

## ■ Life Insurance

### **What is life insurance?**

*Life insurance is a contractual agreement between a policy owner and a life insurance company, where the life insurance company agrees to pay a lump sum of funds in the event of a life insured's death. The policy owner agrees to pay a stipulated premium amount. In the event of the insured's death, the life insurance company pays the benefit to a designated beneficiary.*

*Insurance and annuities are offered by Edward Jones Insurance Agency (except in Quebec). In Quebec, insurance and annuities are offered by Edward Jones Insurance Agency (Quebec) Inc.*

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### **How are we paid for our services?**

Typically, the insurance company pays Edward Jones a commission at the time you pay the premium for the life insurance policy. The commission may vary depending on the insurance company issuing the policy, the type of coverage provided by the policy, and the amount of premium paid. The amount of premium you pay depends on the options and level amount of coverage you select, your age, gender, health and other factors.

In most cases, a commission is based on a fixed percentage of your first-year premium and includes a bonus as well. Edward Jones also receives annual renewal commissions for a certain period of years.

### **How is your financial advisor compensated?**

Your financial advisor receives a percentage of the total commissions/bonus and renewal commissions that the insurance company pays to Edward Jones. Our revenue affects Edward Jones' overall profitability and thus may affect any branch bonus your financial advisor receives.