

world class
exceed expectations
dogged commitment
top notch people
professional
constancy to purpose
excellence
focus
Agency of Choice
teamwork
hard work
partnerships
no plateau
always there

Annual Report 2011

KNIGHT CROCKETT MILLER
INSURANCE *Group*

January 2012

DEAR STAKEHOLDER:

Agency of Choice sums up all that we strive to be for you: a world-class team with a dogged commitment to deliver excellence and professionalism in all our dealings. Our guiding light is a focus on you, our stakeholders, first and foremost. We believe that if we treat our employees, clients, carriers, and community as our priority, our success will be a natural result.

Our groundwork from 2010 paid off in 2011, and we accomplished two of our major goals: expanding our operation (again) and hiring talented commercial producers. We are thrilled to have four new top-notch producers in our employ: Adam Szuch, Joe Bukovsky, Joe Frankovich, and Ryan Ludtke. With these hires, we expanded our operation into Cleveland, which the "Joe & Joe Team" lead. We now boast five locations in prime markets that are poised for growth. We are well positioned in the burgeoning economy.

The work of the last few years has been carefully executed from the goal to **build an organization for the next generation**. We gladly do this work now to achieve our goal to perpetuate the agency from within. Hiring new producers who have the potential for future ownership is part of our overall plan. We foresee a larger regional agency with multiple owners that promote the **Agency of Choice** mantra in their words and deeds.

You'll read details of our other accomplishments in the accompanying pages. Each of our units is led by impressive individuals. This is the core of our success. The theme is clear: an organization of top-notch people with a dogged commitment to our goals will achieve great things...and ultimately become your **Agency of Choice**.

Our best to you in 2012.

Agency of Choice


Kenneth P. Knight CEO


Thomas G. Hart CFO


Samuel Hammons III Vice President


Diane T. Keil-Roe Vice President, Operations


Norman Fairman Vice President, Sales


Joe Frankovich Partner, Cleveland


Joe Bukovsky Partner, Cleveland


Mark Willis President
Knight Willis Insurance Agency, LLC


John Gage Partner
Knight Willis Insurance Agency, LLC


D. Bradley Wilson Vice President
Wilson Lawson Myers Insurance Agency


Ted Havens Vice President
White & Havens Insurance Services

2011 SALES | UPWARD & ONWARD

focus upward hard

Our sales team grew significantly in 2011. Four new producers joined an already strong roster. We are excited about how our new players will help the team. Our potential has no limits with our newly expanded sales force!

Middle Market, Here We Come!

There is excitement well beyond the impressive expansion of our team. We have established a Middle Market Team whose focus is on larger accounts. This team will target and pursue clients with significant exposures to loss. These clients will need risk management programs to protect their significant business assets. Our Middle Market Team has a broad range of knowledge and experience, making us the right choice for clients needing sophisticated risk management solutions to complex business activities.

Our emergence into the Middle Market arena will not distract us from remembering our roots! Our existing clients find us attentive to serving their needs. Each year we re-dedicate ourselves to delivering insurance expertise to our wide range of clients. We can assure you 2012 will be no exception!



S work

2012 SALES PROGRAM FOCUS

- 1 Specialty Transportation
- 2 Social Service/Not-for-Profits
- 3 Contracting/Construction Supplies and Services
- 4 Hospitality (Hotels, Restaurants, Recreation)
- 5 Financial Services

PRODUCTS & SERVICES OFFERED

Personal Insurance
 Life & Health Insurance
 Retirement Planning & Wealth Management
 Professional Liability
 Property Casualty
 Surety Bonds
 Agency Operations Consulting

TOP SALES LEADERS FOR 2011

Tom Hart	203% of Goal
John Gonia	184% of Goal
Allison Hammons	114% of Goal
Theresa Holman	104% of Goal

2011 SALES FACTS & FIGURES

Total new business accounts sold: 400
 Sales producers exceeding goal: 4
 Sales producers with revenue growth over last year: 8
 Top sales performance most months: 4 by John Gonia
 Highest hit ratio: Theresa Holman at 61%

