

2024



Agency Performance Analysis

Report Generated On:
September 10, 2024

Performed for:
SPONSORS

Fiscal Year End:
December 31, 2023

Comparison Group:
2024 Best Practices Participants with
Revenues between \$5M and \$10M

BIG i[®]
BEST PRACTICES.

 **REAGAN**

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RANKING OF KEY OPERATING METRICS

EXPLANATION OF RANKINGS: The ranking below is provided to show 27 of the most important operating metrics for the typical insurance agency or brokerage. We have provided a breakdown to highlight your best metrics (Top Scores), your lowest metrics (Bottom Scores), and the remaining metrics that fall in the middle for your firm. Each item is also compared to your peer group in the column titled "Rank." For example, "10%-" suggests that your results are either in the bottom 10% or fall short of all of the firms in your peer comparison group. "90%+" suggests that your results are in the top 10% of all the firms in your peer comparison group.

	Page	Your Firm's Top Scoring Key Operating Metrics:	Rank
YOUR TOP SCORES	Page 8	Personal P&C Growth (Organic)	
	Page 8	Bonds/Surety Growth (Organic)	
	Page 16	New Commissions Produced per Commercial P&C Producer	
	Page 17	NUPP as % of Net Revenue	
	Page 16	Commercial P&C Producer - Average Book of Business	
	Page 9	Sales Velocity	
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	Page	Key Operating Metrics:	Rank
	Page 13	% of Receivables Aged Past 90 Days	
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	Page 11	Pro Forma EBITDA Margin (Profitability)	
	Page 8	Group Medical Growth (Organic)	
	Page 14	Pro Forma Spread per Employee	
	Page 8	Net Commissions & Fees Growth (Organic)	

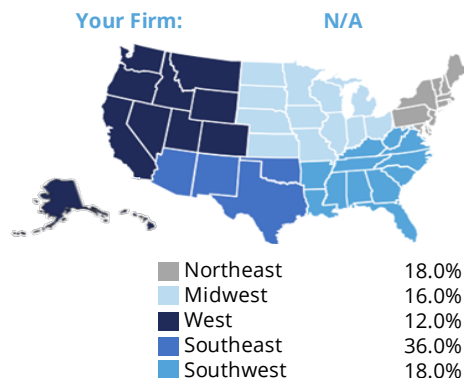
	Page	Your Firm's Bottom Scoring Key Operating Metrics:	Rank
YOUR BOTTOM SCORES	Page 12	Value Creation Calculation (Rule of 20)	
	Page 16	Multi-line Producer - Average Book of Business	
	Page 16	L/H/F Producer - Average Book of Business	
	Page 16	Personal P&C Producer - Average Book of Business	
	Page 16	New Commissions Produced per Multi-line Producer	
	Page 16	New Commissions Produced per Personal P&C Producer	
	Page 16	New Commissions Produced per L/H/F Producer	

AGENCY SNAPSHOT

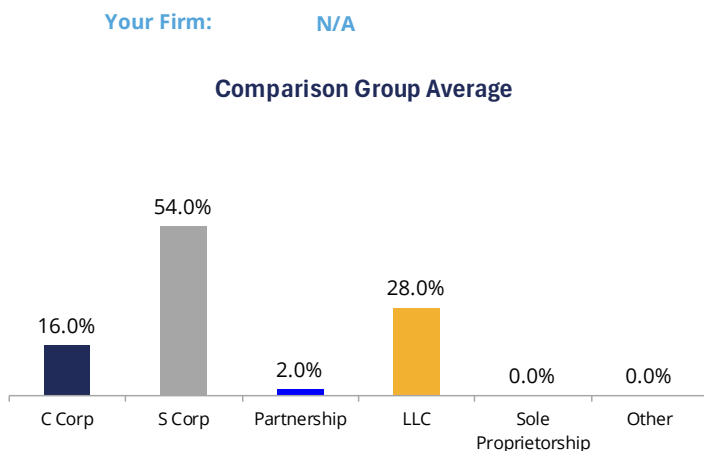
Revenues



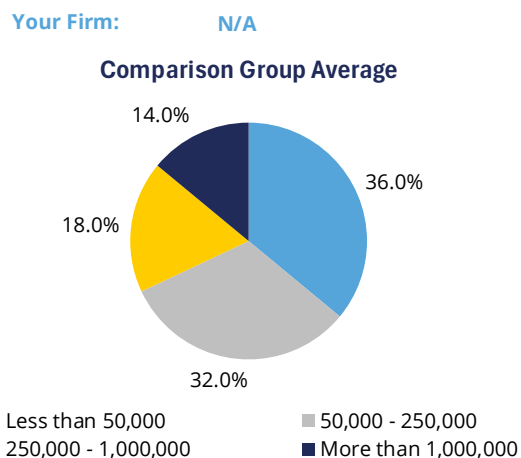
Regional Distribution



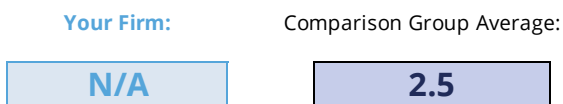
Corporate Structure



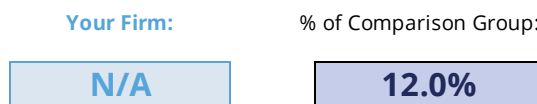
Population Density of Home Office Metropolitan Area



Number of Agency Locations



Branch / Subsidiary of Another Corporation*

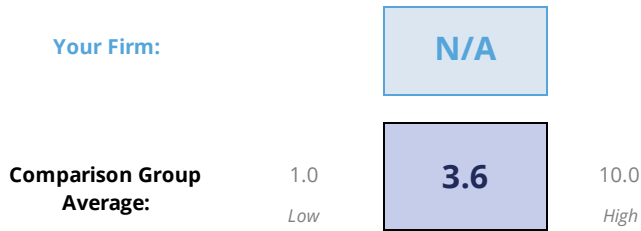


* (e.g., bank owned, owned by national or regional broker, etc.)

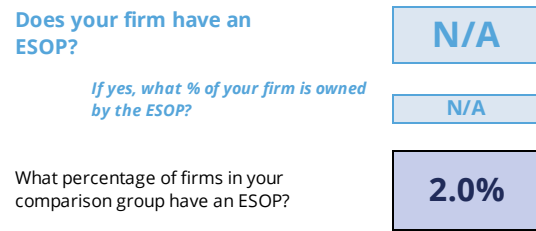
OWNERSHIP PROFILE

Note that if your firm is a branch or subsidiary of another corporation, this section will not apply.

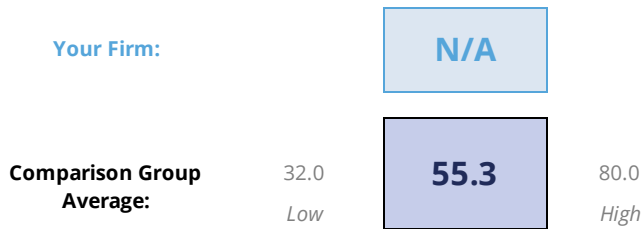
Number of Shareholders



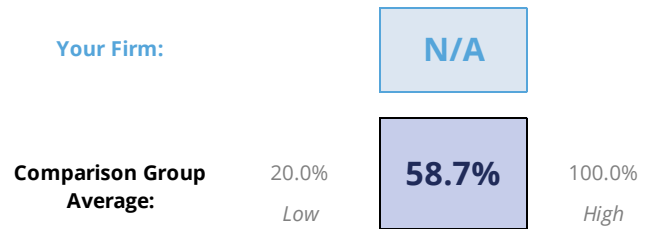
Employee Stock Ownership Plans (ESOPs)



