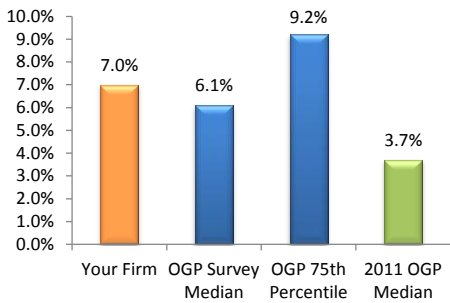
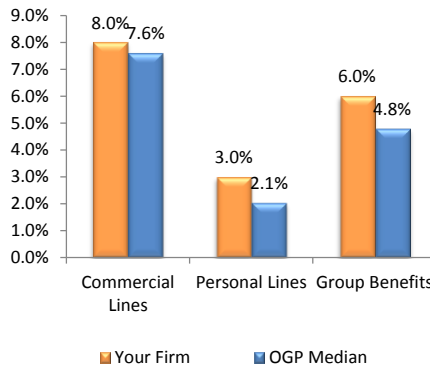


**Organic Growth**

**Total Agency Organic Growth**



**Organic Growth by Product Line**



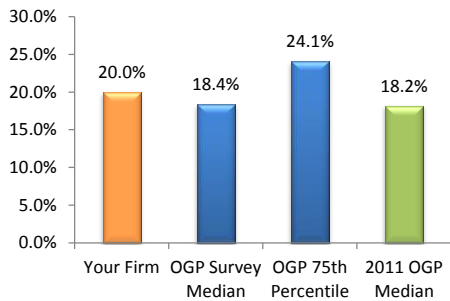
**Reagan Consulting Observations**

- Median organic growth finished the year at 6.1%, up significantly over the median 2011 growth rate of 3.7%
- Commercial lines was the fastest-growing line of business in 2012 with an annual organic growth rate of 7.6%
- Group benefits grew at an organic growth rate of 4.8% in 2012, down from 7.1% in 2011
- **OGP Projected 2013 Growth:** 6.0% Agents and brokers project that organic growth in 2013 will be similar to the level achieved in 2012

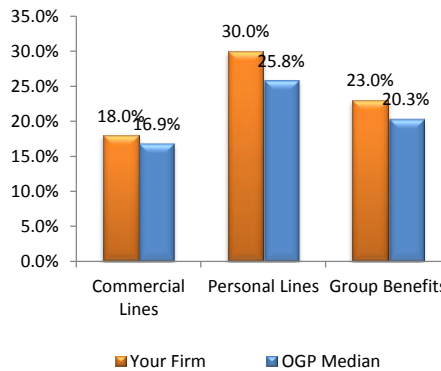
Your organic growth rank: **50th - 60th percentile**

**Profitability**

**Total Agency EBITDA Margin**



**EBITDA Margin by Product Line**



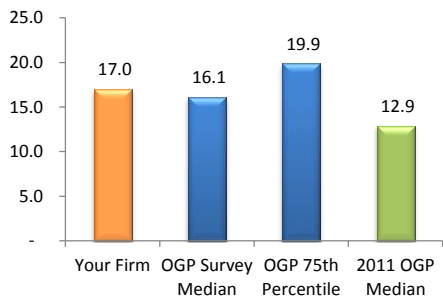
**Reagan Consulting Observations**

- Median EBITDA margin in 2012 was 18.4%, the highest since 2008, when the median was 18.7%
- Contingent income performance was strong in 2012 - the typical firm saw contingent income increase by approximately 5%
- Personal lines divisions drove the highest profit margins, exceeding group benefits by 5.5% and commercial lines by 8.9%
- **OGP Projected 2013 Margin:** 19.3% Agents and brokers are projecting an increase in profitability of almost a full percentage point in 2013

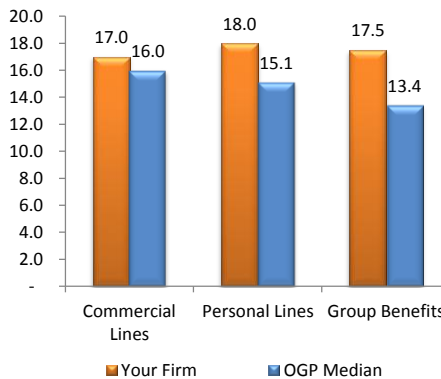
Your profitability rank: **50th - 60th percentile**

