



Well Done

2010 ANNUAL REPORT

KNIGHT CROCKETT MILLER
INSURANCE *Group*

January 2011

Kenneth P. Knight
Kenneth P. Knight
CEO

Thomas G. Hart
Thomas G. Hart, CPA
CFO

Samuel Hammons III
Samuel Hammons III
Vice President

Diane T. Keil-Roe
Diane T. Keil-Roe
Vice President, Operations

Norman Fairman
Norman Fairman
Vice President, Sales

Mark C. Willis
Mark Willis, President
Knight Willis Insurance Agency, LLC

John Gage
John Gage, Partner
Knight Willis Insurance Agency, LLC

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

Ted A. Havens
Ted Havens
Vice President
White & Havens Insurance Services

DEAR STAKEHOLDER

Well Done is a deserved pat-on-the-back to our team for the achievements of 2010. Given the state of our national economy, we are especially pleased to report a year of growth and strategic planning for our future.

The year began with the hiring of a full-time sales manager, Norman Fairman. This investment in our Sales Team was on our Wish List for some time, and Norman was **well chosen**. With Norman's focus and attention, our sales team achieved and exceeded their sales goals.

We have also spent significant time exploring new opportunities for sales people and agency acquisitions. We are committed to perpetuating Knight Crockett Miller from within. To do that, we must have **well chosen** future leaders. The work requires patience and careful due diligence, and the groundwork laid in 2010 was time **well spent**.

In November, we acquired the Keith Keisser Insurance Agency. Keith's untimely passing left his clients without an agency owner. We were pleased to be selected to succeed him and carry on servicing his clients. The agency's CSR, Tracy Barber, joined us to provide continuity for the clients. They are already enjoying 24/7 service on our website and our quick response and turnaround.

Toward the end of the year, we launched our first Sales and Service Retreats. The events were held separately, each at central locations. For the first time, the teams were in one room together, visiting, sharing, and planning. These events went a long way toward creating a unified agency. **Well launched**.

We don't mistake **well done** for **well finished**. Rather, we like to think of our work in 2010 as a starting point for a 2011 that will be **well begun**.

Our **well wishes** to you for the New Year.

2010 SALES

2010 was a busy year for our Sales Department. Our new sales manager rolled up his sleeves and got right to work implementing a variety of strategies. Here are some of the activities:

- Implemented telemarketing program.
Nearly 4000 prospects were contacted in 2010.
- Researched Prospect Touch Programs.
The final choice will be implemented in 2011 for active prospects.
- Created formal accountability plan with all producers at all locations.
- Set up bi-weekly visits for goal review.
- Developed prospecting strategies for maximum results.

In addition to the agency-wide strategies, specific initiatives at each of our locations were also launched:

Connersville Initiatives

- Regain the regional hospital account.
- Develop commercial property niche program.
- Pursue campground insurance opportunities.
- Develop program for home health care industry.

Hamilton Initiatives

- Pursue members of Hamilton Area Chamber of Commerce.
- Develop market opportunities for financial institutions in Ohio, Indiana, and northern Kentucky.
- Pursue hotel/hospitality and restaurant accounts.
- Begin pursuit of campgrounds in southwest Ohio, southeast Indiana, and northern Kentucky.
- Target mid-market manufacturers and wholesale distributors in southwest Ohio and northern Kentucky.

Highland Initiatives

- Pursue contractor prospects.
- Develop opportunities for middle-market manufacturers and wholesale distributors.
- Pursue hotel/hospitality opportunities.
- Actively pursue auto service businesses.

Toledo Initiatives

- Continue cross selling with Financial Services and Employee Benefit Teams.
- Pursue mix-in-transit, concrete structure manufacturing, mid-market manufacturing, and wholesale distributors.
- Continue pursuit of non-profits, social services, private schools, day cares and campgrounds.
- Pursue hotel/hospitality, health clubs, and restaurants.
- Continue prospecting surety, contractors, CPAs, and fire suppression distributors and dealers.
- Develop prospecting plan for larger Toledo area middle-market opportunities.