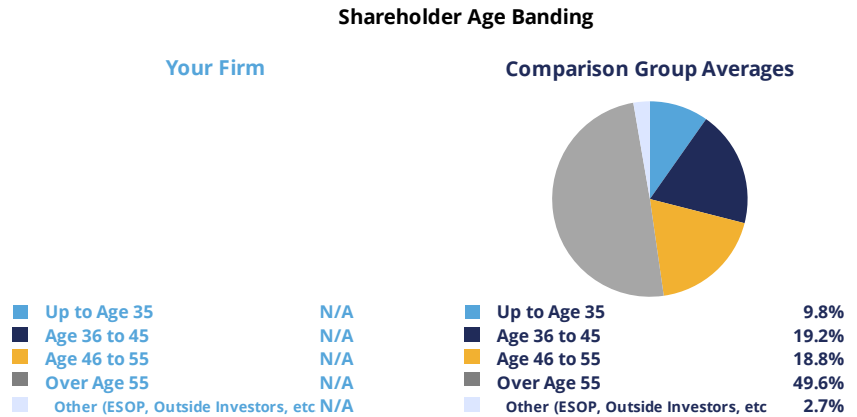
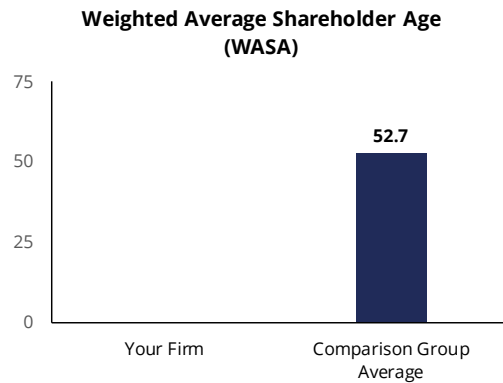
Age of Largest Shareholder



Ownership of Largest Shareholder

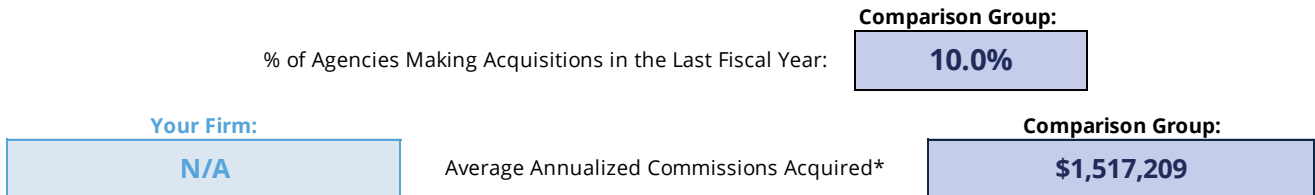


Equity Ownership



REVENUES

Acquisitions

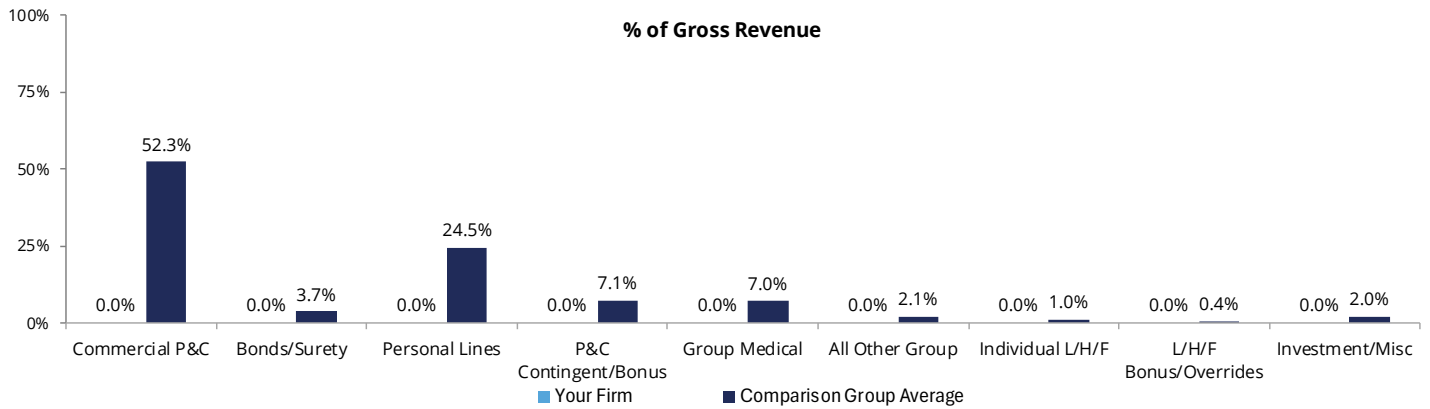


* Includes only firms that have made an acquisition in the past year.

REVENUES

Revenue by Source

	Your Firm				Comparison Group
	Reported Amount	Pro Forma Adjustments	Pro Forma Amount	% of Total Revenues	Average
Property & Casualty					
Commercial Commissions & Fees	N/A	-	N/A	N/A	52.3%
Bonds/Surety	N/A	-	N/A	N/A	3.7%
Personal Commissions & Fees	N/A	-	N/A	N/A	24.5%
Contingent/Bonus	N/A	-	N/A	N/A	7.1%
Total P&C	N/A	-	N/A	N/A	87.5%
Life & Health/Financial					
Group Medical Comm & Fees	N/A	-	N/A	N/A	7.0%
All Other Group Comm & Fees	N/A	-	N/A	N/A	2.1%
Individual L/H/F Comm & Fees	N/A	-	N/A	N/A	1.0%
Bonus/Overrides	N/A	-	N/A	N/A	0.4%
Total L/H/F	N/A	-	N/A	N/A	10.5%
Investment	N/A	-	N/A	N/A	0.9%
Miscellaneous	N/A	-	N/A	N/A	1.0%
Gross Revenues	N/A	-	N/A	N/A	100.0%
Brokerage Comm Expense	N/A	-	N/A	N/A	1.0%
Net Revenues	N/A	-	N/A	N/A	99.0%



All Other Group L/H/F Revenue

This is a breakdown of commissions and fees listed under "All Other Group Life, Health, and Financial" revenues.

Agency All Other Group L/H/F % of Revenues:	Your Firm's All Other Group L/H/F Revenue	Your Firm's % of All Other Group L/H/F Revenue	Comparison Group's % of All Other Group L/H/F Revenue
Your Firm N/A	N/A	N/A	22.4%
Comparison Group 2.1%	Life	N/A	17.0%
	Disability	N/A	38.2%
	Dental & Vision	N/A	1.3%
	Retirement/Pension	N/A	11.8%
	Worksite/Voluntary/Supp.	N/A	1.1%
	Long Term Care	N/A	0.0%
	Employee Benefits TPA	N/A	8.1%
	All Other	N/A	100.0%
	Total	N/A	N/A

REVENUES

Account Concentration

Largest Single Account (% of Net Revenue)

Your Firm:

N/A

Comparison Group
Average:

0.4%
Low

3.2%

12.3%
High

Ten Largest Accounts (% of Net Revenue)

Your Firm:

N/A

Comparison Group
Average:

1.3%
Low

14.6%

36.2%
High

Account Size

Commercial P&C

as measured by commissions and fees

	Your Firm	Comparison Grp Average
Greater than \$50K		
% of Book	N/A	22.8%
# of Accounts	N/A	10.0
Total Revenue	N/A	\$1,001,306
Revenue per Account	N/A	\$96,013
Between \$25K and \$50K		
% of Book	N/A	13.3%
# of Accounts	N/A	17.1
Total Revenue	N/A	\$590,308
Revenue per Account	N/A	\$34,217
Between \$10K and \$25K		
% of Book	N/A	16.5%
# of Accounts	N/A	49.9
Total Revenue	N/A	\$778,889
Revenue per Account	N/A	\$15,278
Between \$5K and \$10K		
% of Book	N/A	11.4%
# of Accounts	N/A	72.8
Total Revenue	N/A	\$508,809
Revenue per Account	N/A	\$6,984
Less than \$5K		
% of Book	N/A	36.0%
# of Accounts	N/A	2,167.9
Total Revenue	N/A	\$1,617,275
Revenue per Account	N/A	\$982

Group L/H/F

as measured by number of lives
















	Your Firm	Comparison Grp Average
Over 100 Lives		
% of Book	N/A	26.0%
# of Accounts	N/A	5.9
Total Revenue	N/A	\$236,145
Revenue per Account	N/A	\$60,008
50-100 Lives		
% of Book	N/A	17.2%
# of Accounts	N/A	7.5
Total Revenue	N/A	\$143,104
Revenue per Account	N/A	\$18,858
Under 50 Lives		
% of Book	N/A	56.8%
# of Accounts	N/A	93.0
Total Revenue	N/A	\$256,194
Revenue per Account	N/A	\$3,486

Note: Comparison Group Averages are based on the average for each individual line item and therefore may not validate when attempting to replicate calculations.

Agency Specialization

Agency Total Specialty Revenue	Your Firm	as % Net Revenue	% of Agencies with any Specialty Revenue	Average Total Specialty Revenue ¹	Average % Net Revenue ¹
	N/A	N/A	34.0%	\$2,787,914	39.2%

¹ Only for those firms who reported specialty revenues.