**The Rule of 20 (see note below)**

**Total Agency Rule of 20**



**Rule of 20 by Product Line**



**Reagan Consulting Observations**

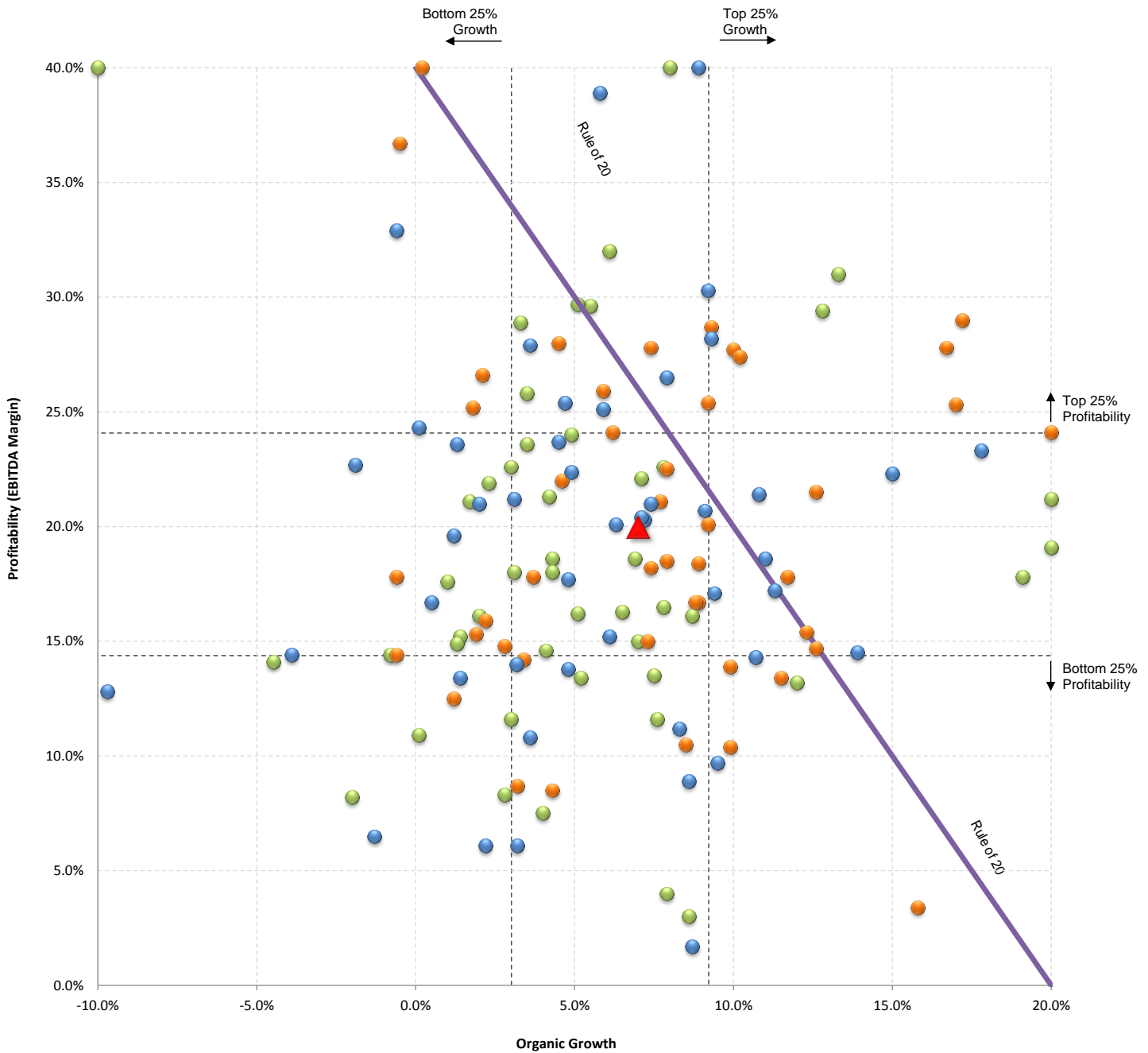
- Based upon Rule of 20 scores, shareholder returns in 2012 were the highest since 2007.
- Rule of 20 scores were fairly consistent between lines of business, with only 2.6 points separating the highest score (16.0 in commercial lines) and the lowest score (13.4 in group benefits)
- Almost 25% of participating firms achieved a Rule of 20 score of 20 or better
- **OGP Projected 2013 Score:** 16.3 Agents and brokers are projecting a slight increase in shareholder returns in 2013, driven by improved profitability