2010 SALES

All of this work generated fantastic results this year. Following is our 2010 Property/Casualty new business premium, by location.

Location	New Premium	New Accounts
Hamilton	\$648,398	169
Toledo	\$552,610	194
Connersville	\$279,037	113
Highland	\$233,851	87
Totals	\$1,713,896	563

To reach these results, several producers distinguished themselves by achieving or exceeding their sales goals. They are:

Tom Hart, Toledo

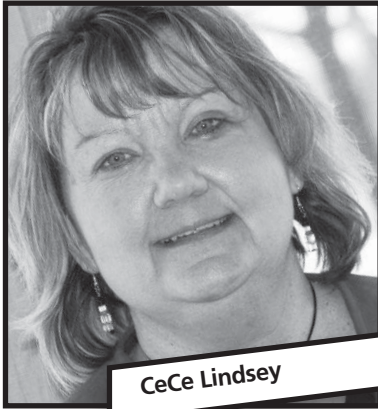
Mark Willis, Hamilton

Andy Murphy, Hamilton

Theresa Holman, Toledo

Congratulations to these and all of our producers for a 2010 **Well Done!**

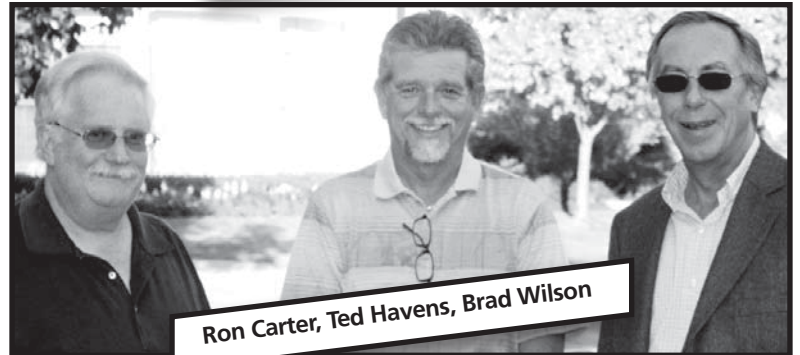
Well Shot



CeCe Lindsey



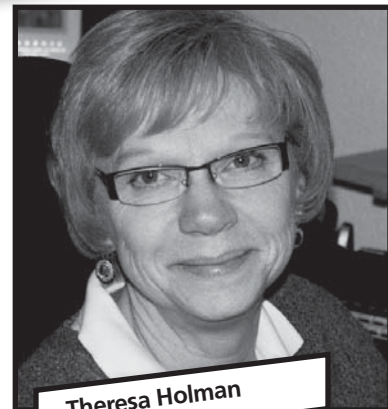
John Gage, Diane Keil-Roe, Bridget Townley