	% of Comparison Grp with Specialty	Your Firm's Revenues from this Specialty	Your Firm's Revenues from Specialty as % of NR	For firms that specialize in this, what % of NR is from this specialty?
 Agriculture	8.0%	N/A	N/A	51.7%
 Construction	20.0%	N/A	N/A	48.1%
 Cyber	2.0%	N/A	N/A	1.3%
 Energy	6.0%	N/A	N/A	19.6%
 Government/Municipality	8.0%	N/A	N/A	40.8%
 Healthcare	6.0%	N/A	N/A	9.4%
 Hospitality	4.0%	N/A	N/A	12.9%
 Manufacturing	8.0%	N/A	N/A	16.1%
 Mgmt Liability / D&O	2.0%	N/A	N/A	2.4%
 Non-profits	6.0%	N/A	N/A	37.7%
 Real Estate	12.0%	N/A	N/A	30.1%
 Schools/Education	8.0%	N/A	N/A	4.9%
 Technology	0.0%	N/A	N/A	0.0%
 Transportation	8.0%	N/A	N/A	7.5%
 Other	12.0%	N/A	N/A	54.1%
TOTAL		N/A	N/A	

REVENUE GROWTH

Revenue Growth by Source

	Your Firm		Comparison Group	
	Amount	% Prior Year*	Median	Top Quartile
Total Commissions and Fees				
Renewal Business	N/A	N/A	98.4%	101.7%
New Business	N/A	N/A	12.7%	16.6%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	11.3%	16.6%
ORGANIC GROWTH	N/A	N/A	11.4%	16.4%
Brokerage Commission Expense	N/A	N/A	4.4%	38.3%
Net Commissions and Fees				
TOTAL GROWTH	N/A	N/A	11.3%	16.4%
ORGANIC GROWTH	N/A	N/A	11.4%	16.2%
P&C Contingent Income	N/A	N/A	9.7%	31.4%
L/H/F Bonus Income	N/A	N/A	0.0%	21.2%
Investment Income	N/A	N/A	11.3%	21.5%
Miscellaneous Income	N/A	N/A	46.1%	71.0%
NET REV TOTAL GROWTH	N/A	N/A	11.7%	17.6%
NET REV ORGANIC GROWTH	N/A	N/A	11.4%	16.7%

*For new, renewal and acquired business, growth is measured against last year's total commissions and fees

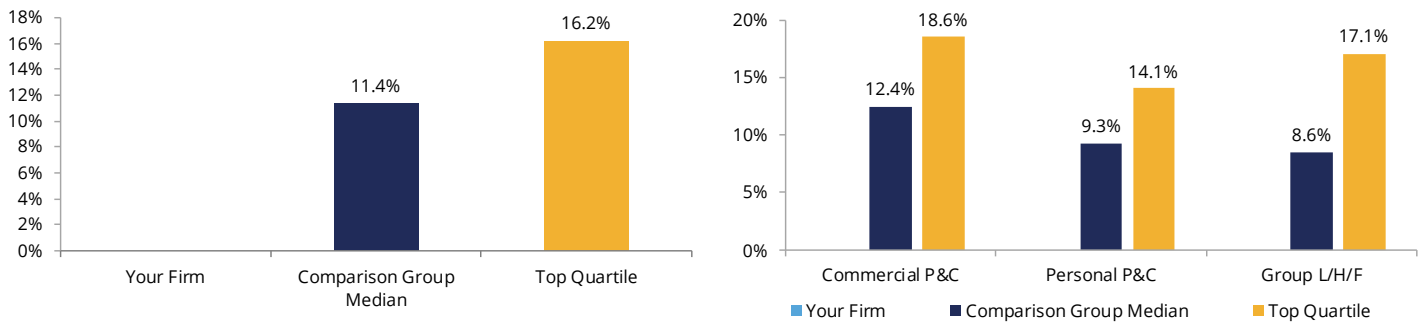
Growth in Commissions and Fees by Line of Business

	Your Firm		Comparison Group	
	Amount	% Prior Year	Median	Top Quartile
Commercial P&C				
Renewal Business	N/A	N/A	99.5%	104.3%
New Business	N/A	N/A	10.4%	16.3%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	11.9%	18.7%
ORGANIC GROWTH	N/A	N/A	11.3%	18.6%
Bonds/Surety				
Renewal Business	N/A	N/A	61.8%	100.0%
New Business	N/A	N/A	66.8%	94.5%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	16.0%	37.5%
ORGANIC GROWTH	N/A	N/A	16.0%	37.5%
Personal P&C				
Renewal Business	N/A	N/A	98.7%	102.1%
New Business	N/A	N/A	9.3%	15.7%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	9.3%	14.2%
ORGANIC GROWTH	N/A	N/A	9.3%	14.1%
Group Medical				
Renewal Business	N/A	N/A	93.9%	102.7%
New Business	N/A	N/A	8.5%	16.7%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	7.3%	13.2%
ORGANIC GROWTH	N/A	N/A	6.9%	13.0%
All Other Group				
Renewal Business	N/A	N/A	100.0%	106.0%
New Business	N/A	N/A	9.0%	33.0%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	11.1%	22.6%
ORGANIC GROWTH	N/A	N/A	11.1%	22.6%
Individual L/H/F				
Renewal Business	N/A	N/A	48.9%	81.5%
New Business	N/A	N/A	36.1%	83.9%
Acquired Business	N/A	N/A	0.0%	0.0%
TOTAL GROWTH	N/A	N/A	-7.1%	7.2%
ORGANIC GROWTH	N/A	N/A	-6.4%	6.8%

Note: The median is the mid-point in a list of data - it is different than the mean or average. Median data cannot be added/subtracted to arrive at related medians. Each data point presented above (Renewal Business %, New Business %, Total Growth %, Organic Growth %, etc.) must be viewed as a discrete median data point.

ORGANIC GROWTH AND SALES VELOCITY

Organic Growth in Net Commissions and Fees – Total Agency and by Line of Business



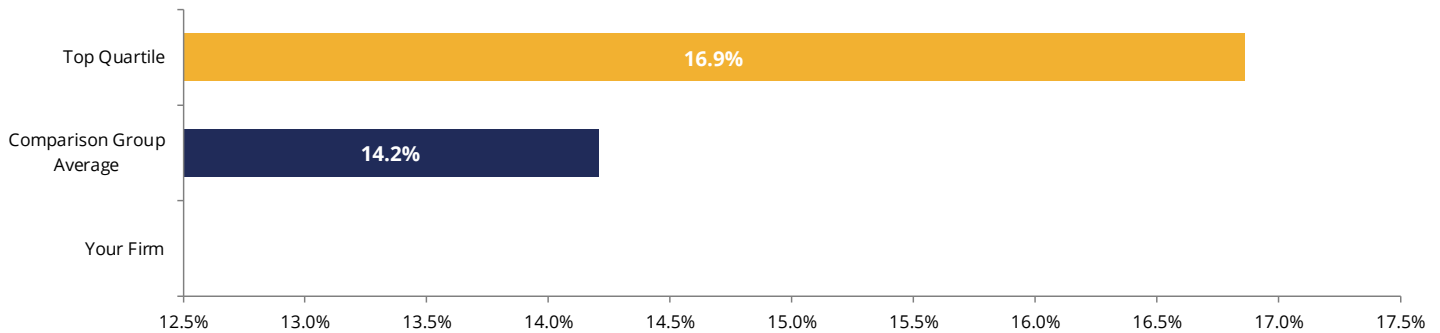
Note: Commercial P&C includes Bonds/Surety; Group L/H/F includes Group Medical, All Other Group, and Individual L/H/F.

Sales Velocity – Total Agency

What is the agency's new business contribution to organic growth?

