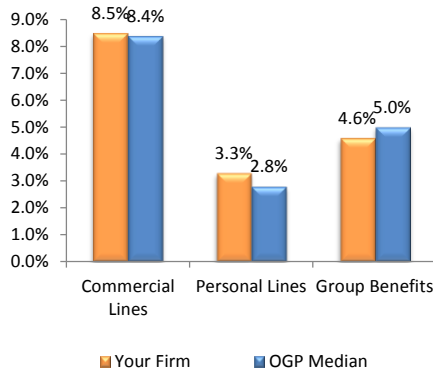


Organic Growth

Total Agency Organic Growth



Organic Growth by Product Line



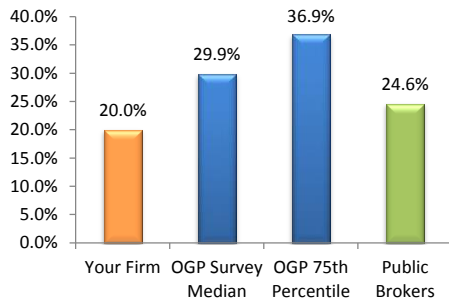
Reagan Consulting Observations

- Median organic growth was 6.2%, nearly identical to Q1 2013 growth of 6.1%
- While commercial lines growth led the pack again, benefits growth, at 5.0%, was up significantly from a 3.7% growth rate in Q1 of 2013
- Privately-held brokers continue to grow faster than public brokers, who reported organic growth of just 3.6%, on average
- **OGP Projected 2014 Growth: 7.0%**
Agents and brokers project that organic growth for all of 2014 will be 7.0%, up from the 6.1% projected at year-end 2013

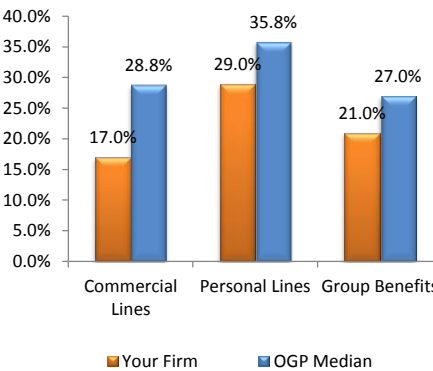
Your organic growth rank: **50th - 60th percentile**

Profitability

Total Agency EBITDA Margin



EBITDA Margin by Product Line



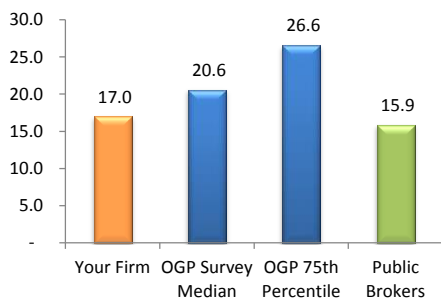
Reagan Consulting Observations

- Q1 2014 was the highest 1st quarter margin ever recorded in the OGP survey at 29.9%. This result was 2 percentage points higher than the Q1 2013 margin (27.9%).
- Median EBITDA figures are inflated by the cash-basis recognition of contingent income, which is largely received in the first quarter. Margins will decline through the year.
- The primary driver of the boost in margin was a 15.2% median jump in contingent income
- **OGP Projected 2013 Margin: 20.0%**
This forecast would be a record for the OGP survey, besting 2013's 19.3% median margin

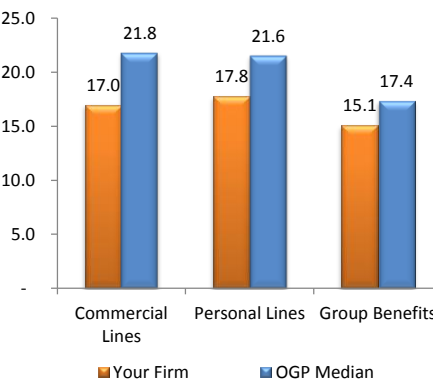
Your profitability rank: **20th - 30th percentile**

The Rule of 20 (see note below)

