

# One commitment

2012

Annual Report



one agency  
commitment  
promise  
direction

January 2013

## Dear Stakeholder:

The theme this year is ONE: a singular word that seems so simple. In addition to meaning a single thing, it also implies uniqueness, commonality, and unity. Coming together as ONE; Number ONE; From Many, ONE; ONE and Only. As you read this year's Annual Report, you'll see how appropriate ONE is. It wove through 2012 in nearly everything we did.

In this report, you will learn specifics about our accomplishments. We are especially proud of our new logo and organization name, Knight Insurance Group. It promotes us as a regional agency with ONE identity for all locations. Along with that, we launched a single, powerful website that promotes our regional agency and competes in the digital world. And our larger sales team increased sales organically, employing our Middle Market Division.

Suffice it to say that we are extremely pleased with our progress, knowing full well that the best is yet to come.


Another significant event in 2012 was the purchase of the Mullan Insurance Agency, which took place on July 1. Mike Fitzpatrick and crew moved into our downtown Toledo office in November. The Mullan team has been a great addition to our Toledo office. More on that on page 8!

As always, thank you for your interest in our ONE agency. We are so excited about what's to come and are truly poised to have a fantastic 2013.

  
Kenneth P. Knight CEO

  
Thomas G. Hart CFO

  
Samuel Hammons III Partner  
Executive Vice President

  
Diane T. Keil-Roe Partner  
Vice President, Operations

  
Norman Fairman Partner, Cleveland  
Vice President, Sales

  
Joe Frankovich Partner, Cleveland

  
Mark Willis President and Partner  
Knight Willis Insurance Agency, LLC

  
John Gage Partner  
Knight Willis Insurance Agency, LLC

  
Andy Murphy Partner  
Knight Willis Insurance Agency, LLC

  
D. Bradley Wilson Vice President  
Wilson Lawson Myers Insurance Agency

  
Ted Havens Vice President  
White & Havens Insurance Services

**One** Agency with  
**One** Vision:  
To be your Agency of Choice



**Knight Insurance Group** was born out of the desire to promote ourselves as the regional agency that we are. With five locations operating under four names, it was previously difficult to do. Knight Insurance Group ties us all together under ONE identity.

Designed as a co-brand to be shown along side our existing agency names, the Knight Insurance Group helps unify the offices, while still honoring the location names that are recognized in each town. We remain your hometown agency, deeply rooted in our communities and the clients we serve.

You'll begin to see Knight Insurance Group on our material, whether digital or print. Be assured we're the same agency you know and love—dedicated to be your Agency of Choice.

## One Commitment to Our Clients

The principle of client retention is really very simple: treat our clients the way we would want to be treated. They'll appreciate it and remain our clients. Our Service Team knows that its mission is to live this mantra every single day. Though the 1-800 and web-based insurance companies advertise aggressively, we believe clients still care about service. A local company with people that clients may call by name—that matters.

We work pro-actively to keep our clients happy. One way we do that is by reviewing clients' policies regularly and asking about changes in their lives and their belongings. We want to know about that new garage, finished basement, or business in the home *before* a claim happens. We ask our business clients about new legal entities, new equipment, and expanded products or services. These questions impact clients' insurance coverage and allow us to customize their policies properly.



### Here are some stats we're proud of this year:

Reviews with business clients: 171

Reviews with home/auto clients: 716

Retention of targeted clients: 92.3%

Claims serviced: 1,435

Policy changes processed: 10,805

Certificates issued: 11,112

## One Successful Year!

**Many good things occurred for the Sales Team in 2012. We were successful in accomplishing the following:**

1. Established team selling as the preferred approach to larger, more complex accounts.
2. Emphasized risk management consulting to larger prospects.
3. Identified niche program selling opportunities.
4. Adopted a consultative process called Knight Vision. (For more on this, see page 4.)

**The Sales Team has exciting and significant goals for 2013. They are:**

1. Fully establish a Middle Market Sales Profit Center in our Cleveland location.
2. Establish a V.I.P. Personal Lines Profit Center in our Cleveland location.
3. Implement Knight Vision at all locations.
4. Increase our average revenue per new client by 40 percent.
5. Recruit at least three new producers for our various offices.
6. Partner with our carriers to focus on their specialties and write profitable accounts.
7. Work with our internal service team members to become a unified face to our clients and prospects.
8. Share knowledge and expertise among all members.
9. Create and roll out a disciplined training and development program.

## Key Results from 2012 Efforts:

1. Top Sales Executive: Mark Willis at 155 percent of goal.
2. The Sales Team wrote 386 new accounts.
3. Average revenue per new sale increased by 11 percent.
4. Three members of our Sales Team exceeded their goals for the year.

## Introducing... Knight Vision

In last year's Annual Report, we shared our vision to be the Agency of Choice. This means being the Agency of Choice to all of our stakeholders – clients, carriers, team members, owners, and community.

“Our desire is to bring **so** much value to our clients that they can't afford **not** to do business with us.”

Sam Hammons

Our sales strategy in 2013 is to move away from the “commodity game.” Typical agencies wait until approximately ninety days before renewal and start to gather the data they need to provide a quotation. By operating this way, it's very difficult to separate yourself from the crowd and truly bring value.

Rather, we have developed a continuous improvement process that focuses on the risks that businesses face and assists them with programs and strategies for improving their risk profile. It is a strategic, diagnostic, and consultative approach to handling risk.

