business Minimums	\$150,000			\$300,000			\$600,000			\$1,200,000
Commercial Lines New Business For Trip Qualification	\$300,000			\$600,000			\$1,200,000			\$2,400,000
Profit Sharing Guarantee	0.5%	1.0%	1.5%	1.0%	2.0%	3.0%	1.5%	2.5%	3.5%	Individually negotiated benefits that are strategically aligned with the goals of both the qualifying agent and Merchants
Commercial New Business Bonus	1.0%	2.0%	3.0%	2.0%	3.0%	4.0%	3.0%	4.0%	5.0%	
President's Club Trip	✓	✓	✓	+1 night	+1 night	+1 night	+2 nights	+2 nights	+2 nights	
Profit Sharing Lock	17.5%	17.5%	17.5%	15.0%	15.0%	15.0%	12.5%	12.5%	12.5%	
Business Development Dollars	1,000	1,500	2,000	2,000	3,500	5,000	5,000	7,500	10,000	
Claims Review				✓	✓	✓	✓	✓	✓	

QUALIFICATIONS

- Agency must have a total 2024 written premium volume of at least \$1,500,000.
- Three-year (2022-2024) total earned to incurred loss-ratio of no more than 50%, with no provision for stop loss. The loss ratio will be measured on a rolling three-year basis for continued membership.
- Agency must achieve the minimum Commercial Lines New Business Premium levels stipulated for the respective Written Premium tier for which they have qualified. If the Commercial Lines New Business minimum is not met, the agency instead qualifies for the next lower tier.
- In order to also qualify for the President's Club Trip benefit, the agency must achieve the **Commercial Lines New Business for Trip Qualification** minimum written premium level stipulated for the respective Written Premium tier for which they have qualified. If the **Commercial Lines New Business for Trip Qualification** minimum written premium level is not met, the agency will not earn the President's Club Trip benefit.
- Agencies combined for determining premium volume qualification will also be combined for loss ratio qualification. Mergers and combinations of existing agents must have been completed prior to 1/1/24. Clusters and groups must be approved in writing by Merchants Insurance Group as a "combinable entity" to be eligible for membership consideration. "Combinable entity" requires shared ownership of expirations supported by a written contract. New combinable entities or aggregation of existing agency groups must be approved by the company and are subject to individual negotiated qualifications and benefits.
- Merchants reserves the right to modify President's Club qualifications and/or benefits for any agent that is receiving additional compensation from Merchants through an affiliation or membership with another agency group or network of any kind.
- Agency commercial lines written premium volume AND commercial lines policies-in-force for the qualifying year (1/1/24 – 12/31/24) must exceed commercial lines written premium volume AND commercial lines policies-in-force for the prior year. (Agency Summary Report [ASR] for year ending 2024 compared to ASR for year ending 2023.)
- Must be a Merchants agent for at least three years.

Benefits During the Membership Year Effective 1-1-25

- 1) Member agencies will share in a wide menu of benefits that vary by premium volume and profitability. An agency must be in good standing in order to receive these benefits.
- 2) Merchants will issue a press release distributed to member agencies' local newspaper(s) announcing your membership in the Merchants Insurance Group President's Club.
- 3) One agency principal and their guest representing each member agency that has met the new business qualification for the trip will receive an invitation to attend the annual Merchants Insurance Group President's Club meeting.

President's Club Premier members will receive a suite of benefits that exceeds the value of the President's Club Elite benefits. These individually negotiated benefits are strategically aligned with the goals of both the qualifying agent and Merchants.

Guaranteed Factor on Profit Sharing:

All President's Club agents receive a guaranteed factor on Merchants' Profit Sharing Plan for 2025. Depending on the agent's premium volume with Merchants and their three-year Loss Ratio, they are guaranteed to receive the corresponding factor (applied to earned premium) displayed in the table on the front of this flyer. If their earned profit sharing percentage is higher than the table factor, they will receive the higher earned percentage.

Commercial Lines New Business Bonus:

All President's Club agents receive a bonus on their new commercial lines premium written in 2025 equal to the corresponding amounts displayed in the table on the front of this flyer. Payments will be calculated on commercial lines new business premium at year-end and will be paid by the end of March the following year.

President's Club Trip:

One agency principal and their guest representing each member agency that has met the Commercial Lines New Business qualification for the trip will receive an invitation to attend the annual Merchants Insurance Group President's Club meeting and trip. President's Club members will be eligible to attend for the final three days, President's Club Plus members for the final four days, and President's Club Elite and President's Club Premier members for the full five days. Invitations to Merchants President's Club Trip are not assignable to others. Any exceptions to this rule will require prior authorization from Merchants.

Profit Sharing Lock – Reduced Charge:

The standard 20% charge for the 9-Month Loss Ratio "Lock" Option in Agents Profit Sharing will be reduced for all President's Club agents according to the percentages in the table on the front of this flyer.

Business Development Dollars:

All President's Club agents will be eligible at varying levels for reimbursement of employee education and Producer Training School fees. Business Development Dollars can also be used to fund incentives intended to enhance new business opportunities for the agency with Merchants. All expenses are subject to proper documentation, submission, and approval. To request Business Development Dollars, please complete the reimbursement form located in the Agency Principal Access area of Merchants Insurance Group's secure website. Submit the completed form to your Territory Manager or Regional Vice President for approval. All expenses must be incurred and submitted by December 31st of the President's Club membership year.

Claims Review:

President's Club Plus and President's Club Elite members will receive an annual review (either on-site or via teleconference) of their claims results and experience.