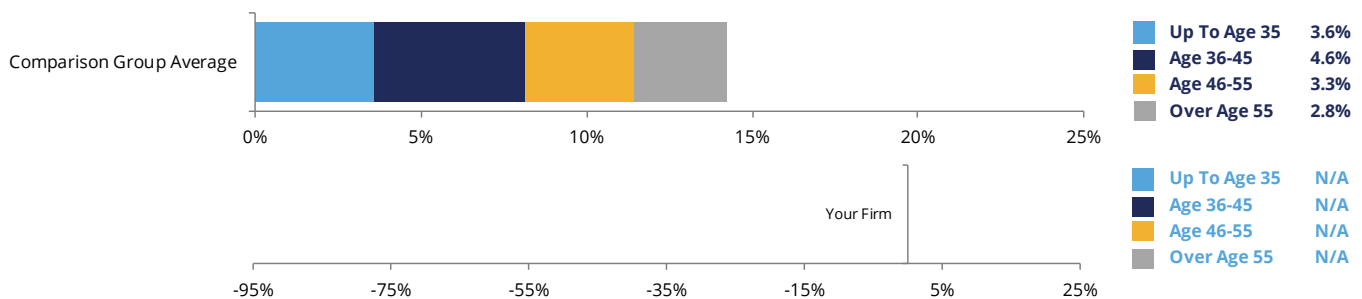
Organic growth is the result of a combination of retention, pricing, and new business. Sales velocity, on the other hand, isolates the component of organic growth that an agency can most influence – new business. Is your sales engine strong enough to produce enough new business to hit your growth rates after the effects of customer attrition & pricing changes?

$$\text{SALES VELOCITY} = \frac{\text{This year's new business}}{\text{Last year's net commissions and fees}}$$



Age Banding of Sales Velocity

How old are those producing your firm's new business? Is your new business highly concentrated among a single age band or is it spread out across producers of all ages?



EXPENSES

	Your Firm				Comparison Group	
	Reported Amount	Pro Forma Adjustments	Pro Forma Amount	Percent of Pro Forma Net Revenues	Pro Forma Average	Top Quartile ¹
Compensation						
Payroll						
Employees	N/A	-	N/A	N/A	46.6%	41.4%
"Non-employees"- 1099 Producers & outsourced labor	N/A	-	N/A	N/A	2.8%	0.0%
Total Payroll	N/A	-	N/A	N/A	49.4%	43.9%
Benefits						
Payroll Taxes	N/A	-	N/A	N/A	3.3%	2.7%
Retirement	N/A	-	N/A	N/A	1.7%	1.1%
Insurance	N/A	-	N/A	N/A	3.2%	2.1%
Other	N/A	-	N/A	N/A	0.0%	0.0%
Total Benefits	N/A	-	N/A	N/A	8.3%	6.6%
Total Compensation	N/A	-	N/A	N/A	57.7%	50.8%
Selling						
Travel and Ent./Conventions	N/A	-	N/A	N/A	1.0%	0.5%
Automobile Expense	N/A	-	N/A	N/A	0.5%	0.2%
Advertising/Promotions	N/A	-	N/A	N/A	1.1%	0.6%
Total Selling	N/A	-	N/A	N/A	2.5%	1.5%
Operating						
Occupancy Expenses ²	N/A	-	N/A	N/A	3.7%	2.4%
Office Equipment Expenses	N/A	-	N/A	N/A	0.4%	0.1%
IT Expenses	N/A	-	N/A	N/A	2.8%	1.7%
Telephone	N/A	-	N/A	N/A	0.4%	0.2%
Postage	N/A	-	N/A	N/A	0.2%	0.1%
Supplies/Printing	N/A	-	N/A	N/A	0.5%	0.2%
Dues/Subscrip./Contributions	N/A	-	N/A	N/A	0.7%	0.3%
Taxes/Licenses	N/A	-	N/A	N/A	0.5%	0.1%
Insurance	N/A	-	N/A	N/A	1.2%	0.8%
Professional Fees	N/A	-	N/A	N/A	0.7%	0.2%
Bad Debts	N/A	-	N/A	N/A	0.1%	0.0%
Outside Services	N/A	-	N/A	N/A	0.6%	0.1%
Education/Training	N/A	-	N/A	N/A	0.3%	0.1%
Miscellaneous	N/A	-	N/A	N/A	0.4%	0.0%
Total Operating	N/A	-	N/A	N/A	12.3%	8.8%
Administrative						
Depreciation	N/A	-	N/A	N/A	1.1%	0.0%
Amortization of Intangibles	N/A	-	N/A	N/A	1.2%	0.0%
Officer Life	N/A	-	N/A	N/A	0.2%	0.0%
Interest	N/A	-	N/A	N/A	0.8%	0.0%
Other	N/A	-	N/A	N/A	0.4%	0.0%
Total Administrative	N/A	-	N/A	N/A	3.7%	1.0%
TOTAL EXPENSES	N/A	-	N/A	N/A	76.2%	68.0%
PRE-TAX PROFIT/LOSS	N/A	-	N/A	N/A	22.6%	31.0%
EBITDA³	N/A	-	N/A	N/A	24.8%	31.1%

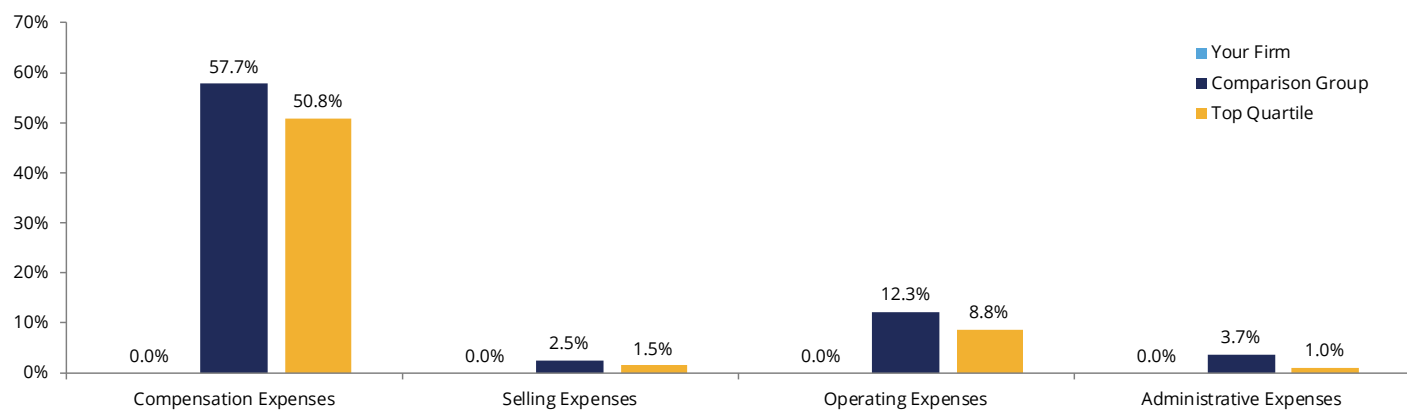
¹ Top quartile for these metrics are those with the lowest expense, which does not necessarily indicate the best performance in all cases

² For firms that own their building and reported a much lower than peer expense load, we have normalized their occupancy expense.

³ Per Industry norms, no pro-forma adjustments to administrative expenses are applied to any profit calculations

⁴ Pro Forma EBITDA excludes all administrative expenses (depreciation, amortization of intangibles, officer life, interest and other).

PRO FORMA EXPENSES AND PROFITABILITY

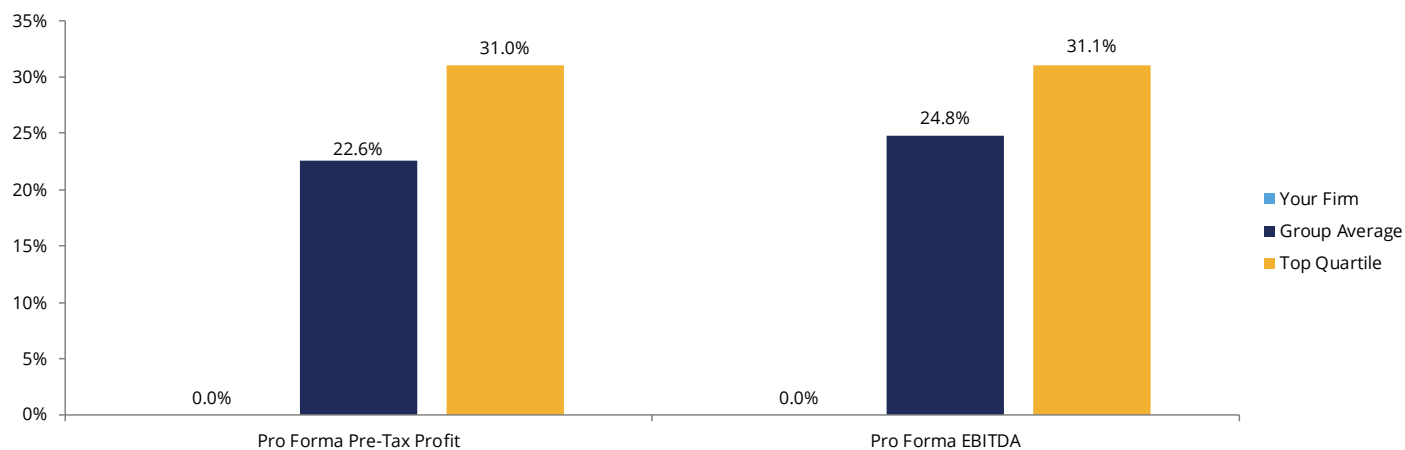


Profitability

	Your Firm		Comparison Group	
	Amount	Percent of Net Revenues	Average	Top Quartile
Pre-Tax Profit	N/A	N/A	20.5%	31.1%
Pro Forma Pre-Tax Profit	N/A	N/A	22.6%	31.0%
EBITDA	N/A	N/A	23.8%	31.7%
Pro Forma EBITDA ²	N/A	N/A	24.8%	31.1%

¹ Operating profit is pre-tax profit less contingent income and less bonus/override income.