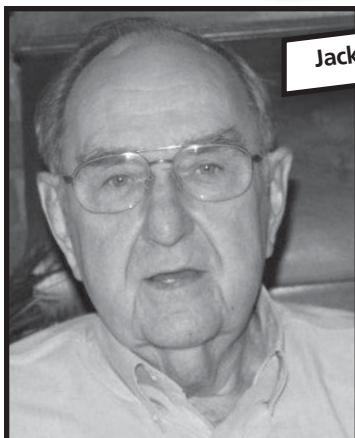
Ron Carter, Ted Havens, Brad Wilson



Beth Doan, Sandi Mominee, Lucy Spitale



Theresa Holman



Jack Werner



Carol Ulrich

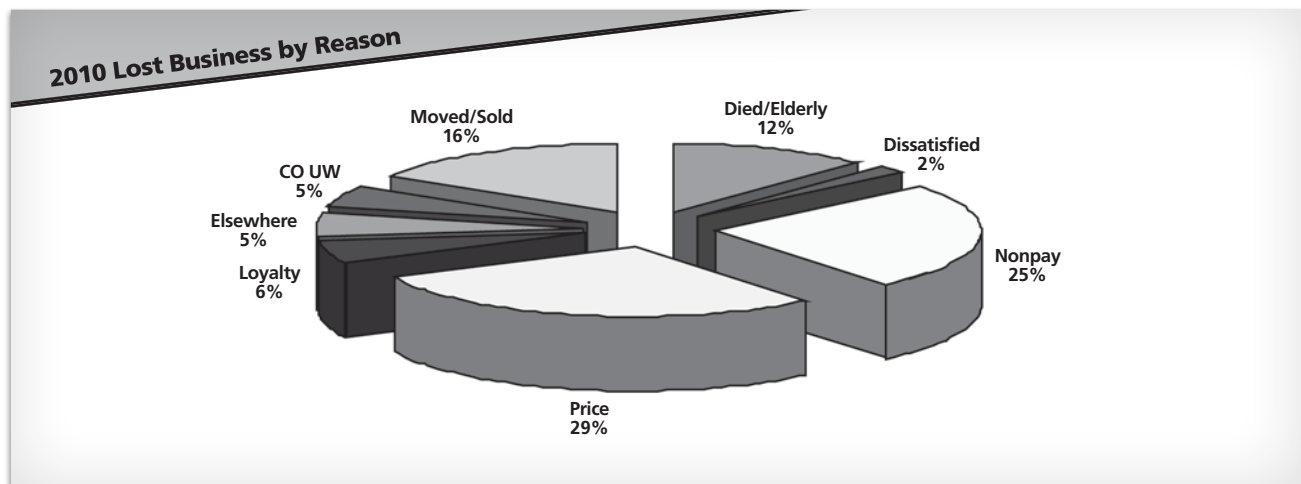


Carol Taylor, Marlene Lemons

2010 RETENTION

Our service teams come to work every day ready to serve clients' insurance needs. They know that retaining accounts is the name of the game. After all, an account retained is worth three new accounts written. Of course, it's inevitable that clients leave; many are for reasons we cannot control—moved out of town, gone out of business/sold business, or most unfortunately, through death. All the more reason for us to work hard to retain the ones we can control.

This year, our pure retention was an impressive 91.3 percent across all locations. Pure retention includes accounts that do not meet our underwriting standards, but were on the books. If those are removed, our retention jumps to 92.2 percent. Following is the breakdown of lost business, by reason lost:



In 2011, all of our locations will actively implement the formal Review Program, whereby clients' needs are assessed (through a series of questions) and compared to their current policies' coverages. If gaps are discovered, our team proactively addresses them with the client **before** a loss occurs.

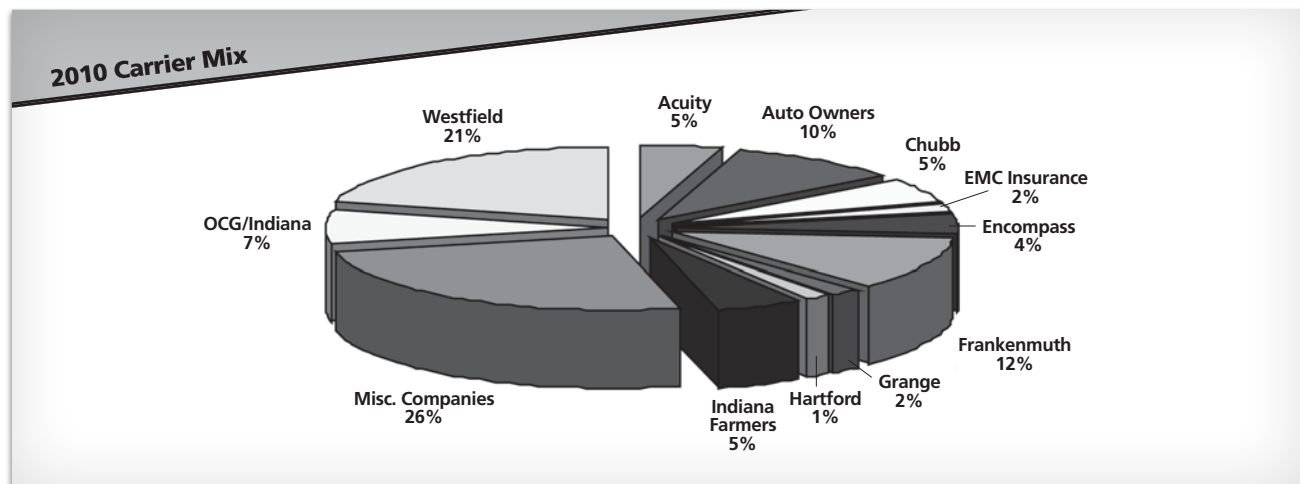
In Toledo, our service team reviewed with 390 personal lines clients and 198 commercial lines clients.
Well served!