Total Agency Rule of 20



Rule of 20 by Product Line



Reagan Consulting Observations

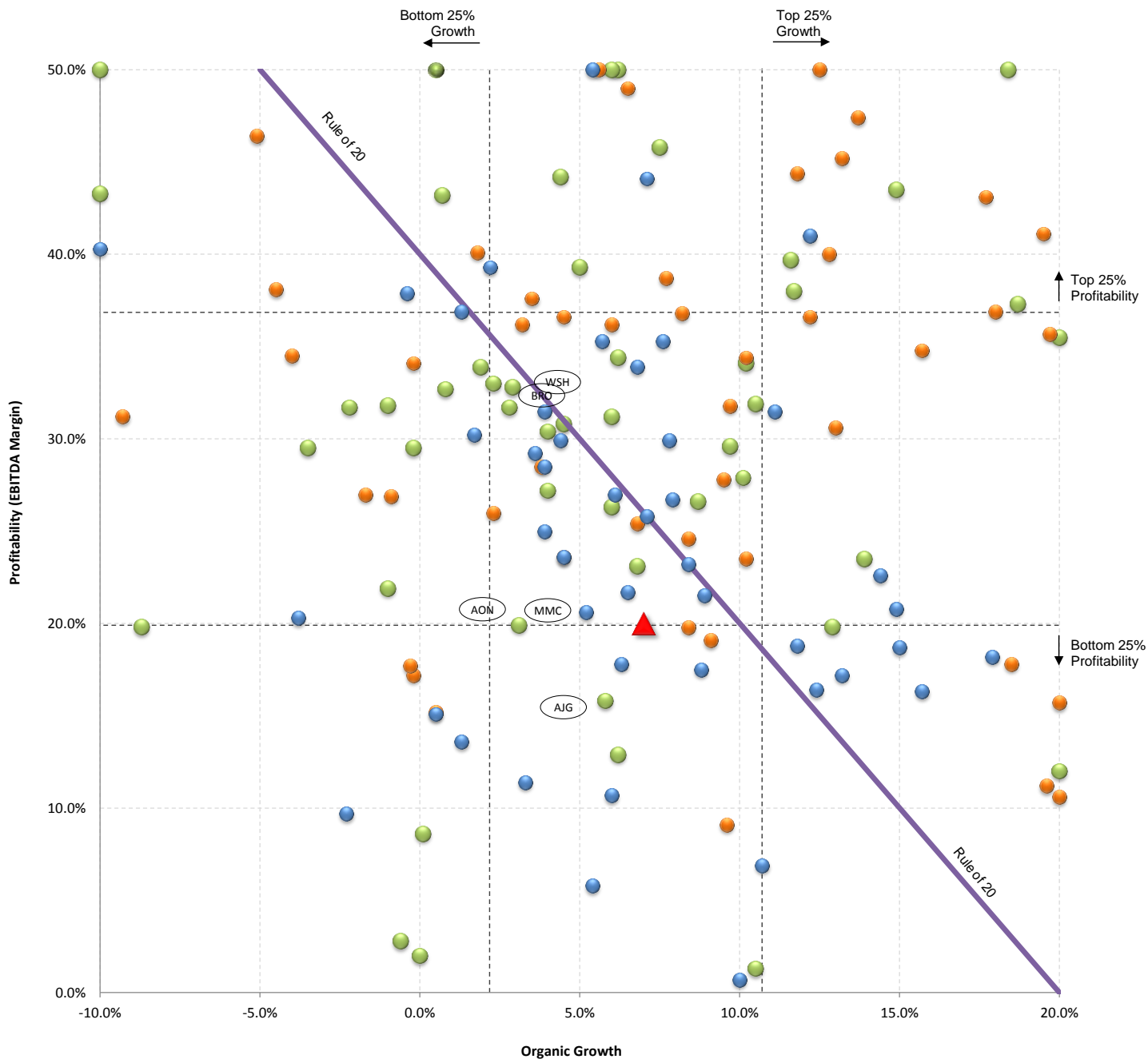
- Rule of 20 scores, like EBITDA margins, are inflated by cash-basis contingent income and will decline throughout the year
- Commercial lines and personal lines scored very similarly in the Rule of 20, though commercial lines was driven by growth and personal lines by profit margins
- Privately-held brokers outperformed public brokers by almost 5 points in Q1 2014
- **OGP Projected 2013 Score: 17.9**
This projection is almost a point-and-a-half higher than 2013's median score of 16.5

Your Rule of 20 rank: **20th - 30th 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.

