

Broker Compensation 5 Year ProForma

Standard Market vs Roundstone Captive

STANDARD MARKET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Beginning Number of Employer Groups*	0.0	1.2	1.9	2.4	2.6	8.1
Annual Submissions	50	50	50	50	50	250
Close Rate	4%	4%	4%	4%	4%	
Employer Groups Won	2	2	2	2	2	10
Total Employer Groups	2.00	3.20	3.92	4.35	4.61	18.08
Assumed Annual GWP (\$1.2M / Employer)	\$2,400,000	\$4,320,000	\$5,953,500	\$7,435,800	\$8,863,501	\$28,972,801
Broker Compensation @ 6% (including overrides, if applicable)	\$144,000	\$259,200	\$357,210	\$446,148	\$531,810	\$1,738,368

* 60% retention rate assumed

** \$1.2M in GWP in Year 1 per ER w/12.5% annual increases thereafter

ROUNDSTONE CAPTIVE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Beginning Number of Employer Groups*	0.0	3.2	7.3	16.1	23.9	50.4
Annual Submissions	50	50	50	50	50	250
Close Rate	7%	10%	21%	21%	21%	
Employer Groups Won	3.5	5	10.5	10.5	10.5	40
Total Employer Groups	3.5	8.2	17.8	26.6	34.4	90.4
Broker Compensation @ 10% of SL Premiums	\$107,100	\$261,860	\$601,690	\$940,542	\$1,279,355	\$3,190,547

* 90% retention rate assumed

DELTA: (\$36,900) \$2,660 \$244,480 \$494,394 \$747,545 \$1,452,179

Other Assumptions: • 85 enrolled • \$1.2M in FI Px • \$300k in SL Px

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