Your Rule of 20 rank: **50th - 60th percentile**

**About the Rule of 20**

Reagan Consulting has developed a metric called the "Rule of 20" to provide 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.

Note: If data for your firm reads "0.0%" or "0.0" it may mean that no data was submitted for that metric.

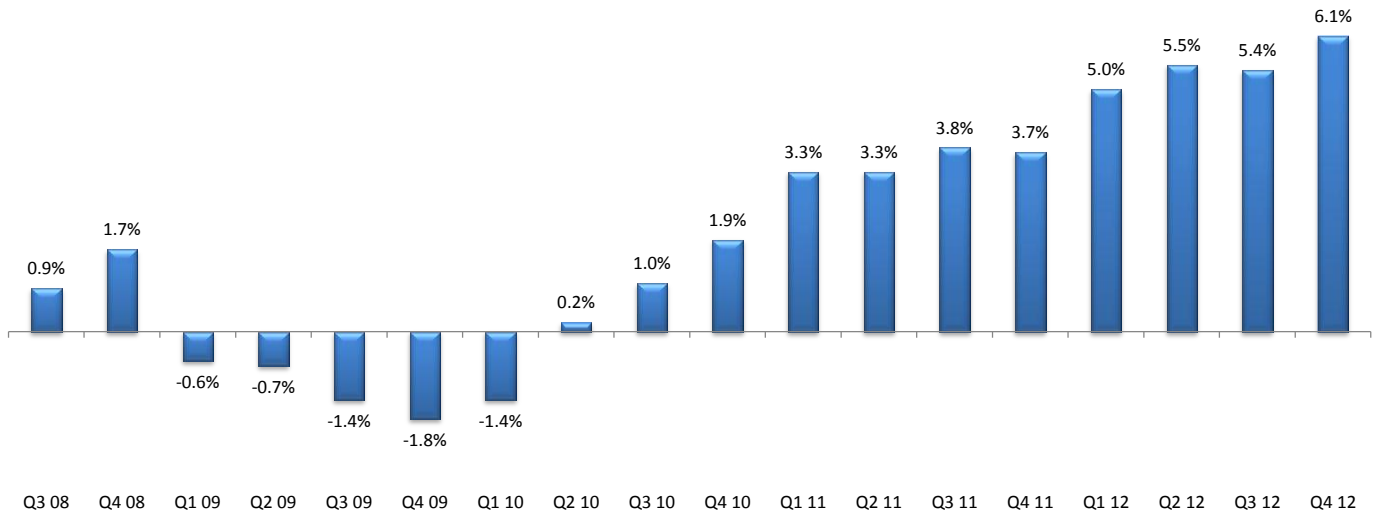


- Surveyed firms with annual revenues less than \$10 million
- Surveyed firms with annual revenues between \$10 and \$25 million
- Surveyed firms with annual revenues greater than \$25 million
- ▲ Your Firm
- Top and Bottom 25% of all firms
- Rule of 20 line (All points on this line indicate a Rule of 20 score of 20)

