Disclosure Statement

A Message from our CEO,
Robin Shufelt

Thank you for placing your trust in First Acre Insurance Inc. ("First Acre", "we") to meet your client's insurance needs. We value your business and are dedicated to providing transparency within our services.

About Our Brokerage

At First Acre, we strive to support the farming community by developing products for broker clients through our role as an insurance intermediary working with our insurer partners. First Acre is authorized to conduct general/property & casualty insurance business in Alberta, British Columbia, Manitoba, Saskatchewan, and Ontario.

While we do not sell insurance coverage directly to the public, our brokerage license in Alberta, British Columbia, Manitoba, Saskatchewan and Ontario allows us to communicate directly with your clients, specifically in regard to obtaining e-signatures and direct payments, in order to complete the issuance of insurance policies.

Transparency Regarding Broker Compensation

To maintain sustainable operations and build strong partnerships within the insurance industry, First Acre is compensated through commissions earned on the insurance policies we place with various insurers. Commissions are earned on both new and renewed policies each year depending on the type of insurance product chosen through our platform. Commissions are typically

paid annually and in instances where mid-term policy changes require additional premium.

Occasionally, in addition to standard commissions we may also receive additional incentives or contingent commissions, which are based on factors such as business growth, client retention, policy volume, or overall profitability.

Our Insurance Partners, Commission, and Fees

We are proud to collaborate with leading insurance providers who help us deliver quality products and services. As part of these arrangements, we receive standard commissions that typically fall between 25% and 27.5% of the total premiums. The following insurers are key partners in helping meet your clients' diverse insurance needs:

- **ARAG Legal Solutions Inc.:** https://www.arag.ca
- **Aviva Insurance Company of Canada:** https://www.aviva.ca
- **Intact Insurance Company:** https://www.intact.ca
- **Mutual Fire Insurance Company of British Columbia:** https://mutualfirebc.com
- **Red River Valley Mutual Insurance Company:** https://redrivermutual.com

Note: This list is subject to periodic updates as we continue building relationships within the industry to provide added value and more options to our customers.

Contingent Profit Commissions

In addition to standard commissions, certain markets that are noted below provide an opportunity for First Acre to earn Contingent Profit Commission (CPC). CPCs can depend on a variety of factors (not limited to, but including growth, profitability (loss ratio), total volume, and retentions). It is based on

the portfolio of policies First Acre maintains with the insurer, rather than being reliant on any one individual policy. For detailed information on compensation, please refer to the individual market's website, as provided below. It is worth noting that contingent commissions are also not guaranteed.

Market	Commission	CPC	Website
Red River Mutual	0% to 45%	Yes	https://redrivermutual.com
Aviva	0% to 50%	Yes	https://www.aviva.ca
Mutual Fire of British Columbia	0% to 17.5%	Yes	https://mutualfirebc.com
ARAG	NA	No	https://www.arag.ca
Intact	NA	No	https://www.intact.ca

Brokerage Service Fee

We charge a brokerage service fee equivalent to 3% of the total insurance premium, up to a maximum of $2,500 for our services. This fee helps cover costs such as payment processing, platform maintenance costs and supports the delivery of efficient service to your clients.

Conflicts of Interest Disclosure

First Acre is owned and controlled by two Canadian insurers, Red River Valley Mutual Insurance Company and The Commonwell Mutual Insurance Group. In instances where First Acre conducts business on behalf of its parent insurers,

this creates a conflict of interest due to the existing relationship. Despite this ownership structure, First Acre is committed to acting in the best interests of your clients. We prioritize their interests, treat them fairly, and take all reasonable steps to avoid or appropriately manage conflicts of interest.

We will not deliberately put ourselves in a position where our interests, or our duties to another party, could prevent us from fulfilling our responsibilities to your clients. If a conflict arises that is complex or difficult to manage, we will discuss it with you.

Confidentiality and Data Protection

First Acre understands that you may furnish us information about an identified or identifiable individual, including your client or employee information ("Personal Data"). First Acre presumes that you are authorized to receive and possess any such Personal Data and that you have obtained any necessary consents from third parties, including the individual to which such Personal Data relates, that may be required for First Acre to use the Personal Data for the purposes of providing services including the issuance of insurance policies. Irrespective of where First Acre receives or holds Personal Data on your behalf, First Acre will take appropriate technical, physical and organizational/administrative measures to protect it against accidental or unlawful destruction or accidental loss or unauthorized alteration, disclosure or access. First Acre shall comply with the provisions and obligations imposed by applicable data privacy legislation and regulations.

Regulatory Compliance

First Acre adheres to strict regulatory standards, ensuring that your clients' insurance needs are handled in accordance with all applicable laws, regulations, guidance and codes of conduct. We are regulated by the provincial insurance regulators in each province or territory in which we operate, which helps protect your clients. Our insurer partners will provide a Consumer Code of Rights and Responsibilities with your clients' policy

documents, which may also be accessed on the respective insurer's website. If you have any questions, concerns, or complaints generally or in relation to a conflict of interest, please contact us directly, and we will work promptly to address your issue.

First Acre Insurance Inc. – Contact Information

Address: First Acre Insurance Inc., Suite 307, 1235 Fairview Street, Burlington, ON L7S 2K9

Email: info@firstacre.ca

Phone: 1-(343) 321-1830

Robin Shufelt

CEO, First Acre Insurance Inc.