CARRIER RELATIONSHIPS

Our carrier relationships are the backbone of our agency. Without strong carriers, we cannot deliver on the promises of security and protection. We have forged long-standing relationships and have worked diligently and carefully to select new carriers that fit our business philosophy to meet the unique needs of our clients.

The overall agency has benefited from the individual relationships our producers have developed with our top carriers. This has created a well-rounded group of markets for our producers to utilize. New business opportunities have been maximized because of our reputation and relationships with the underwriters.

Here is our breakdown for 2010.



FINANCIAL SERVICES

Our Financial Services Department continued to work with clients to help them understand the markets and economy. We are optimistic on the markets, while still facing challenges.

Following are some highlights of the 2010 financial industry:

- Unemployment continues to be a focus with no signs of easing.
- With a lack of confidence in paper currency, precious metals have experienced a surge in demand and price.
- The Gulf was rocked with an oil spill of large proportion when a **British Petroleum (BP)** oil rig leaked in April. Since then, the well has been capped and oil is beginning to see a rise in price again.
- The Fed has kept interest rates at historically low levels in an attempt to boost the economy and increase consumer spending. Foreclosures were halted in 23 states because banks weren't doing the proper paper work.
- A computer glitch created a 1,000-point drop in the Dow Jones, creating a "flash crash" and controversy around institutional trading.
- **General Motors (GM)** posted an Initial Public Offering on their stock after going through a re-organization. Together with **Ford (F)**, the US automotive industry saw a resurgence in prosperity.
- Indexes have shown a positive return for the year, giving investors the confidence they have been looking for.

New sales in the Financial Services Department were strong in 2010. Group Health posted new commissions of \$46,564, while our Investments unit posted new commissions of \$102,562. Our personalized service brought comfort to many investors wanting to understand how to benefit from this market.

**"An investment in knowledge
pays the best interest."**

Benjamin Franklin

Well Said

* Securities and advisory services offered through Multi-Financial Securities Corporation, Member FINRA/SIPC.
KCM Consulting is independent of Multi-Financial Securities Corporation.
Information is believed to be reliable sources; however, we make no representation as to its completeness or accuracy.
KCM Consulting - 22 N. Erie St. - Toledo, OH 43604 (419) 241-5133

Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

AWARDS

Again this year, our employees have outdone the competition with their dedication, hard work, and talent. It's rewarding when others recognize what we already know...we have exceptional people!



**Cynthia Matus with
Rookie of the Year award**

Cynthia Matus was recognized by the Ohio Council of National Association of Insurance Women as its 2010 Rookie of the Year. Cynthia jumped at the various opportunities to serve this organization. She chaired the Community Service committee that collected donations for the Beach House and was instrumental in achieving such a great response.