² Pro Forma EBITDA excludes all administrative expenses (depreciation, amortization of intangibles, officer life, interest and other).



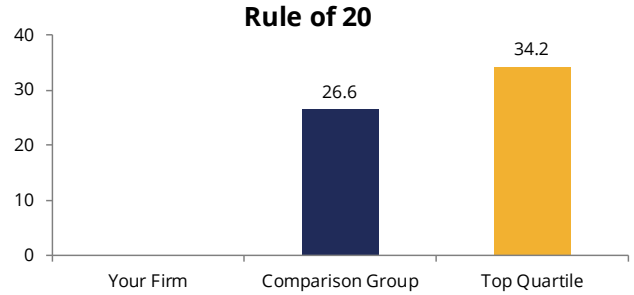
AGENCY VALUE AND SHAREHOLDER RETURNS

The Rule of 20

Agency value is driven by organic growth and profitability. The "Rule of 20" provides a quick means of calculating whether or not an agency is creating significant returns for its shareholders. It is the sum of 1/2 an agency's pro forma EBITDA margin plus its net organic commissions and fees growth rate. A score of 20 or more indicates excellent performance.

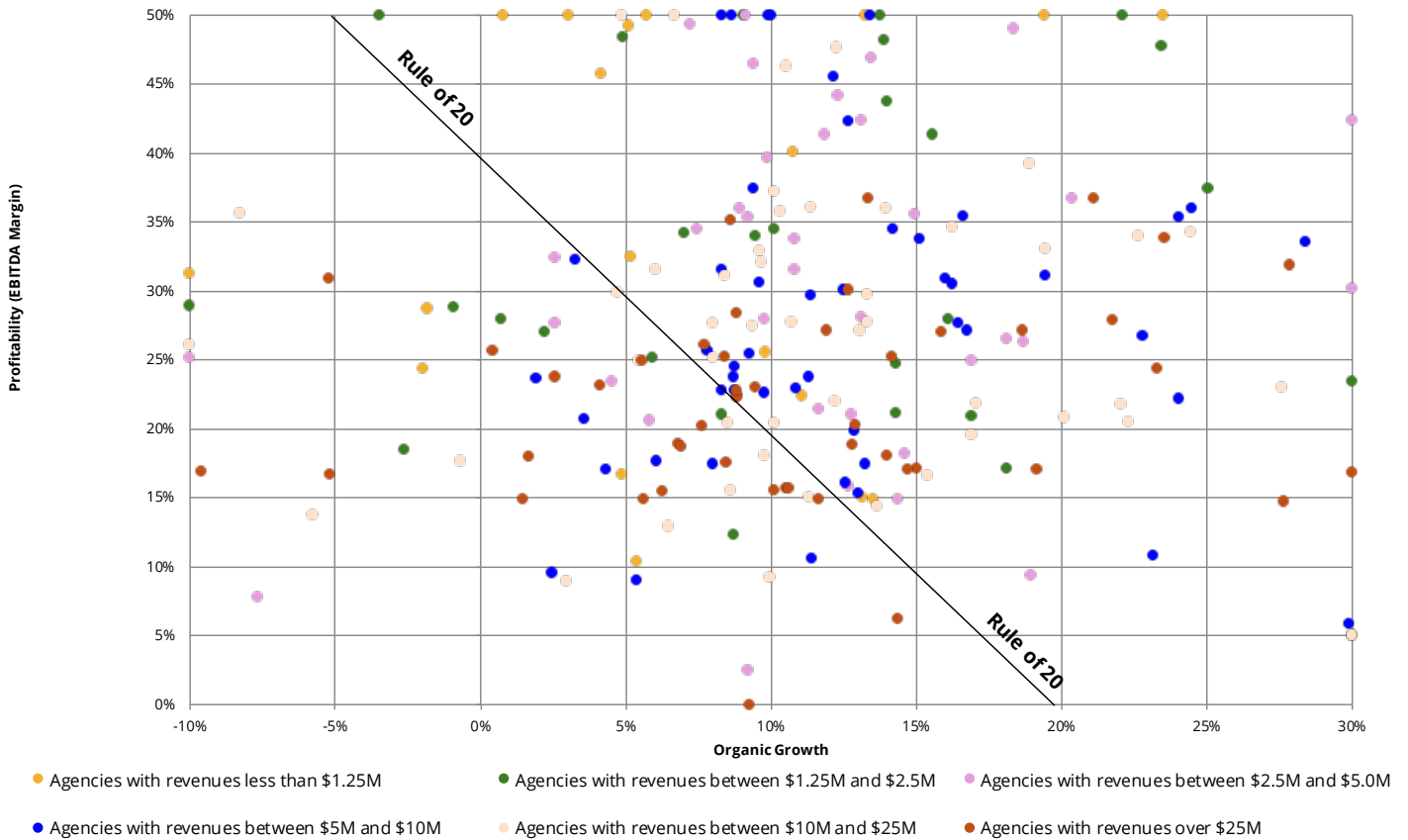
Rule of 20 Results

Your Firm:	N/A	
Comparison Group Average:	7.2 <i>Low</i>	26.6
		45.2 <i>High</i>



Rule of 20 Results

The graph below provides a look at the Rule of 20 results. The solid black line represents all combinations of organic growth and EBITDA margin that result in a Rule of 20 score of 20. The scatter plot shows the wide range of organic growth and profitability results in the study. *Note: Firms whose results qualify them as statistical outliers have been set to have a minimum growth of -10% and a maximum of 30%, or a minimum profitability of 0% or maximum of 50%. They appear on the graph line bordering the chart instead of plotting their actual results.*



FINANCIAL STABILITY AND DEBT METRICS

Balance Sheet Metrics

	Your Firm		Comparison Group	
	Amount	Percent	Average	Top Quartile
Working Capital	N/A			
Current Ratio	N/A		1.95:1	2.43:1
Trust Ratio	N/A		2.63:1	3.36:1
Stockholders Equity	N/A			
Tangible Net Worth (\$)	N/A			
Tangible Net Worth (% of Net Rev)		N/A	22.0%	32.1%
Receivables/Payable Ratio		N/A	66.8%	31.6%
Accounts Receivables:				
% Receivables Aged 61-90 Days		N/A	8.9%	0.0%
% Receivables Aged Past 90 Days		N/A	16.9%	4.2%
% of P&C Revenues - Agency Billed		N/A	27.8%	
% of P&C Revenues - Direct Billed		N/A	72.2%	

Notes:

Current Ratio: Cash and Cash Equivalents divided by Current Liabilities. Measures a company's ability to pay short-term obligations

Trust Ratio: Total Cash and Other (Non-Cash) Current Assets divided by Insurance Company Payables. A key liquidity ratio.

Tangible Net Worth: Stockholders Equity minus intangible assets. Value of a company that excludes any value derived from intangible assets.

Debt Metrics

Note: metrics shown are only for firms that have debt and that have provided detailed data regarding their debt.

