2015 Annual Report

THRIVE

We grow and thrive in a fun environment.

KNIGHT INSURANCE GROUP

We are the best at what we do.

We delight our stakeholders.

Cover photo: Sandi Mominee, John Gage, Greg Corbitt, Brenda Robinson.

KNIGHT
INSURANCE GROUP

JANUARY 2016

Dear Stakeholder:

As we continue our journey to be the Agency of Choice, we remain committed to our Core Values as a driving force. This year's theme, THRIVE, emphasizes one of the three outcomes we strive for as the Knight Insurance Group team. We believe it's more than "fashionable" to emphasize the impact that a positive work environment has on the productivity of a firm. Creating an environment where people can learn, take risks, and develop skills pays dividends in low turnover, exceptional effort, and enthusiasm for our vision.

Much effort was spent in 2015 challenging ourselves to raise the bar: in increased sales, in superior service, in streamlined processes. Each department had goals for how it supported the other, striving for ONEness and Agency of Choice. When each person performs his/her task superbly, the entire organization THRIVES.

Some highlights of our year that you'll read in the following pages:

- Achieved 13 percent commercial insurance revenue growth.
- Broke last year's record for new Middle Market accounts.
- Joined a leadership peer group with top insurance agencies around the country.
- Introduced a call recording feedback program for our service team.
- Added the two newest offices into our Gainsharing goals program.

Truly successful companies do one thing exceptionally well: execute on a focused goal. We have been consistently working on this goal: to be the Agency of Choice. If you've been a long-time follower of ours, you know that we have taken important steps to make this a reality. Continuing to communicate and expect behaviors to support that goal will surely bring us closer to attainment.

Thanks for your continued interest in Knight Insurance Group.

Kenneth P. Knight, CEO

Samuel Hammons III, Partner
President

Diane T. Keil-Hipp, Partner
Chief Operating Officer

Mark Willis, President and Partner
Knight Willis Insurance Agency, LLC

Norman Fairman, Partner
Knight Chisholm Insurance

Joe Frankovich, Partner
Knight Chisholm Insurance

Jason Chisholm, Partner
Knight Chisholm Insurance

John Gage, Partner
Knight Willis and Knight Chisholm Insurance Agencies

Andy Murphy, Partner
Knight Willis Insurance Agency, LLC

D. Bradley Wilson, Vice President
Wilson Lawson Myers Insurance Agency

Rich Miller, Partner
Spitz Miller White Havens

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Act

Making it real.

Many companies craft beautifully worded Values statements, but they fail to make a difference in how team members behave. We knew that would be our challenge too. We set about thinking of concrete ways we could make the Values statement live and breathe within our team members. Leadership realized they needed to set the example. Quickly, the idea developed for the executive team to personalize the Values and create individual action statements. The project required self-reflection, a willingness to improve, and the leadership to publish the statements for all to read.

Our Values statement is so important to us we "engraved" it on our walls. A large 3D graphic was installed in the main Toledo conference room and framed posters hang in each agency office.

What is your personal goal?

"To do as well as I can at whatever I attempt. And someday to die with a peaceful mind."
George Harrison, 1966

"It's Never Crowded Along the Extra Mile."
Dr. Wayne W. Dyer

"Credibility is the most important possession of a leader. "
John Maxwell

"When you're through improving, you're through!"

Here are some of the action statements created by our executive team:

