



Member Dividend Eligibility Calculation Tool

TBG Join Date:



Eligibility date to receive 1st TBG dividend check:



1. Member must be in good standing.
2. Member must have contributed to the profit of the fund.
3. Returning Members must be a current Member as of 4/1 in the current payout year.

ELIGIBILITY

A TBG Member is eligible to receive a dividend distribution if they were a TBG Member during the Fund year designated by TBG's Board of Directors for dividend distribution and are still a Member of TBG on the date(s) when the authorized dividend distribution is paid or credited to the Eligible Member.

DIVIDEND DISTRIBUTION PAYMENT

If a dividend distribution is authorized, the payment to the Eligible Members will be made on a date determined by the TBG Board of Directors. The dividend distribution payment(s) are based on the following criteria:

- The amount of profit an individual Member has contributed to the Fund in a Fund Year.
- The Expense Ratio of each Fund Year will be calculated to determine the breakeven loss ratio of that Fund Year. The Expense Ratio is the result of totaling all of the expenses for that Fund Year (except reinsurance) and dividing that number by the net premium (audited premium less reinsurance expense). The Expense Ratio is subtracted from 1.00 and the result is the breakeven loss ratio.
- The profit for a Fund Year(s) is the total MDP for that Fund Year(s).
- Once the breakeven loss ratio and profit amount are known the individual Member distribution is calculated based on the Member's loss ratio in comparison to the breakeven loss ratio of the Fund. Members with a loss ratio greater than the breakeven loss ratio will not be eligible for a distribution. Members with a loss ratio less than the breakeven loss ratio will be eligible to receive a dividend in proportion to the amount of their contribution to profit. After an initial dividend has been paid out for a Fund Year, the results are recalculated annually to take into account any future change in the claim development of that Fund Year, either positive or negative. The annual recalculation protects the Fund against any adverse claim development that may occur.
- Any dividend distribution check not cashed by a Member after one year will be canceled and the funds will be returned to the Fund's Member Distribution Payable.
- The earliest a Member is eligible for a dividend is during the third year of membership.

DIVIDEND PAYMENT SCHEDULE

Once a dividend distribution has been authorized, the TBG Board of Directors will determine the amount of the annual dividend paid subject to the following maximum percentage payout each year.

- 1st Year - 10% of the total authorized dividend
- 2nd Year - 20% of the total authorized dividend less amounts previously paid
- 3rd Year - 40% of the total authorized dividend less amounts previously paid
- 4th Year - 60% of the total authorized dividend less amounts previously paid
- 5th Year - 80% of the total authorized dividend less amounts previously paid
- 6th year - 90% maximum of the total dividend less amounts previously paid if a Fund Year has open claims or at the discretion of TBG Board of Directors after a Fund Year has been closed with no future claim liabilities