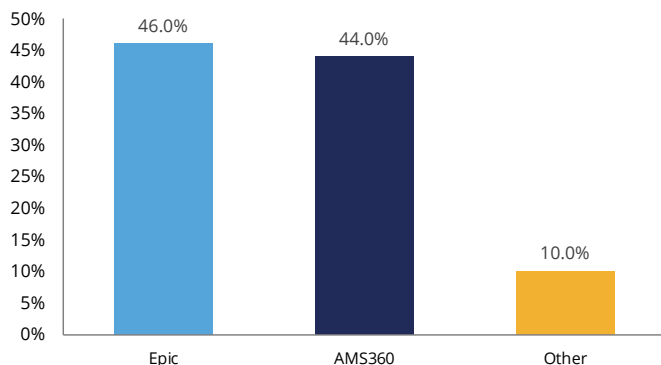
	Your Firm		Comparison Group	
	% of All Loans by Source Type		% of All Loans by Source Type	
Loan / Obligation Source:				
Community Bank	N/A		48.0%	
Industry Lender	N/A		7.1%	
Private Equity Lender	N/A		2.2%	
Shareholder	N/A		23.2%	
Other	N/A		19.5%	
% of Firms that have Identified Debt			42.0%	
Average Total Debt	N/A		\$2,465,013	
Total Leverage (Total Debt / Pro Forma EBITDA)	N/A		2.3x	
Average Effective Interest Rate	N/A		5.1%	
Average Term (Years to Maturity)	N/A		7.8	

TECHNOLOGY

Agency Management Systems

Your Firm: N/A

Comparison Group:



Number of IT Employees

Note: Includes regularly outsourced IT support staff

Your Firm:

N/A

Comparison Grp Avg:

0.4

IT Payroll as a % of Pro Forma Net Revenue

Your Firm:

N/A

Comparison Grp Med:

0.4%

IT Expenses (non-compensation) as a % of Pro Forma Net Revenue

Note: Excludes hardware depreciation and software amortization

Your Firm:

N/A

Comparison Grp Med:

2.8%

Note: the Agency Management Systems presented are not a full reflection of the market.

PRODUCTIVITY

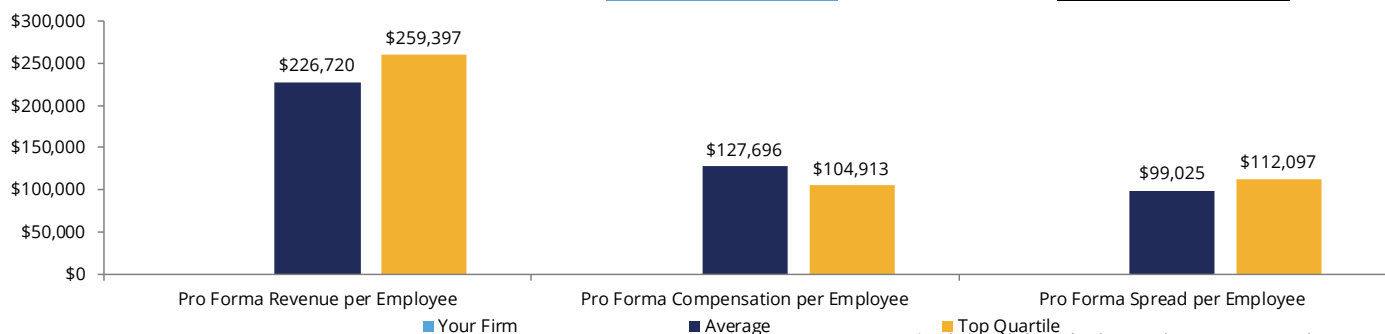
Total Number of FTE Employees:

Your Firm:

N/A

Comparison Group

34.7



* Includes only firms that have made an acquisition in the past year.

STAFFING

Administrative Support Staff

HUMAN RESOURCES

	Your Firm	% Having in Comparison Group
Does Agency have HR Employees?	N/A	72.0%
For Agencies with HR Employees:		
Number of Employees	N/A	0.7
Payroll as % of Net Revenue	N/A	0.6%

ACCOUNTING

Does Agency have Accounting Employees?	N/A	96.0%
For Agencies with Accounting Employees:		
Number of Employees	N/A	1.4
Payroll as % of Net Revenue	N/A	1.5%

MARKETING EMPLOYEES

Does Agency have Marketing Employees?	N/A	66.0%
For Agencies with Marketing Employees:		
Number of Employees	N/A	1.8
Payroll as % of Net Revenue	N/A	1.3%

STAFFING

Service and Sales Support Staff

*LOB = Line of Business excluding contingent/override income

PROPERTY & CASUALTY

	Your Firm				Comparison Group			
	Does your Agency have this Employee Type?	Number	Avg. LOB Revenue per Staff	Payroll as a % of LOB Revenue	% of Agencies Having this Employee Type	In Agencies that Have, Number of Employees	Avg. LOB Revenue per Staff	Payroll as a % of LOB Revenue
Commercial	N/A	N/A	N/A	N/A	96.0%	8.4	\$618,732	12.8%
Personal	N/A	N/A	N/A	N/A	88.0%	6.0	\$295,595	20.6%
CL Claims	N/A	N/A	N/A	N/A	52.0%	0.4	\$7,368,350	0.5%
PL Claims	N/A	N/A	N/A	N/A	40.0%	0.3	\$3,165,703	2.4%
P&C Value Added Service Staff	N/A	N/A	N/A	N/A	28.0%	0.8	\$4,776,994	2.3%

LIFE & HEALTH/FINANCIAL

	Your Firm				Comparison Group			
	Does your Agency have this Employee Type?	Number	Avg. LOB Revenue per Staff	Payroll as a % of LOB Revenue	% of Agencies Having this Employee Type	In Agencies that Have, Number of Employees	Avg. LOB Revenue per Staff	Payroll as a % of LOB Revenue
Life & Health/ Financial	N/A	N/A	N/A	N/A	58.0%	2.1	\$489,283	10.3%
L/H/F Value Added Service Staff	N/A	N/A	N/A	N/A	2.0%	0.0	\$3,126,200	0.0%

Support Staff Pay

This section provides payroll information for the service staff positions listed below (or your agency's equivalent position). Information is provided for dedicated employees only (those spending 100% of their time in this position) and includes total salaries, commissions and bonuses, but does not include payroll taxes or benefits. Note: TPA staff is excluded. For detailed definitions of these positions, please see pages 20 and 21 of this APA.

	Your Firm	Comparison Group (Median Data)		
	Average Pay	Bottom Quartile	Average Pay	Top Quartile
Commercial Lines				
Account Executive (AE)	N/A	\$75,111	\$85,000	\$106,691
Customer Service Representative (CSR)	N/A	\$54,745	\$64,052	\$72,073
Processor/Asst CSR	N/A	\$39,808	\$42,000	\$51,371
Marketing	N/A	\$60,000	\$68,293	\$86,553
Claims	N/A	\$45,107	\$57,113	\$66,176
Personal Lines				
Account Executive (AE)	N/A	\$50,829	\$68,642	\$85,158
Customer Service Representative (CSR)	N/A	\$47,564	\$54,933	\$59,875
Processor/Asst CSR	N/A	\$33,075	\$41,000	\$47,250
Marketing	N/A	\$55,000	\$67,000	\$71,000
Claims	N/A	\$34,500	\$45,000	\$63,401
Group Life & Health/Financial				
Account Executive (AE)	N/A	\$52,500	\$66,000	\$90,530
Customer Service Representative (CSR)	N/A	\$46,945	\$58,000	\$65,579
Processor/Asst CSR	N/A	\$37,431	\$40,665	\$44,150
Marketing	N/A	\$55,000	\$64,252	\$66,158

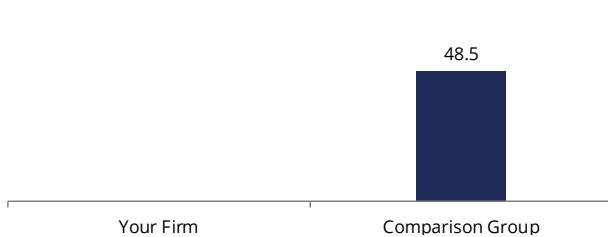
PRODUCER METRICS

Validated Producers

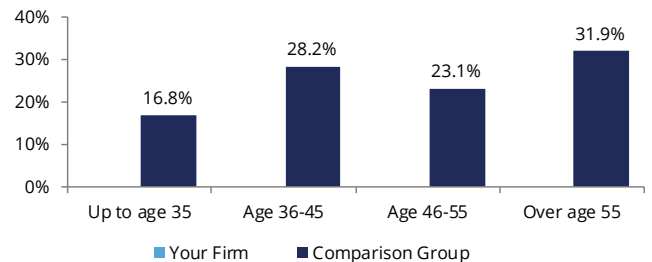
	Commercial P&C			Life/Health/Financial		
	Your Firm	Comparison Group		Your Firm	Comparison Group	
		Average	Top 25%		Average	Top 25%
# of Validated Producers	N/A	4.1		N/A	0.6	
% Male	N/A	83.8%		N/A	72.7%	
% Female	N/A	16.2%		N/A	27.3%	
Average New Commissions	N/A	\$97,035	\$121,241	N/A	\$77,023	\$85,773
Average Book Serviced	N/A	\$734,315	\$949,267	N/A	\$673,014	\$773,713
Average Compensation	N/A	\$220,934		N/A	\$187,322	
Avg. Comp. as % of Book	N/A	30.9%		N/A	36.4%	

	Personal P&C			Multi-Line		
	Your Firm	Comparison Group		Your Firm	Comparison Group	
		Average	Top 25%		Average	Top 25%
# of Validated Producers	N/A	1.0		N/A	1.1	
% Male	N/A	61.8%		N/A	95.6%	
% Female	N/A	38.2%		N/A	4.4%	
Average New Commissions	N/A	\$79,835	\$76,400	N/A	\$74,089	\$92,094
Average Book Serviced	N/A	\$427,365	\$560,383	N/A	\$638,593	\$879,981
Average Compensation	N/A	\$141,167		N/A	\$235,250	
Avg. Comp. as % of Book	N/A	39.0%		N/A	33.9%	

Weighted Average Producer Age (WAPA)



% Total Book by Producer Age



Note: WAPA and % Total Book by Producer Age both include Validated and Unvalidated Producers.