Core Behavior	Action Statements
Seek opportunity in every challenge.	• Look at negative situations and turn positive. • Up my standards in all aspects. (Joe Frankovich)
Focus on daily high-payoff activities.	• Focus more on strengths. Spend more time developing external partnerships in either mergers, acquisitions or affiliations. (Ken Knight)
Cultivate internal and external enthusiasm.	• Continue contacting all of the Toledo associates every day with a good morning greeting. • Begin a weekly e-mail to all of our other offices wishing them well and thanking them for their service. Recognize any special achievements. • Continue the upbeat and positive attitude as I have always done while here on the team. (Norman Fairman)
Build yourself as a person.	• Invest time daily in prayer and devotions. • Read a business book at least every two months. (Sam Hammons)
Build exceptional business skills.	• To continue to pursue educational opportunities from CIC, CPCU and our new Marsh Berry APPEX Group and apply at least one thing from each class/meeting. (Mark Willis)
Always be creative.	• When faced with multiple possible solutions, I ask myself two questions: How would a large Fortune 500 company proceed? How would a small mom and pop company proceed? Somewhere in the middle is usually the right solution for KIG. (John Gage)
Seek to understand first.	• Listen. Don't speak. Listen. For the love of God, LISTEN! • I put myself in other's shoes and choose my words carefully. (Jason Chisholm)
Live the Golden-Platinum rule.	• Be loyal to the cause - stay loyal to the cause. • Listen to what everyone has to say. (Joe Frankovich)
Earn trust in every interaction.	• Follow these two principles as I deal with team members: consistency and confidentiality. (Diane Keil-Hipp)

Sell

Key Results for 2015:

- Top sales executive: Greg Corbitt
- An impressive 70% hit ratio on new business accounts.
- Middle market new premium increased by 30%.
- New personal lines writings up 30% over last year.
- Overall revenue from business accounts up 13%.
- Agency-wide volume increased 9%.

Highlights from 2015.

Middle market accounts continued to be our focus in 2015, and we are pleased to report that our success in 2015 exceeded last year by 30 percent! Team selling ramped up, and we saw a record number of our middle market accounts co-written by two of our risk consultants. Best of all, the teams formed organically as they recognized each others' skill sets.

Personal lines also reported a successful year, with an increase in new premium over last year of 30 percent! In addition, our large accounts doubled from last year.

In 2016, we will implement Salesforce, an automation tool to more efficiently track our sales efforts. From a salesperson's mobile device, the progress on an account can be updated and tracked.

We also are underway on two significant initiatives:

- Develop an agency-wide personal lines sales strategy. We have engaged seniors from Case Western University to research the most effective ways that personal lines should be sold in the 21st century.
- Formally create a select business unit that utilizes technology for utmost efficiency.

Our sales goal for 2016 is to again grow our commercial volume by 10 percent. Once the personal lines strategy is unveiled, we expect to grow our personal volume similarly.

We thrive on service.

In 2015, we introduced Gainsharing to our two newest offices, bringing them into our long-standing retention program. This year marked the first time we were able to track retention across all our offices, so we're pleased to present you with results from our entire agency.

Reviewing policies with our clients accomplishes two important goals: First, it ensures that our clients understand clearly the insurance policy protection they've purchased. If changes have occurred in their lives, we have the opportunity to update their policies. Secondly, it helps build *trust*, confidence, and the overall relationship between us. These are so important to maintaining an *enduring relationship*.

That being said, we place a strong emphasis on reaching out to as many clients as possible to review their policies. In 2015, we are proud to have exceeded our goals in both departments: by 17% in personal lines and by 11% with our business clients.

Our agency philosophy has always been to retain our **profitable, relationship-driven** clients. Because of that, we track retention of *targeted* business clients who meet that criteria. Overall results across all offices are shown at right:

Reviews with personal clients:

Actual: **1053**

Goal: **896**

Reviews with business clients:

Actual: **378**

Goal: **340**

Retention of targeted business clients:

95%

(premium retention)

Retention of targeted personal clients:

94.5%

(premium retention)

What's on the plate for 2016? Revising our formal review questionnaire to add the latest changes in insurance, continuing to proactively reach out to our best clients, and seeking feedback from our clients on how we can improve.

Serve

Communicate

Orange you communicating?

This was the theme for our 2015 service retreat…an extension of 2014's low-hanging fruit, for sure! We like to build on ideas from year to year, and Erika Oliver, our now seasoned consultant, was up for the challenge.

For all that we do to serve our clients, the most important thing – bar none – is how we **communicate** with them. Erika taught us about the various types of communication, the barriers to communication, and how hard it is when there are so many distractions surrounding both the client and the account manager.