For the last three years, **Diane Keil-Roe** has served on the Internship Committee of the Professional Insurance Agents of Ohio. The committee's purpose is to attract young people to our industry through a paid college internship program. Diane improved the selection process through a sub-committee that formalized the criteria, interview process, and grading scale for the applicants. For her work, she was presented with a Presidential Citation at the Ohio conference.



**Diane Keil-Roe
with PIA award**

Well Played

SALES & SERVICE RETREATS

This fall, we held two off-site retreats, gathering together for the first time our Sales Team and our Service Team. A splendid time was had by all...and we got some work done too!

Sales Retreat

The **Sales Retreat** was a two-day event held at Westfield's corporate complex. Our team enjoyed dinner at the Pavilion, a morning business meeting, and—yes—a few rounds of golf. Most appreciated by all was the time to casually gather and visit. The time with each other was invaluable in creating a feeling of cohesiveness among all locations.



Service Retreat

The **Service Retreat** was a weekend get-away at Columbus' Polaris Park. The team had a lively dinner... food, spirits, and laughing were rampant! The morning brought a business meeting where they gathered by department and talked about issues relevant to them. When the meeting was over, the team was sent shopping...with a \$100 bill each!



SALES RETREAT

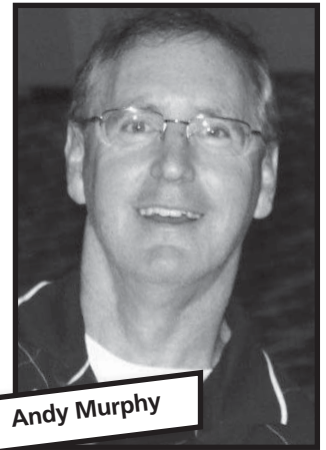
Norman Fairman, Ken Knight, Mark Willis, Diane Keil-Roe



Frank Mrvan



Andy Murphy



Tom Hart



John Gonia, Sam Hammons, Allison Hammons



Robbie Wilson



Matt Werner



Carl Richardson



Well Shot

SERVICE RETREAT



Bridgett Purpich



Amy Russell and Carol Taylor



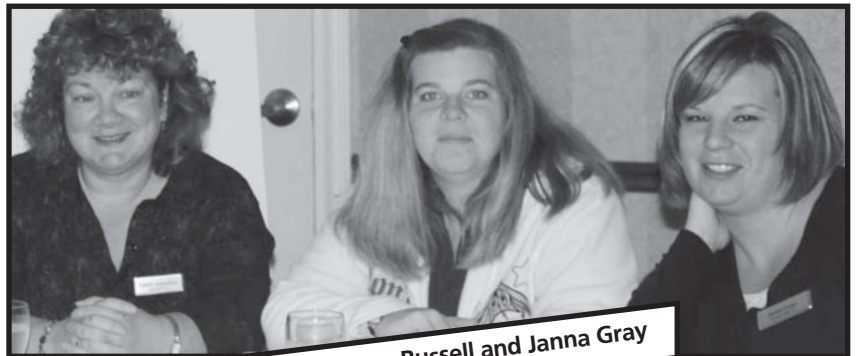
Marty Kupsy
and Sara Warrick

Peg Lowry, Bridget Townley and Beth Doan



Debbie Coffman, Nicole Knight, Gena Waddell,
Linda Lopez and Kristin Ruyle

Diane Luechauer
and Sherri Hanish



Linda Augustyn, Amy Russell and Janna Gray

NEW EMPLOYEES

This year brings four new employees to the agency. We're proud to have each of them on our team and introduce them to you here.

Beth Doan (Hamilton)

Beth has worked in insurance since 1990. She worked for Cincinnati Insurance for many years, holding several positions during that time. She then joined an agency and began servicing personal lines clients. Beth now assists personal clients and is expanding her knowledge in commercial lines.



Tracy Barber (Toledo)

Tracy came to us through the Keith Keisser acquisition. Tracy had worked at Keisser Insurance for 25 years, serving personal lines clients. Through her relationships and service, clients stayed with the agency through the difficult transition. Tracy continues to service Keisser clients from our office in the Warehouse District. She has done a stellar job of keeping client service as her top priority.