Agency Commission Structure

	Your Firm			Comparison Group Average		
	New Rate	Renewal Rate	Minimum ¹	New Rate	Renewal Rate	Minimum ¹
Commercial P&C	N/A	N/A	N/A	42.1%	31.3%	\$1,861
Bonds/Surety	N/A	N/A	N/A	42.2%	31.9%	\$1,450
Personal P&C	N/A	N/A	N/A	40.3%	25.8%	\$667
Group Medical	N/A	N/A	N/A	45.0%	33.6%	\$2,778
Other Group L/H/F	N/A	N/A	N/A	44.5%	33.0%	\$2,643
Individual L/H/F	N/A	N/A	N/A	47.6%	28.7%	\$500

¹The minimum account size on which commissions are paid.

Additional Benefits Paid

	Travel & Entertainment	Health Benefits	Automobile
Your Firm:	N/A	N/A	N/A
Percentage of Comparison Group Agencies Providing this Benefit to Producers:	82.0%	80.0%	34.0%

PRODUCER METRICS

	Your Firm	Comparison Group	
	Results	Average	Top Quartile
Unvalidated Producers			
Number of Unvalidated Producers	N/A	2.3	3.0
Average New Commissions	N/A	\$37,691	\$52,927
Average Book Serviced	N/A	\$83,081	\$120,527
Average Estimated Annual Compensation	N/A	\$71,648	

Note: The unvalidated producer Comparison Group metrics above are only for firms with at least one unvalidated producer.

NUPP - Net Investment in Unvalidated Producer Pay

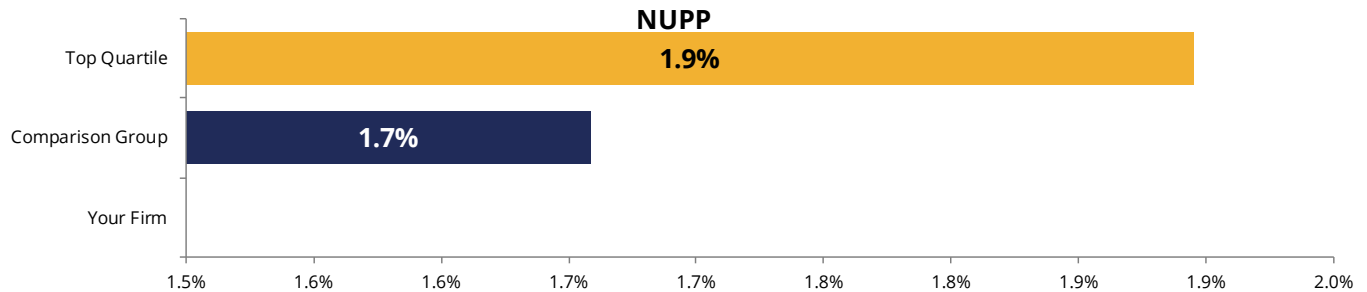
Expressed as a percentage of net revenue, the NUPP is the difference between what an agency pays its unvalidated producer(s) and what the producer(s) would earn under the agency's normal commission schedule. A NUPP of 1.5% is considered a healthy level of investment. Note: If your firm does not have unvalidated producers or if you did not provide information on your unvalidated producers, the metrics below will show zeroes.

Calculating the NUPP

Actual Books of Business (in Total):	N/A
Annualized Payroll of Unvalid. Producers:	N/A
"Earned" Compensation (based on Book):	N/A
Net Investment in Unvalidated Producers:	N/A
Shown as % of Pro Forma Net Revenues:	N/A

NUPP Results

Your Firm:		N/A	
Comparison Group Average:	0.2% <i>Low</i>	1.7%	5.0% <i>High</i>



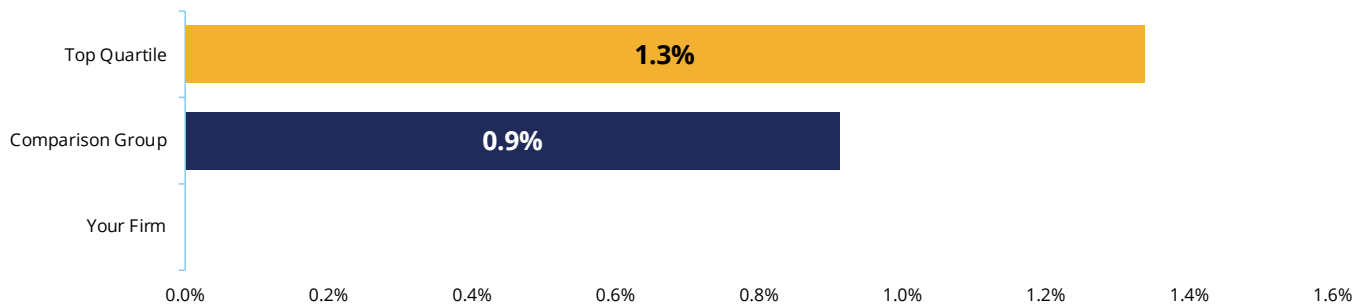
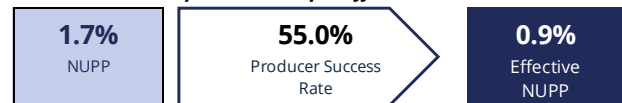
Effective NUPP

An "Effective NUPP" is your firm's NUPP times your firm's producer success rate, which is the percentage of your producers over the past five years that have met their production goals and are considered successful. An Effective NUPP of 0.75% - 1.25% is desirable.

Calculating Your Firm's Effective NUPP:



Comparison Group's Effective NUPP:



NEW PRODUCER METRICS

New Producer Hiring

	Your Firm	Comparison Group	
	Results	Average	Top Quartile
Agencies that Hired New Producers Last Year	N/A	68.0%	
# of New Producers Hired Last Year	N/A	1.5	2.0
Average Annualized Wages per Producer Hired	N/A	\$60,913	\$84,928
# of Producers Hired over the Past 5 Years	N/A	5.7	7.0
Producer Success Rate over Past 5 Years	N/A	55.0%	80.0%

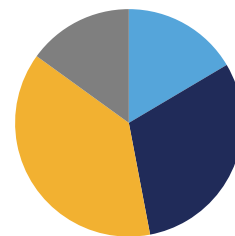
Recruiting & Development Techniques

	Your Firm	% Using in Comparison Group
<u>Recruiting:</u>		
Targeted College Recruiting Efforts/Programs	N/A	34.0%
Use of Outside Recruiters	N/A	50.0%
Use of Social Media as a Recruiting Tool	N/A	76.0%
<u>Assessment:</u>		
Testing (sales, personality, intelligence capabilities, call reluctance, etc.)	N/A	74.0%
<u>Development:</u>		
Internship	N/A	48.0%
Mentorship	N/A	68.0%
Technical Training		
Internal	N/A	96.0%
External	N/A	82.0%
Sales Training		
Internal	N/A	84.0%
External	N/A	88.0%
<u>Selling Structure:</u>		
Required Specialization	N/A	34.0%
Team Selling	N/A	66.0%
Assigned Accounts	N/A	70.0%