In a brave exercise, we played real calls to small groups. (The calls were re-recorded for privacy.) Then the small groups critiqued the calls, based upon a feedback form we created. It was an eye-opener! We raised our own bar – live and in the moment! For as good as anyone is, there's nothing more valuable than hearing yourself on the phone. Over and over we heard comments like, "I didn't know I sounded that way."

As a follow-up to the retreat, we established a regular call feedback program, whereby every account manager receives two of her own calls to critique using the call feedback form. The team leader listens to the same calls, and they compare notes. We are excited about how this regular self-evaluation will result in better conversations!

Westfield Insurance was the proud host of our retreat this year. Their facilities, food, and setting were top-notch! Adding to the great atmosphere was a carnival held the night before, complete with ball toss, corn hole, cards, and prizes, of course! Yoga is a staple at our event, and the Westfield patio proved to be the picture-perfect setting for some relaxing stretches.

Thanks to Erika Oliver, our consultant extraordinaire, and to Westfield for being a gracious host!

We are proud to represent a very fine group of insurance companies, and we consider them partners in our success.

Agency of Choice Carriers.

The agency-carrier relationship is one of the most important for our success. And even though this is the era of digital and internet, relationship is still king. Without a solid working relationship built upon *trust* and mutual respect, long-term success is fleeting. We also recognize that a solid working relationship is dependent upon both parties performing to expectation. For the agency, it's writing new business and maintaining the profitable existing business. For the carrier, it's offering valuable products at a fair price and the people to make the relationship fruitful.

For the last several years, we have earned *double the industry average* in revenue received from our carriers for profitability. The long-term focus on writing and retaining clients that value our relationship, expertise, and high quality policies is the reason for this long-standing result.

ACUITY
Auto-Owners Insurance
CHUBB
EMC Insurance
Encompass — Creating protection around you
FCCI Insurance Group
Frankenmuth Insurance
Hastings Mutual Insurance Company
Grange Insurance
The Hartford
The Hanover Insurance Group
Liberty Mutual Insurance
Westfield Insurance
West Bend — A Mutual Insurance Company
Indiana Farmers Mutual Insurance Company
Safeco Insurance
The Motorists Insurance Group, You know us.
TRAVELERS

Partner

Analyze

Thriving through IT.

No doubt about it…an exceptional IT department helps us to delight our stakeholders and be the best at what we do. We can do more in fewer clicks, spend less time pushing paper–virtual or real–and get answers to our clients faster. Less time pushing paper means more time earning their trust, building the relationship, and offering outstanding service.

Our IT department worked on a number of behind-the-scenes projects that achieved these very goals. Take a look:

- Eliminated redundant fax lines and created one centralized faxing solution.
- Reduced our multi-times-per-day carrier log to once per day.
- Launched a new email archive tool that is superior to the old tool in speed, storage capacity and ease of use.
- Provided various detailed analyses to assist us in making service and efficiency improvements.
- Implemented an electronic signature solution for client documents. Now our clients can sign and return documents via their email in a matter of minutes!

In addition, John Gage, our Systems Administrator, concluded a two-year term as Applied Client Network Northwest Ohio President, having served a two-year term as VP previous to this.

We can already predict that 2016 will be an epic year. We have committed to upgrading our agency management system from Applied Systems TAM to Applied Systems Epic. This project is considerable in scope and expense, so the decision was made after significant research. Our team will benefit from the most advanced technology in the industry. Planning for the migration will begin in 2016, with our go-live date scheduled for third quarter 2017.

An anniversary, Beatles style.

February 1, 2015, marked 30 years since Diane Keil-Hipp, our COO, walked into the Crockett-Miller Company's office after school, sporting her Notre Dame Academy uniform. So much has changed since 1985 – in the world and in our little corner of it. But the Beatles were Fab then, and in Diane's world, they still are today. So, a Beatle theme seemed appropriate for the girl who can't get out of the sixties.

