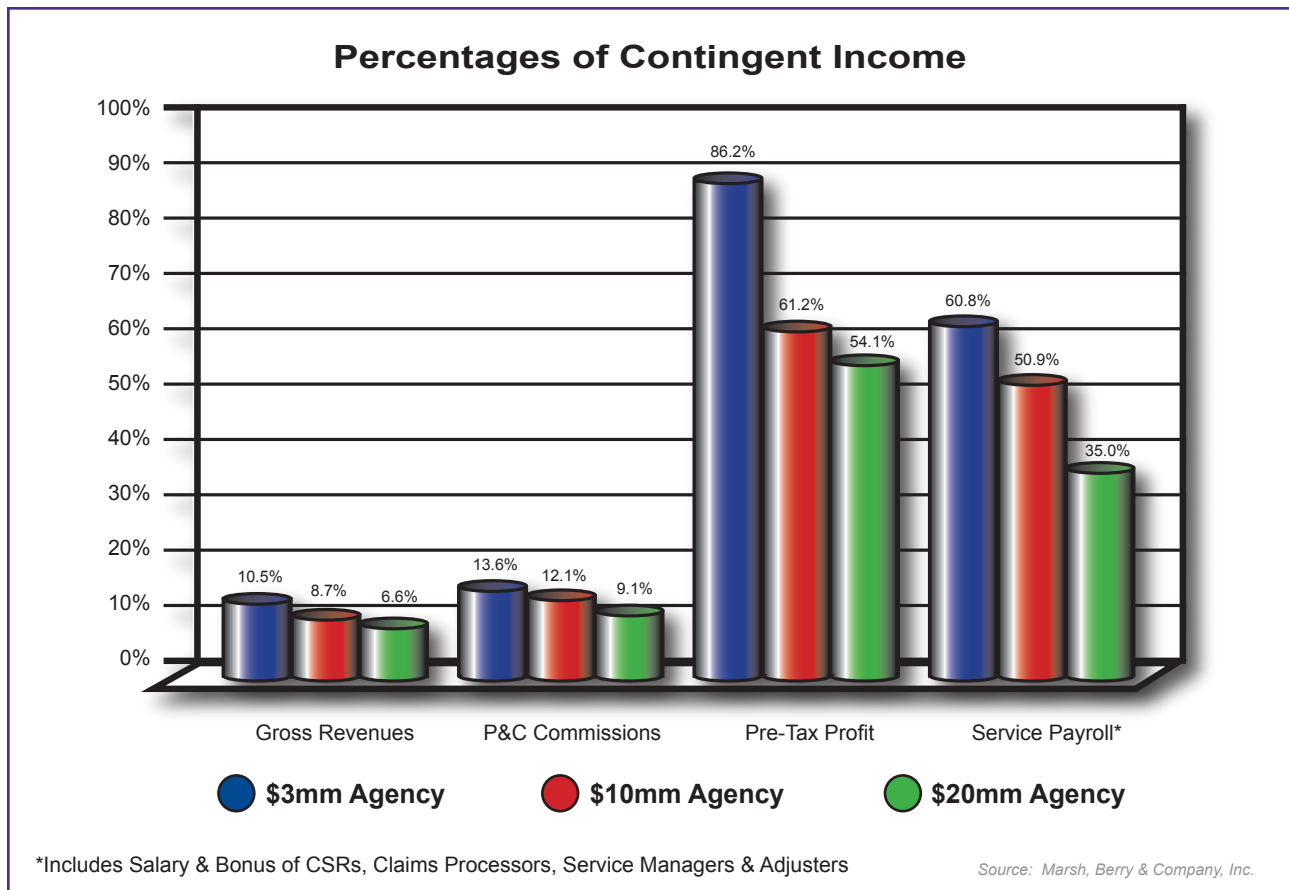


Impact of Contingent Income

Many insurance agents and brokers are dependent upon contingent income to help cover daily operating expenses. In such organizations, it is not uncommon to see contingent income exceed pre-tax profit. The following chart depicts the importance of contingents relative to agencies of various revenue sizes.



As our industry continues to discuss contingents and implement new supplemental income programs, agents and brokers need to be cognizant of the financial impact such income has on the organization. The best agents and brokers do not need contingents to support expense loads. Instead, they budget, operate and view contingents for what they are... bonuses.

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