Where New Producers Were Found

Your Firm

Comparison Group Average

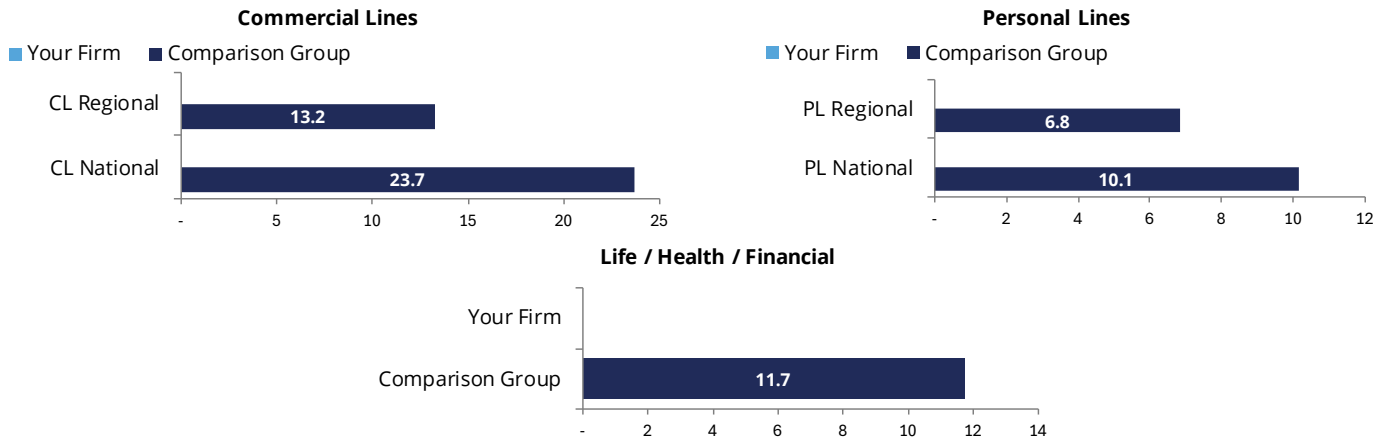


- UNDER Age 35 WITHIN Insurance Industry N/A
- OVER Age 35 WITHIN Insurance Industry N/A
- UNDER Age 35 OUTSIDE Insurance Industry N/A
- OVER Age 35 OUTSIDE Insurance Industry N/A

- UNDER Age 35 WITHIN Insurance Industry **16.5%**
- OVER Age 35 WITHIN Insurance Industry **30.5%**
- UNDER Age 35 OUTSIDE Insurance Industry **38.0%**
- OVER Age 35 OUTSIDE Insurance Industry **15.0%**

CARRIERS

Carrier Representation



Commission Income from Top Carriers

	Your Firm		Comparison Group
	Amount	Pct. of Net Revenues	Avg. Pct. of Net Revenues
Top P&C Carrier	N/A	N/A	16.7%
Top 3 P&C Carriers	N/A	N/A	33.0%
Top L/H/F Carrier	N/A	N/A	3.8%
Top 3 L/H/F Carriers	N/A	N/A	6.2%

Your Firm's Top P&C Carrier Breakdown:



Comparison Group's Average Top P&C Carrier Breakdown:



Your Firm's Top 3 P&C Carrier Breakdown:



Comparison Group's Average Top 3 P&C Carriers Breakdown:



Service Center Usage

Commercial Lines Commission

	Amount:	% of Line of Business:
Your Firm:	N/A	N/A
Comparison Group Average:	-	4.5%

Personal Lines Commission

	Amount:	% of Line of Business:
Your Firm:	N/A	N/A
Comparison Group Average:	-	31.0%

Definitions/Explanations

Acquired Business Growth: Revenues that were purchased (i.e., the acquisition of another agency or book of business). This reflects acquired revenues in the first year they are booked only; the percentage indicates the significance of acquisition activity to the agency's revenues.

Brokerage Commission Expense: Commissions paid to other agencies or brokers. In-house producers compensated on a 1099 are included in the compensation section.

Comparison Group: The *Best Practices* firms in the same revenue category or the firms in the same affinity group against which your agency's results are being compared.

EBITDA: An indicator of a company's financial performance and computes earnings from core business operations, without including the effects of capital structure, tax rates and depreciation policies. It includes all revenues and expenses except interest, taxes, depreciation and amortization.

Net Commissions and Fees Growth: Excludes the impact of brokerage commission expenses; net revenue growth also includes the impact of growth in other revenue income, including contingents and bonuses.

New Business Growth: New revenues as a percent of prior year's total revenues for the line of business. This reflects sales to new clients, as well as sales of new products and services to existing clients.

Operating Pre-Tax Profit: Provides a measure of profitability from controllable sources by eliminating contingents and bonuses.

Organic Growth: Measured as a percent of prior year revenues; excludes acquisition revenues and divestitures.

Pre-Tax Profit: Provides a high-level measure of profitability and includes all revenues and expenses with the exception of taxes.

Pro Forma EBITDA: Excludes all administrative expenses (depreciation, amortization of intangibles, officer life, interest and other) as well as discretionary and non-recurring revenues and expenses. Also adjusts compensation to owners to a level that reflects a comparable employee who would not receive the additional compensation/benefits associated with ownership.

Pro Forma Operating Pre-Tax Profit: Provides a measure of profitability from controllable sources by eliminating contingents and bonuses as well as eliminating discretionary and non-recurring revenues and expenses and adjusting compensation to owners to a level that reflects a comparable employee who would not receive the additional compensation/benefits associated with ownership.

Pro Forma Pre-Tax Profit: Includes all revenues and expenses with the exception of taxes but eliminates discretionary and non-recurring revenues and expenses and adjusts compensation to owners to a level that reflects a comparable employee who would not receive the additional compensation/benefits associated with ownership.

Producer Classification: Producers are classified based on the percentage of their book that is in each individual line. If a producer has more than 70% of his book in any one of the three lines (commercial, personal, life & health), they're classified as that type of producer. Otherwise they are classified as a multi-line producer.

Renewal Business Growth: Renewal revenues as a percent of prior year's total revenues for the line of business. This is impacted by attrition (the loss or retention of existing accounts) and by changes in premium and commission levels; the higher the percentage, the more favorable the results.

Rule of 20 Score: A quick means of benchmarking an agency's shareholder returns. The Rule of 20 is calculated by adding half of an agency's EBITDA margin to its organic revenue growth rate. An outcome of 20 or higher means an agency is likely generating, through profit distributions and / or share price appreciation, a shareholder return of approximately 15% - 17%, which is a typical agency / brokerage return under normal market conditions.

Service Staff Job Definitions:

Account Executive (AE): Senior level service position, usually assigned to a producer in order to support & enable the producer to focus on new business production. This is a highly technical position, requiring a comparable technical skill set to that of producers. An AE's primary responsibility is to manage the overall service plan/activities for an existing book of business and to maintain ongoing client relationships, including renewals & account development. In some agencies the AE position may have specific responsibility to solicit new clients or write new business that is referred/comes to agency, but a majority of time is spent on service and client retention.

Customer Service Representative (CSR): Senior level service position in agencies where the AE position does not exist to support the producer. Position will serve as the main service contact for the client. Customer service duties are similar to AE duties including renewals, account upgrading, cross-selling, etc., but may include some processing responsibilities (e.g., coordinate new client set-up, prepare proposals, order & check policies, issue certificates, binders, billings, etc.).

Processor/Asst CSR: Lower level service position whose main function is to support other senior level service staff. Position may or may not have direct client contact. Duties vary but are usually processing oriented (e.g., coordinate new client set-ups, prepare proposals, order & check policies, issue certificates, binders, billings, etc.).

Marketing: Staff dedicated to marketing functions (negotiating with carriers to obtain coverage for clients - soliciting quotes/rates, negotiating coverage/pricing, placing new and renewal business with carriers, preparing proposals/binders, tracking market trends, pricing and underwriting policies).

Claims: This is a claims advocacy role. Coordinates P&C claims reporting, tracking, processing, and analysis for agency and its clients; delivers Value-Added-Service claims services. If you do not have employees dedicated to these activities, leave blank.

Top Quartile: The average results achieved by the Top 25% of the firms in the group for that particular factor or line item. The firms comprising this group will be different for each factor or line item.

Total Growth: Measured as a percent of prior year revenues; includes acquisition revenues.

WAPA (Weighted Average Producer Age): A metric designed to assess the relative age of an agency's production force. WAPA is calculated using the sum of the product of the agency's producers' ages and the percentage of the agency's "produced" business handled by each. House business is excluded from the WAPA calculation. As a guideline, a WAPA of less than 50 is considered relatively low.

WASA (Weighted Average Shareholder Age): A metric designed to assess the relative age of an agency's ownership team. WASA is calculated using the sum of the product of the agency's owners' ages and their ownership percentages. As a guideline, a WASA below 50 is considered relatively low, with over 55 considered relatively high.