Celebrate

Shi

Last year, we announced a new way to recognize our tenured team members – custom Knight jewelry. The ladies received a Pandora-style bracelet with one charm for each year of service. **In 2015, we gave 25 bracelets and over 400 beads.**

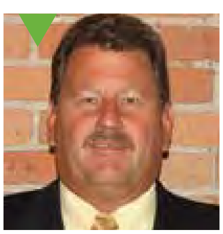
Fourteen of our guys received the stylish K pin.

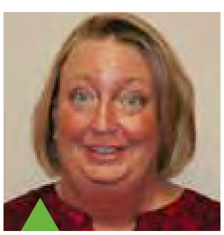
30 Years

Tracy Barber, Personal Lines Account Manager. Tracy has been in insurance her entire business career. Early on, she was a jack-of-all-trades, doing whatever clients needed. Today, she specializes in personal insurance (home, auto, etc.) and thoroughly enjoys talking with her long-standing clients and offering them her counsel.

25 Years

Carl Richardson, Business Insurance Agent. Carl came back home from Georgia in 1990 and hooked up with an old friend, Ken Knight, who quickly offered him a job. And the rest, they say, is history! Through the years, Carl has been a steady resource for his clients, and they have rewarded him with enduring relationships. Carl's retention is one of the highest at the agency.





Renata Zbydniewski, Claims Specialist. Renata expertly manages claims for our clients. She is a liaison between the carrier claims representative and the client, and in this role, she explains the all-important "how" and "when" of a claim: "How will the amount be calculated?" and "When will I get paid?" Clients love dealing with Renata because she brings so much value at critical claim time.

20 Years

Marlene Lemons, Personal Lines Team Leader & Account Manager. In the time Marlene has been with us, her twin babies have all grown up. Marlene has always had a love of personal insurance and the clients she's gotten to know over the past 20 years. In 2013, Marlene became Team Leader for our personal lines account managers, so in addition to her role as Account Manager, she also coaches and mentors her team to be the best at what they do.

Linda Augustyn, Agency Accountant. Linda is one of those rarities...an accountant with a personality. Although she's always served in this role, her duties expanded significantly in the last five years as the agency saw exponential growth. Linda expertly manages various facets of our accounting, and her knowledge of the unique aspects of insurance accounting is a special asset.

15 Years

Bridgett Purpich, Business Insurance Account Manager. Bridgett started with us in 2000 in personal lines. In 2002, she expressed an interest in becoming a business insurance account manager, and with no experience, but a great desire to learn, she moved into that role. Last year, she took on a new challenge in addition to her account manager duties: trainer for our business insurance service team and website promoter for new clients.

Carol Taylor, Personal Lines Account Manager. Carol came to us with no insurance experience, other than through nepotism (her father had been a Nationwide agent). She started as an assistant to our personal lines account managers, and as her experience grew, she became the Quoting Queen for the team. After several years in a behind-the-scenes role, Carol was persuaded to become an account manager and have her own clients. That was 2008, and she hasn't looked back!

ne

2015 marked significant anniversaries for a record number of our team. Several of our team have been with us most of their careers. As such, we've been a part of many marriages, babies, grandchildren, elderly parents – the whole circle of life. They say that you spend more time with your co-workers than your actual family. In our case, we like to think that our team is a family too.

Congrats and thanks for your dedication, loyalty, positive attitude, and care for your clients! Through you, we are the **Agency of Choice**!

Jason Chisholm, Partner, Knight Chisholm. Jason is a third generation agency owner, having worked with both his grandfather and his father. He learned the business from the ground up, first opening the mail and learning how to read policies. Jason is an expert policy forms reader, and his clients definitely appreciate and rely on his knowledge and expertise.

Sharon Schlink, Personal Lines Assistant. When you call into the Griffith office, more than likely, you're going to hear the friendly voice of Sharon. But that's not all! In addition to answering the phone, Sharon acts as claims liaison between clients and the carrier, helping clients feel comfortable through the claims process. She also assists in personal lines processing and payment questions.