TOP NEW BUSINESS PREMIUM BY CARRIER

Westfield Insurance	\$306,977
Frankenmuth	\$204,414
EMC	\$127,906
Auto Owners	\$102,257
Acuity	\$39,193

relationship-driven clients

SALES RETREAT | CONTINUOUS IMPROVEMENT

We held our second annual sales retreat on June 26 & 27 in Kendallville, Indiana. This two-day event mixed learning and professional development with high quality social and leisure time. Our goal of becoming the *Agency of Choice* is fostered through events like this that allow us to interact with each other, sharing stories and common experiences.

We were assisted by facilitator, Maureen Gallagher of Insurance Partners Academy. Using information shared by Ms. Gallagher, the team set priorities for 2011. The priorities were identified as follows:

- 1. Review and update the agency's Vision Statement.**
This includes developing action plans that flow from our Vision.
- 2. Develop expertise and excellence in niche markets.**
Both producer knowledge and marketing/sales materials will be addressed.
- 3. Develop repeatable process for meeting and qualifying desirable prospects.**
Standardizing our strategies, marketing materials, and presentation materials is part of this goal.

Always bear in mind that your own resolution to succeed is more important than any other.

Abraham Lincoln



The Sales Retreat was a great step toward setting the course for our team – in the immediate and longer term. Our ongoing effort to become the *Agency of Choice* will be enhanced by addressing these priorities.

THE YEAR IN FINANCIAL SERVICES

KCM Consulting Financial Services helped clients through a year of major ups and downs in 2011. In light of many challenges facing investors, this was certainly a year for patience. Our clients were pleased to learn about an alternative product that offers an attractive yield with an objective of capital preservation and income. We held a few special events this year to educate clients, answer questions, and show our appreciation to our valued customers. We are continuously looking for unique ideas that address the investment objectives of our clientele.

Stock markets around the world experienced extreme volatility, causing concern for many investors. The debt crisis that began in Greece expanded to Italy, Spain, and France. This sent the world markets tumbling. Key heads of state from the European Union expressed their commitments to the Euro and sought to reassure investors and restore confidence. Foreign markets continue to be a focal point and concern for investors.

Wall Street faced numerous challenges over the past year. The US economy expanded, but not at a typical recovery rate. High unemployment prevented investors from taking advantage of low interest rates in the housing market. However, retail purchases improved, helping the economy to grow around 2 percent.

No matter what 2012 has in store for us, we will be ready for it! We thank our clients for their trust in us and value the relationships we've established over the years.

Someone is
sitting in the
shade today
because
someone
planted a tree a
long time ago.

Warren Buffett

continuous
improvement
dogged commitment

exceed expectations teamwork

SERVICE RETREAT | DELIGHTFUL LEARNING

For years, our service team has focused on retaining accounts. After all, that is their core job! This year, though, we worked at it in a different way and strove to define and build our service skills. Putting in writing all that we instinctively do will allow us to train new people in a consistent manner across all locations.

We launched this initiative at our second annual service retreat, themed, 'The Art of Delighting Your Client.' Held in Indianapolis, the entire service team (from all locations) spent a weekend talking, listening, and learning about delightful customer service. Core skills were discussed, such as advanced listening techniques, word choice (verbal and written), and e-mail communication tips. From that event, we created a list of our Top Customer Service Skills (see next page).

The Skills list is just the beginning of a full-fledged customer service training module. Our ultimate goal is for each service team member to be fully certified in Delightful Training, furthering the *Agency of Choice* mantra.