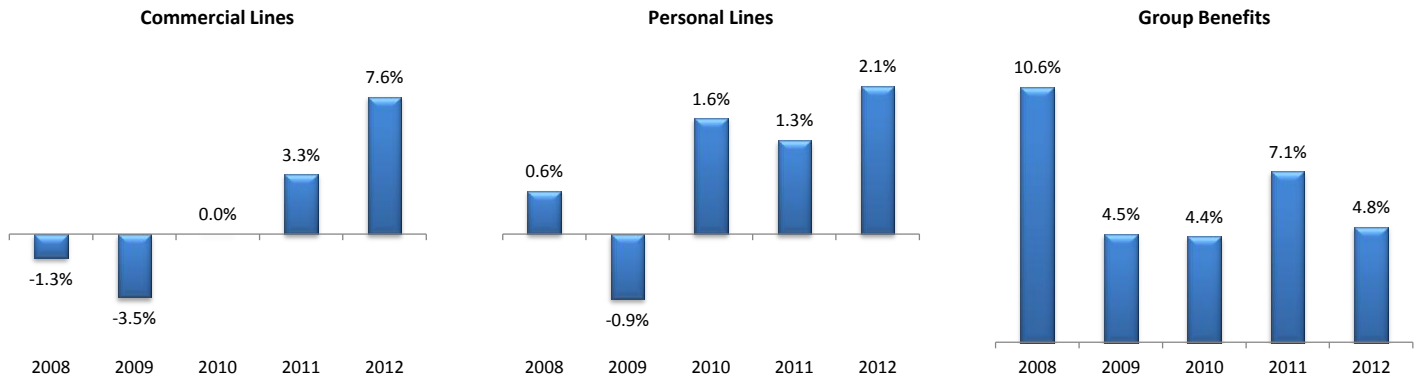
**About the Scatter Plot**

In the chart above, we've plotted every firm in the survey that completed both the total agency organic growth section and the total agency profitability section. Each firm's organic growth is plotted along the x-axis, and each firm's profitability is plotted along the y-axis. We've included a couple of guidelines on the graph to help in interpreting the data. The grey dotted lines show the top and bottom 25% of firms in organic growth and profitability. The solid blue line represents all combinations of organic growth and EBITDA margin that result in a Rule of 20 score of 20. Finally, we've broken the firms into groups based on revenue size, as distinguished by the different colored dots. The goal of this scatter plot is to show the wide range of organic growth and profitability results in the industry and to benchmark where your firm falls.

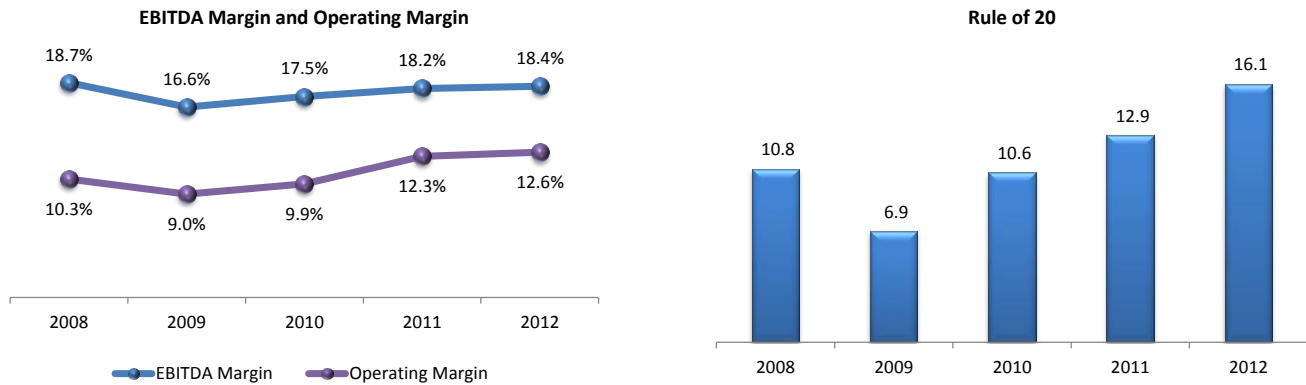
Quarterly Organic Growth - Total Agency Median (Q4 2008 - Present)



Comparative Median Organic Growth by Product Line (Q4 2008 - Present)



Comparative Median Profitability and Rule of 20 Analysis (Q4 2008 - Present)



About EBITDA Margin and Operating Margin

EBITDA Margin is calculated by dividing a firm's pro-forma EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) by the firm's pro-forma net revenues. Operating Margin is calculated as EBITDA less contingent income, divided by pro-forma net revenues less contingent income.