Phil Shields, Business Insurance Agent. Phil started as a jack-of-all-trades insurance salesperson, helping clients with personal and business insurance. Last year, he began to strictly focus on business insurance and completed his best sales year ever in 2015!

10 Years

Bridget Donovan, Brand Manager. Way back in 2005, Bridget started with us as a receptionist assistant. The internet was still in its infancy, and she was the perfect person to guide us in this new world. She quickly displayed her talents in marketing and design and became our Brand Manager in 2013, where she oversees our advertising, website, events, and social media.

Debbie Coffman, Personal Lines Account Manager. Debbie came to us from a bank, not knowing anything about insurance. She first helped the accounting department with bills, deposits, and bank reconciliation, but her true talent is in building relationships. With guidance, she took the brave step to learn and be licensed in insurance, and today, she is one of our best personal account managers!

5 Years

Norman Fairman, Sales Manager. Norman has a long history at insurance agencies, mostly in management roles. Not yet ready to retire, Norman approached Ken in 2009 about helping the agency in sales management. Norman's amiable personality, impressive connections, and reputation in the industry made him a huge asset for us. Through Norman's connections, we recruited six talented people, expanded our footprint into Cleveland and Findlay, and merged our Highland office with a new agency in Griffith, Indiana. In five short years, Norman has made a lasting impact on the vibrancy of the agency. Thanks, Norman!

"Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients."

Richard Branson

Achieve

Agency of Choice Awards.

Another way to communicate the importance of our Values statement is to overtly reward for it. At the 2015 Annual Meeting, we unveiled the Agency of Choice Awards. Not surprising, there are three categories: *Relentless Focus, Exceptional Standards*, and *Enduring Relationships*. We invited all team members to nominate someone and indicate why. And boy, did they take us seriously! Thirty-three nominations were submitted for three awards!

Criteria:

Relentless Focus Award
To the employee who sees the glass as half full, choosing to look at problems as opportunities, shares his/her enthusiasm with others, and is daily focused on work that provides the greatest benefit for the agency.

The Exceptional Award
To the employee who shines as one of our best. The candidate regularly seeks continuing education (designations, advanced degrees, computer classes, etc.), is technically competent in the job, is a professional representative for the agency in word and deed, thinks of creative solutions to problems, has a positive attitude and smile for everyone around.

Relationship Builder Award
To the employee who lives the Golden-Platinum Rule, earns trust in every interaction, listens to understand and delights clients and/or stakeholders.

Nominees:

Brenda Robinson
Bridgett Purpich
Carol Taylor
Dorothy Hale
Jane Crispen
Kendallyn Jacobs
Kristy Margerum
Marlene Lemons
Michelle Bowe
Nancy Tuttle
Robbie Wilson

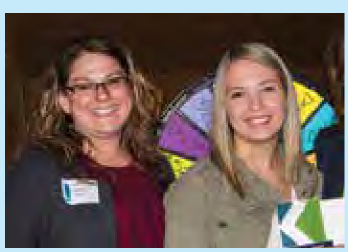
Allison Hammons
Brenda Robinson
Bridget Donovan
Bridgett Purpich
Chris Glisson
Cynthia Matus
Dorothy Hale
Kendallyn Jacobs
Kristy Margerum

Allison Hammons
Brad Wilson
Carl Richardson
Carol Taylor
Cynthia Matus
Debbie Coffman
Frances Lyons
Jane Crispen
Kendallyn Jacobs
Michelle Bowe
Sharon Schlink

Winners:

Kristy Margerum

Michelle Bowe
& Kendallyn Jacobs (tied)



Jane Crispen
& Debbie Coffman (tied)

Recognitions and Designations.

We have numerous team members working to further their insurance knowledge through the pursuit of industry designations. This year, we were proud to have two of our team pass their last class and earn the designation, **Certified Insurance Counselor (CIC)**. Congrats to **Marlene Lemons** and **Diane Luechauer**! Each of them received a check for $350 in recognition of the achievement.