Norman Fairman (Toledo)

Norman has already had a full career in insurance. Norman started in insurance in 1990 at Picton Cavanaugh. When it sold to Mid-Am/Sky Bank (and later Huntington), Norman followed. He served for 16 years as VP-Sales and Marketing and as Executive VP-Property/Casualty. When approached with an early retirement package, Norman said 'Yes' to the package, but 'No' to retirement. He promptly called us, an agency he had respected for many years. So...we are the "feather in his career cap," and we are most glad he chose to share his talent and wisdom with us.

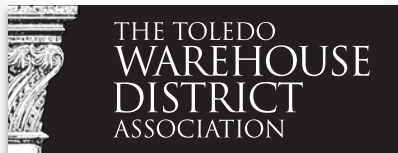


Diane Luechauer (Hamilton)

Diane joined the Hamilton office last December, so she is our Senior Rookie. However, her commercial experience makes her far from a Rookie. She works on complex insurance for financial institutions and handles the other commercial clients in Hamilton. Diane has over twenty years of experience, yet she enjoys that she continues to learn more about insurance every day.

CHARITIES / TWDA

Each year, we choose to support certain non-profit organizations. So many non-profits are worthwhile, but our favorites provide support in our local community. This year, alongside our long-standing support of the Warehouse District, we're pleased to introduce two new organizations to you.



Toledo Warehouse District Association (TWDA)

Building on the momentum from 2009, the TWDA broadened its reach and increased awareness of the Warehouse District. This year's Wander the Warehouse District brought record crowds—so many that we ran out of tickets! TWDA has also been spotlighted by City Council as a neighborhood organization doing great things without government support. Two major renovation projects in the Warehouse District are in the planning stages. These catalyst projects would significantly increase the activity in the District. We will keep you posted on the developments!



Beach House

Beach House offers shelter for homeless women and families, while fostering positive change through structured programs that focus on education, employment, life management, and goal setting. This is a local organization that was adopted by Insurance Women of Toledo. As we learned about it through IWOT, we decided to also adopt it. We donated cash and toiletry items for the guests.



The Learning Club

The Learning Club provides after-school tutoring to at-risk children. State licensed teachers or education students work at four locations in Central Toledo. They provide tutoring in math facts, vocabulary, and phonics. This year, through the Knight Christmas Party, we raised \$3000 for The Learning Club.

Well Launched

WEBSITE

Features

Our website has been a huge hit since its launch in 2009. Clients are using it more and more to manage their insurance **on their time**. All of these features are on our site now:

- Pay your bill
- File a claim
- Get an auto ID card
- Print a Certificate of Insurance
- Run your MVR (Ohio)
- See your coverages and limits
- Request changes to your policy

Fun can be Free!

Clients **love** our Free Stuff and Calendar buttons. Right on our home page, click these buttons to see what goodies are available to you...FREE!



Log On

We believe technology helps us help our clients. As more clients demand on-line functionality, we are clearly the Agency of Choice. Our robust website outperforms our competition in ease of use and features. If you haven't tried it, log on!

www.knightinsurance.com

www.wilsonlawson.com

www.whitehavens.com

www.kwmins.com



Well Done...but not finished

2011 PLANS

As you can see, we accomplished much in 2010 and laid the groundwork for significant advances in 2011. We have made a strong commitment to support new sales efforts, enhance our service, and recruit new sales talent. Here are the projects we will pursue in 2011:

- Implement producer reporting system for branch offices.
- Adopt analytic and value-added sales tools.
- Centralize marketing for middle-market prospects.
- Develop succession plan for agency surety sales.
- Recruit experienced sales talent and seek acquisition candidates in Cleveland, Cincinnati, Columbus, and Chicago/Highland.
- Implement group service goals.



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...but not finished