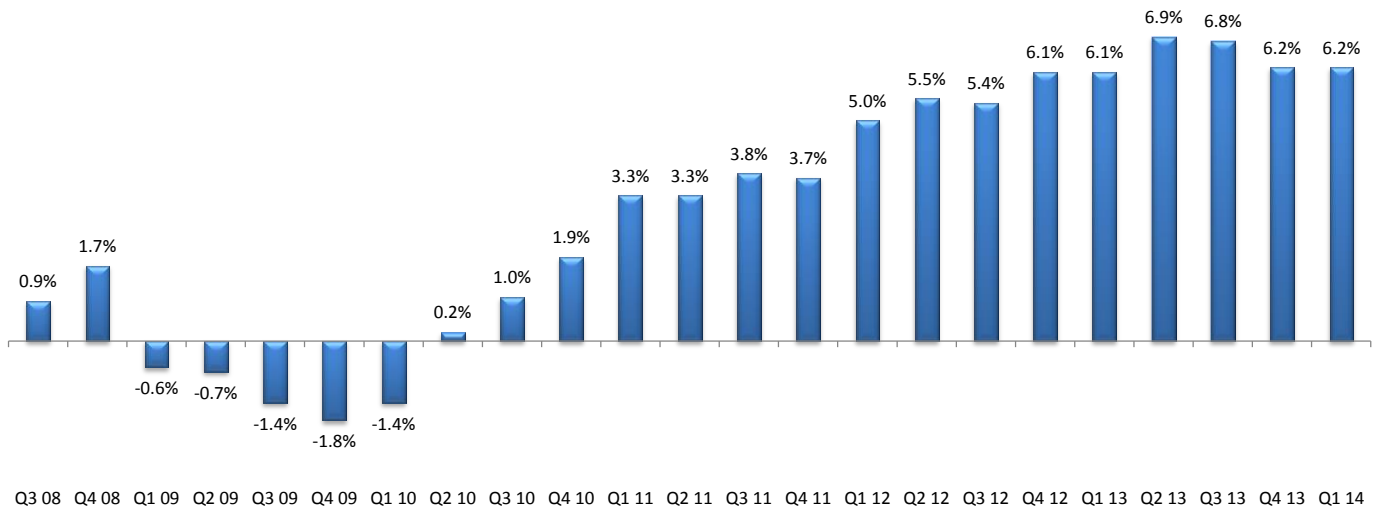


- Surveyed firms with annual revenues less than \$10 million
- Surveyed firms with annual revenues between \$10 and \$25 million
- Surveyed firms with annual revenues greater than \$25 million
- ▲ Your Firm
- Top and Bottom 25% of all firms
- Rule of 20 line (All points on this line indicate a Rule of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

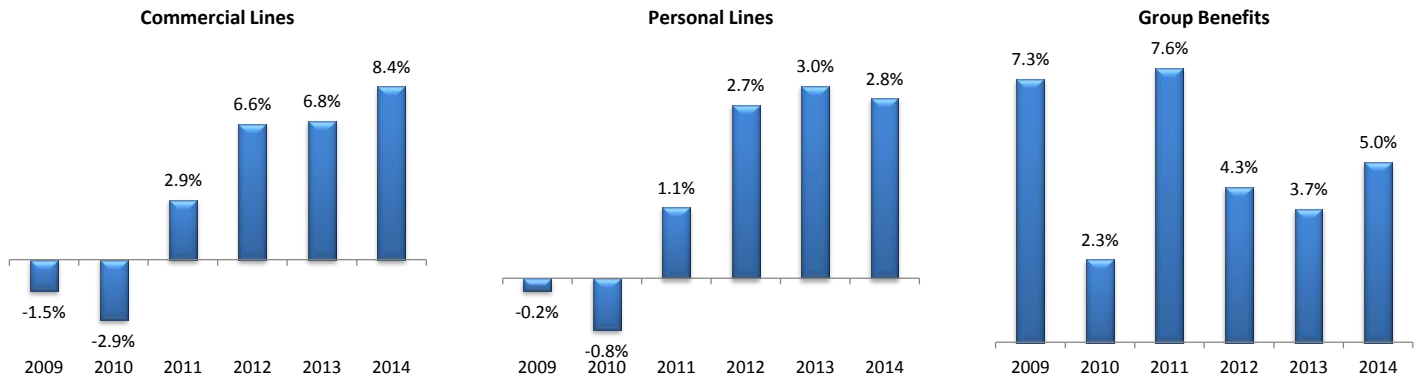
About the Scatter Plot

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.

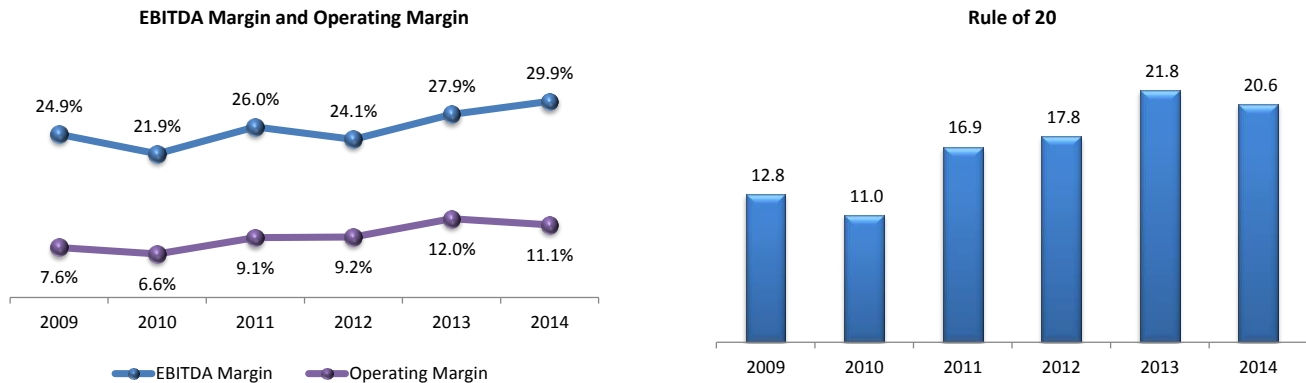
Quarterly Organic Growth - Total Agency Median (Q4 2008 - Present)



Comparative Median Organic Growth by Product Line (First Quarter Numbers, 2009 - 2014)



Comparative Median Profitability and Rule of 20 Analysis (First Quarter Numbers, 2009 - 2014)



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.