Selena Stagnolia earned her **Certified Insurance Service Representative (CISR)** designation in 2015. This designation requires successful completion of five insurance classes. Selena earned a $100 check from the agency for her achievement.

Indiana Farmers honored **Nancy Tuttle** as its **Commercial CSR of the Year** at its annual career improvement seminar. Underwriters at Indiana Farmers nominated Nancy for her cooperativeness, long-term relationship, and product knowledge.

Ken Knight received the most votes (thanks, Facebook fans!) in *City Paper*'s annual Best of Toledo awards. Ken was awarded with Best Insurance Agent! He was recognized at their award ceremony and in the Best of Toledo edition of *City Paper*.

Cynthia Matus represented the Toledo Association of Insurance Professionals at an annual competition called Confidence While Communicating. She won the regional competition in April and went on to represent our region at the national conference in Minneapolis in June. While she did not win the national award, she gave a great presentation and made her local association and Region IV very proud.

The Agency of Choice winners were announced at the 2015 Annual Meeting, where they received praise and glory from the rest of the team. Oh yeah...they also received $100!

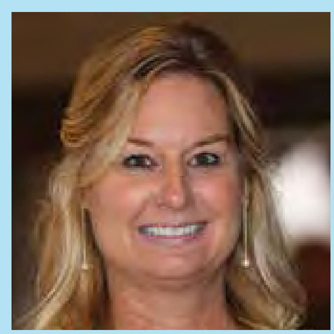

Marlene Lemons


Diane Luechauer


Selena Stagnolia


Nancy Tuttle


Ken Knight


Cynthia Matus

Give

A big shout out to Stephanie Ehman and Diane Luechauer for their work to put the raffle together.

Living the Golden-Platinum Rule.

"Do unto others as you would have done to you." Living this requires thinking of others before self. Our team members did an exemplary job this year in seeking out families and charitable organizations in need. Helping others less fortunate resonated with the agency in a new way. There were many charitable groups helped this year (see list), but we want to share with you two special stories that demonstrated a generous level of care and concern for others.

Through a former employee from our Hamilton office, we became aware of a group of families whose children did not have beds. The local school, church, and Butler Lumber (a client of ours) were teaming up to raise money to build beds, and provide mattresses and bedding. We were asked if we could raise $500. We brainstormed on ways we could raise that money. Quickly, the agency offered a dollar-for-dollar match, so the amount only needed to be $250. Since it was close to our Christmas party, we set up a 50-50 raffle, and sold tickets at the party. We were astounded by the generosity of our team. At the end of the raffle, we had nearly $900, and one lucky winner was going to get $450. **Amy Russell** had the winning ticket, and she instantly donated the winnings back to the kids. In addition to Amy's generosity, **Brenda Robinson** and **Lucy Spitale** each donated back their winnings from our musical chairs contest, bringing the total donation (including agency funds) to nearly $1,300.

Thank you for your generous donations to WMS and to BridgeWater Church that helped provide beds & bedding for 10 children without. Your organization's actions exemplify what Christmas is all about.

Sheryl Burk
Principal

Hammond 10K Charity Run sponsors the Hammond Back to School event where they give over a thousand backpacks filled with school supplies, food and hygiene products to disadvantaged elementary students. Every penny raised at this event goes directly towards the purchase of these items.

For the last few years, team members from our Highland – and now Griffith – office have supported the event. **Lucy Spitale**, **Sherri Hanish**, **Sharon Schlink**, and **Nancy Tuttle** all worked the event that morning. Sherri actually ran the race and got a first place showing! In total, the event raised $5,200.

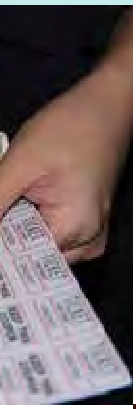
Opportunity in every challenge.

Because of our partnership with Westfield Insurance, we were approached with a significant gift: the chance to impact a charitable organization in our community with a **$15,000 grant** through Westfield Insurance Foundation. Our thoughts went immediately to Central City Ministry of Toledo.