TOP CUSTOMER SERVICE SKILLS

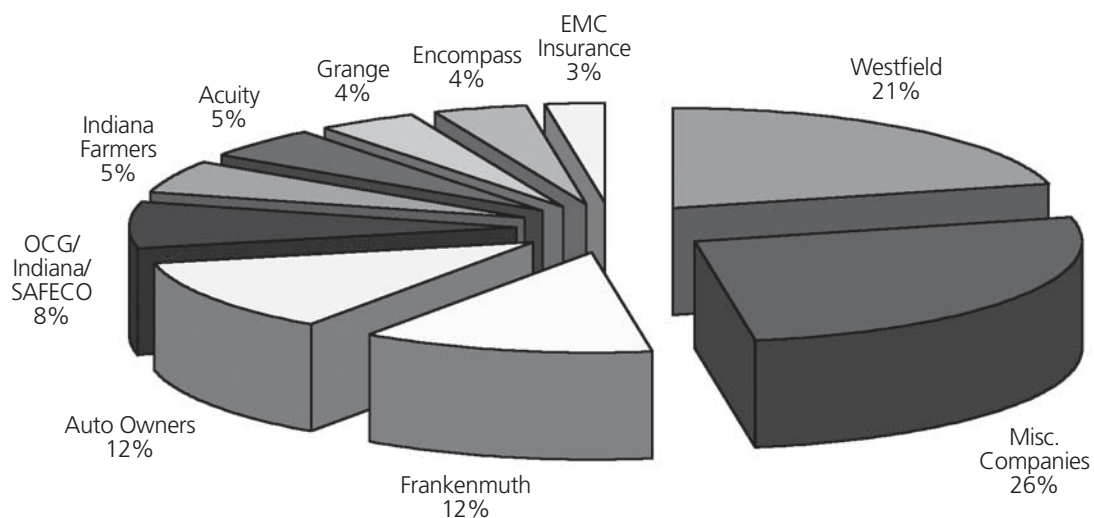
These are the skills we vow to employ to provide a service experience that delights our customers.

1. I will be pleasant and let a smile show in my voice.
 - a. A smile changes the sound of my voice.
 - b. I will acknowledge the person by using the client's name.
2. I will give my client my undivided attention.
 - a. I won't multi-task while on the phone.
 - b. I will summarize and review.
 - c. I will end pleasantly.
3. I will use careful word choices when responding to a customer.
4. I will try to anticipate my client's needs by using investigative questions.
5. I will strive to use active listening skills and "Seek first to understand, then to be understood."
6. I will make customers feel special by using common courtesies of Please and Thank You.
7. I will promptly respond to requests. Even if I don't have the answer just yet, I will acknowledge receipt of their request and let them know when I will be able to have their answer.
8. I will use the listening skill of Empathy and strive to put myself in my client's shoes.
9. I will be mindful of all my communications and strive to be clear, professional, and use good word choices.

partnerships

CARRIER PARTNERSHIPS | AGENCY OF CHOICE

Our carriers are our business partners in every sense of the word. We are mutually dependent upon each other to be profitable, long-standing firms. Without carriers, agencies have nothing to sell, and without agencies, carriers have nothing to insure. Our partnership must be built on mutual respect, trust, and professionalism. And *Agency of Choice* status applies here too. We want to be our carriers' *Agency of Choice* and partner with them in writing profitable, relationship-driven accounts.



mutual

INFORMATION TECHNOLOGY | IS IT!

Over the past ten years, so many different words have invaded our culture: e-mail, internet, World Wide Web, iPad, Google, Cloud, etc.... Today, we cannot imagine not knowing those words. For us, it all can be wrapped into one acronym: IT or Information Technology.



John Gage is our “IT guy” who makes sure we have the technology that allows us to sell and service better than the competition. We are constantly looking at the “next thing,” and evaluating it for our use. This year, we implemented a few process improvements, and we’re preparing ourselves for a major upgrade in agency management software.

Our website has offered online Certificates of Insurance for many years. We were the first agency in the area to have it available. Clients love the ability to print on-demand a Certificate of Insurance and do it 24/7. This year, we converted our internal system to the website, so that all Certificates are done online. This change allows clients to view and access all of their Certificates, whether we created them or they did. It allows us to distribute them electronically, which saves printing, paper, and postage!