Central City Ministry operates two elementary schools in central Toledo. The executive director shared one of its challenges: getting the pre-K through eighth graders to and from school safely. You see, the students do not receive public bussing, so they either walk or are taken to school. Gangs are prevalent near both schools, and the gang members like to hang out right around dismissal time. Also, some kids are forgotten at dismissal time and not picked up. A bus, operated by the school, would eliminate these safety concerns.

The Westfield grant, pieced with other contributions and some creative sharing of resources, will put Central City Ministry one step closer to solving this significant safety issue for children in our community.

Thanks to Westfield Insurance Foundation for this generous grant, and thanks to Central City Ministry for continuing this important work. We are humbled to have played a part in bringing such a worthwhile cause to the attention of the foundation.



"As an Agency of ONE, we just made a HUGE difference in the lives of a family in need."

Stephanie Ehman

Other charities supported:

American Brain Tumor Association

Cherished Friends of Ahava

Cherry Street Mission

Cocoon Shelter

Community Children's Choir

Community Sharing

Community Youth Day

Connersville Jaycee Community Events

Epilepsy Center

Fayette County Foundation

Fellowship of Christian Athletes

4H Sponsor

Griffith Emergency Fund

Hope Learning Academy

Hope Pregnancy Center

Lay Baseball and Basketball Coaches

Little Sisters of the Poor

Lourdes University

March of Dimes

Northwest Ohio Food Pantry

Prayers for Maria

Reality Store

Region 6 Workforce Development

St Mary's Family Services

The Learning Club

Toy-a-thon

Play

We grow and thrive in a **fun** environment.

How many companies have the word “fun” right in their Values statement? We take fun seriously! We believe, as part of our culture, **fun** actually makes people more productive. And it’s a lot more enjoyable to come to work every day too!

Here are examples of the fun we have at Knight Insurance Group!

People decide where to drop their five free raffle tickets. Prizes included Tiffany jewelry, luggage, Leatherman tool, Fitbit, and ipad mini!

We love to give away cash! At our Annual Meeting, the presentations are in between our own version of Wheel of Fortune!

Musical chairs for 40 people?! Sure, why not! Complete with our own vocalist (Sam Hammons) singing Christmas tunes.

Our Christmas party is one you do not want to miss! Team members LOVE it, and they tell us repeatedly that, compared to traditional company Christmas parties, ours is the most fun.

Thriving on Accountability.

For some, accountability is a bad word. Does anybody like to report his work to someone else? Or admit when results have fallen short? And who do the leaders report to? More importantly, who can tell them they're off track or focused in the wrong area?

Last year, we joined a group called APPEX, a peer exchange network sponsored by Marsh Berry. It has proven to be the ultimate in accountability for leadership! Leaders of similar agencies from across the country join together in small groups to challenge and hold each other accountable. We've learned first-hand the value of accountability. It raises the bar, challenges thinking, and through the example of others, shows that amazing things are possible.

This Annual Report is an example of accountability to you, our stakeholders. What have we done over the last year? What did we set out to do? How did we actually do? So, as you peruse this report, and specifically the list of goals attained below, know that we are highly conscious of our accountability to you, our stakeholder. We'd like to say we *thrive* on accountability.

Thrive

Core Behavior	2015 Goal	Results
Seek opportunity in every challenge.	• Launch Knight Life, a cross sale program that introduces our existing clients to life and disability products.	• Launched an email and postcard campaign in spring of 2015.
	• Back-room improvements. Continue to automate HR functions and make internal functions faster and easier.	• Implemented several improvements in year-end benefits elections that required not a single piece of paper!
	• Merger/acquisition in Hamilton. We are actively pursuing an opportunity in the Cincinnati area to pair with our existing Hamilton office.	• We vetted a few opportunities, with none making the grade. As we grow, our expectations increase for additional acquisitions; therefore, it takes more work to find the right one.
Focus on daily high-payoff activities.	• Realize 10% net organic growth in commercial lines.	• Achieved! Kudos to our business insurance sales team!
	• Hire two new business insurance salespeople.	• As already mentioned, we are vetting new candidates far more carefully than before, so none passed through our entire process.
Cultivate internal and external enthusiasm. **Build yourself as a person first.**	• The buck starts with leadership! Our executive team will commit to personal goals based upon the behaviors in our Core Values Statement.	• Achieved! The full statements from leadership are published on our intranet, K2.

See more on next page.

Continued.

Core Behavior	2015 Goal	Results
Build exceptional business skills.	• The sales team will be firmly entrenched in a niche, complete with a niche marketing plan and a path to become expert in that niche.	• Construction, financial institutions, manufacturing, and automotive services are some of the niches worked by our sales team. They have joined and participated in trade associations to build their networks.
	• Continue to add top-notch people to our Service and Administrative Departments, specifically in Westlake and Toledo.	• We hired two experienced business account managers in Toledo, who are building relationships with our clients and promoting Agency of Choice.
	• Research and report on business case for new agency automation technology.	• We can now name it: EPIC. John Gage presented his proposal to the executive team, and we are full steam ahead!
Always be creative.	• Explore the creation of a VIP Personal Lines Program.	• Several brainstorming sessions and surveys were done in 2015 to explore the types of services that our clients find meaningful. This work continues in 2016.
Seek to understand first. **Live the Golden-Platinum rule.** **Earn trust in every interaction.**	• Improve our retention. We have a few initiatives in place designed to improve the retention of our profitable, relationship-based clients.	• We now have solid data from all offices (through Gainsharing) and have implemented a call feedback program designed to give our account managers constructive feedback on how well they communicate with clients.

Practice

Relentless **Focus**

Exceptional **Standards**

Enduring **Relationships**

Perfecting Accountability.

Some things are so important that it takes multiple years to practice, hone, and perfect. Good goal setting is a combination of high, lofty goals and quick, straight-forward goals. And then there are some goals that never go away because we always strive to improve.

As we report to you on our goals for 2016, you may see some similar goals re-appear from 2015 in addition to some new goals. Know that we feel a sense of accountability to you for them all, and we strive to get them right.

Core Behavior	2016 Goal
Seek to understand first. **Live the Golden-Platinum rule.** **Earn trust in every interaction.**	• Improve our retention. This goal will probably never leave our list. This year we are excited about the gains we hope to achieve through our call feedback program.
Always be creative.	• Design and implement an agency-wide personal lines sales strategy. This year, we are teaming with undergraduate seniors from Case Western University to tackle the creation of a sales strategy that spans the entire organization. • Establish and convene a workflow design committee for EPIC.
Seek opportunity in every challenge.	• Formally create a select business unit. Within that unit, streamline the internal procedures to gain efficiencies in the area of our business. • Seek a merger/acquisition in Columbus and/or Cincinnati area.
Focus on daily high-payoff activities.	• Realize 10% net organic growth in commercial lines. • Hire two additional business insurance salespeople.
Cultivate internal and external enthusiasm.	• Through our monthly service meetings, communicate the Agency of Choice vision in practical ways.
Build exceptional business skills.	• Numerous team members are working toward insurance designations. We have endorsed a new designation for personal lines, called the Certified Personal Risk Manager, that several people will start in 2016.
Build yourself as a person first.	• This is each person’s challenge. For the executives who created their personal values statement, revisit it, refine it, perhaps reinforce it. For others, work with team leaders to craft their own.

Reflect

As we reflect on the year and on what we've reported to you, some themes rise to the top:

- We have great people and they love the agency. Showcasing a dozen people who are celebrating their lengthy tenure says a lot for the culture and environment here.
- No matter what goals we set, there's always more to do. Isn't that how life is? The more you learn, the more you know you need to learn. Challenging ourselves to raise the bar tells you, our stakeholder, that we will not sit on our heels, complacent.
- Our goal for ONEness is happening. It's fun to watch team members interact across offices and look forward to agency-wide events.

Being Agency of Choice is our ultimate goal!

We grow and thrive in a fun environment.

All photos by Norman Fairman.

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