In 2012, we will consolidate our existing websites into one main website. There are many reasons for this change--the biggest is that it will provide a more robust site that showcases all of our locations in one place. This consolidation will be planned carefully since our website is an important part of our total service to clients and prospects. Be assured the one-button ease of the existing site you love will remain!



www.knightinsurance.com

www.kwmins.com

www.whitehavens.com

www.wilsonlawson.com

no plateau
respect

ACCOMPLISHMENTS | CONGRATULATIONS!

Each year, our employees find ways to distinguish themselves...and us in the process. We are proud to share with you the various accomplishments of our team.



Joe Bukovsky earned his CPCU designation, Chartered Property Casualty Underwriter. This is a rigorous program, with eight courses that must be passed. A CPCU is trained to handle complex commercial property and personal loss exposures with advanced technical knowledge. With an emphasis on risk management, Joe can relate insurance principles to every-day practice.



Joe Frankovich won the Top Insurance Innovator Award at Market Scout's 2011 Entrepreneurial Symposium. Vying among 280 other entries, Joe's software product, named PC Central, won first place for the most innovative award. The product stores industry news data, new product data, appetite guides, among other things, and is available real-time. It is an intranet-based data warehouse that has search functions and is accessible by users anywhere. Competition for the award included major insurance carriers and major software vendors.



Diane T. Keil-Roe was named Alumna of the Year at Lourdes University. Diane has been on the Alumni Association Board since 2007 and chair of the Nominations Committee since 2010. She was recognized for her volunteer work, in and outside of Lourdes, and for her example to current Lourdes students.

Diane was also named to the board of the Professional Insurance Agents of Ohio, an industry association committed to providing services to its members and promoting the industry as a professional, well-respected, and integral part of the economy.



Cynthia Matus earned her CPIW designation. CPIW stands for Certified Professional Insurance Woman. The designation requires five years of industry experience, classwork, and two years of active participation in the local Insurance Women of Toledo organization. You'll recall that in 2010, Cynthia won Rookie of the Year from Insurance Women. She will be Vice President of the organization in 2012.

excellence class



John Gage was elected Vice President of the Northwest Ohio ASCnet Board, an Applied Systems Users Group. John's work experience and educational background made him a perfect choice for the Board. Previous to this, he had given presentations to the group on advanced activity tracking and hardware recommendations. He is often called upon by members for help with their hardware and software systems.



Allison Hammons was a finalist for the 20 Under 40 Awards. Since 1996, 20 Under 40 has recognized Toledo area leaders under 40 years old who have been influential in our region. Allison was nominated by Adam Hintz, Lori Powe, and Jennifer Alford for her extensive involvement in a variety of nonprofit groups.



Bridgett Purpich received the prestigious Ohio CSR of the Year Award from National Alliance. This is her second win. Bridgett is the only person in Ohio to have won the award twice—a testament to her strong application. Clients helped by writing letters of reference, as did fellow employees.



Jeremy Smith received the Shining Star award as Intern of the Year from the Professional Insurance Agents of Ohio. Jeremy was our intern this past summer, and his time was spent preparing content for producer microsites and creating a library of marketing material. The Shining Star award is won based on nominations from Jeremy's supervisors. His enthusiasm and interest in our industry was evident each day he was on the job.

NEW TEAM MEMBERS | WELCOME!

As you read in our cover letter, we brought four new sales people to our team. In addition, we hired three to our service staff. **We welcome them all to our team!**



Janet Kolp. Janet works in our Hamilton office as a part-time assistant. Janet comes to us with mostly carrier experience, having worked in claims for a large regional carrier. She decided it was time to slow down a bit and smell the roses, especially with her new husband! So Janet found this part-time position just right for her lifestyle. She answers the phones, directs calls, and assists in processing policies.



Adam Szuch. Adam is a life-long Toledoan, having attended St. John's Jesuit High School. He is a newcomer to insurance, but a veteran in business sales. Adam has hit the ground running. Since joining us in July, Adam obtained his insurance license, attended Westfield's TAPP Program for technical and sales training, and has prospected and proposed numerous accounts.



Joe Frankovich. Joe joined us in September, right about the time he became a dad for the first time! Joe has a lengthy resume; his experience in the industry spans 20 years. At the beginning of his career, Joe worked at Westfield Insurance in the commercial department. For the last 10 years, Joe worked on the agency side, writing insurance for some of the most complex accounts in the business. Joe's technical expertise is second to none. In fact, the trickier, the better! Joe heads up our Cleveland operation, along with Joe Bukovsky, and is excited to be part of our quickly expanding sales team.

top notch

professional



Joe Bukovsky. Joe is the other half of the “Joe & Joe Team.” He also joined us in September. Joe’s technical knowledge is impressive; he just earned his CPCU designation (see Awards page), and he already has his MBA. Joe has the rare ability to package a prospective account in a format that allows the underwriter to understand the account quickly and thoroughly. This has won accounts for us with better pricing and more precise coverages.



Ryan Ludtke. Ryan joined our Highland office, White & Havens, in November. Ryan comes to us with six years of commercial insurance sales experience, most recently at an agency in Crystal Lake, Illinois. He has also worked in contract surety and brings a can-do attitude to his prospects and clients. Ryan is excited to be part of an organization that has so many resources to offer clients.



Jenni Hall. Jenni is our newest employee, just hired in late November. Jenni is a part-time assistant at our Connersville office. She had previously worked at a bank-owned insurance agency, but most recently was a stay-at-home mom. The offer of part-time work helps Jenni balance her family commitments while giving her an outlet beyond home. She answers the phone, greets clients in the office, and helps process policies.

people

always together

2011 CONTRIBUTIONS | GIVING BACK

Being part of our communities involves giving of our agency time, treasure, and talent. We believe strongly in contributing to worthy causes where we can make a difference. Here are the worthy causes we contributed to in 2011:



St. Paul's Mission

The Learning Club

Salvation Army Advisory Board

Youth of Fayette County

Hamilton Joes Baseball Club

SPOHNC, a cancer support group

Toledo Warehouse District Association

Mom's House

Kiwanis

Boys & Girls Club

Northwest Ohio Food Bank

St. Jude's Children's Hospital (Isabelle's Inspiration)

Elk's National Foundation

Fayette County Foundation

Workforce Investment Board

Angel Tree

Lord's Table

We are proud of what we have done in the past, but it's time to stretch ourselves even more. So in 2012, we are creating a Give Back Committee with representatives from each office. The committee's charge will be to select charities in our local communities, then organize volunteer and fundraising efforts to support those charities. In doing this, we hope to spread the message that our agency is committed to our local communities.

OUR VIEW OF 2012

The state of the economy still looms over our country. Many people are still out of work; lending is tight; the housing market remains sluggish. A recovery has taken far longer than most economists predicted.

Our 2011 results run counter to all that. Our core sales are up; our employment saw a 10 percent increase; we added a new office. We are proud of what we accomplished this year... and if things go as planned, 2012 will be even better.

Here are our 2012 plans:

- Roll out an updated agency vision statement and strategic goals.
- Create and implement a systematic communication plan across all locations.
- Increase P&C premium by \$4.5 million, developed from new sales.
- Acquire agencies in the Cleveland and Cincinnati regions.
- Enter into a new venture/partnership in either Ohio or Pennsylvania.
- Develop and advance a Customer Delight training module for all service employees.
- Consolidate our websites into one robust site that is fed by our individual identities.

We believe that execution of our plans will help us reach our ultimate goal: to be the **Agency of Choice for all of our stakeholders** (clients, employees, carriers, community). We expect our employees to live the *Agency of Choice* mantra in their daily dealings with carriers, clients, and the community.



constancy to purpose

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