This process is extensive and pro-active. Part of this strategy is to ask more questions, gather more data, and bring more tools to help our clients handle their risk. This in turn creates a world-class submission for our carrier partners, which produces a better understanding of the risks associated with this client. The results of this process are higher hit ratios, lower loss ratios, and a better utilization of agency and carrier resources. This creates a win-win for all our stakeholders.

We've coined the term **Knight Vision** to describe this in-depth process. You'll hear more about **Knight Vision** in 2013 and certainly in next year's Annual Report. It is ONE strategy to watch for!

# 2012 Annual Report

## One Website

A year ago, we committed that a new, singular website would be launched—one site for all locations. We are proud to deliver on that commitment and unveil our new website. The site is designed to promote ourselves as a regional agency with many resources for clients and prospects alike.

Here are highlights of the enhancements we made:

**Cleaner Navigation.** Clients told us they want fast access to the features they use most. So, the Quick Links and Account Log-in are now at the top of the screen for quick clicking.

More and more clients tell us they love being able to access their account online and print their own auto ID card, pay their bill, or check their policy. If you haven't tried it yet, what are you waiting for?

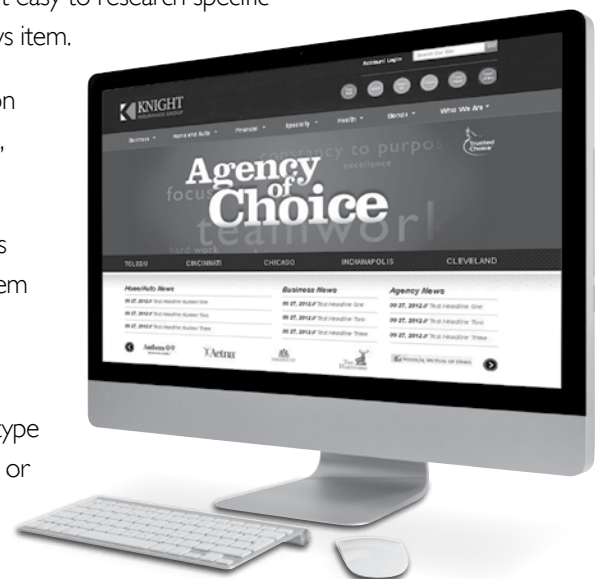
**Searching for Something?** A new Search function makes it easy to research specific insurance terms, find a carrier, or get more information on a news item.

**The Scoop.** Speaking of news, we have the latest news right on the home page, divided into three major categories: Home/Auto, Business, and Agency.

**Risk Management Center (RMC).** This new Quick Links button provides various tools to our business clients that help them manage their risks.

**Access to all locations.** Now you can easily see all of our locations and get contact information quickly. And whether you type in [www.wilsonlawson.com](http://www.wilsonlawson.com), [www.kwmins.com](http://www.kwmins.com), [www.whitehavens.com](http://www.whitehavens.com), or [www.knightinsurance.com](http://www.knightinsurance.com), the site is the same.

**Certs Online** is the most popular feature of our website. Clients can create, print, and email their own Certificates of Insurance 24/7. If you haven't tried it, call your account manager to get started!

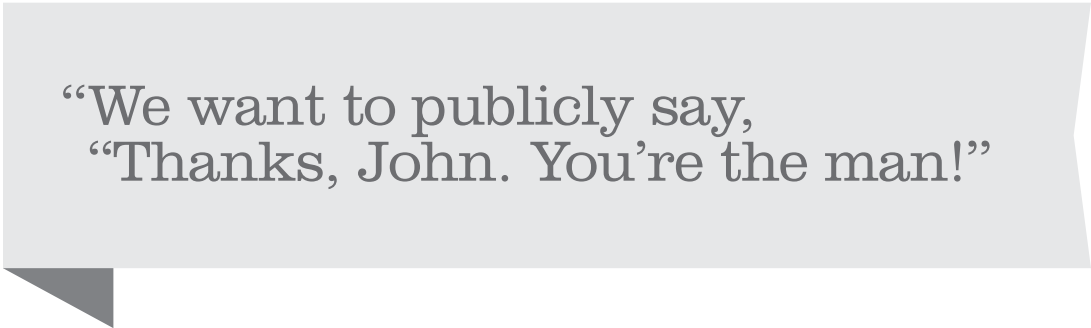




## One Database

You can't be Agency of Choice without being top-notch in technology. We had our biggest year ever in the number of advances in our technology. In a nutshell, we converted our Toledo office to a cloud-based server, combined the Mullan Agency, and combined our data across all locations into one cloud-based environment. So, we can say yet again, "We are ONE (database, that is)!" Our Systems Administrator, John Gage, burned the midnight oil many weekends to ensure that we were ready to serve our clients on Monday morning. We want to publicly say, "Thanks, John. You're the man!"

That's all very impressive, but the real winners are our clients. Having every office use the same database means faster customer service. It also means that we can assist clients from **any** location. So, in the unfortunate event of a large-scale claim where one of our offices is down, our clients who need to file a claim can reach us. So when it really matters, we're always there.



"We want to publicly say,  
"Thanks, John. You're the man!"

# 2012 Annual Report

## One Combination

***M*ullan  
*I*nsurance  
*S*ervices, Inc.**

+

**KNIGHT**  
INSURANCE GROUP

In July, Mullan Insurance Services of Toledo, Ohio, joined our agency. In existence since 1948, the fine team at Mullan served the insurance needs of individuals and businesses all over the region. The decision to merge was based on the fact that we have similar markets and the same ethics to provide our mutual clients with first-rate service and pricing.

The entire Mullan team moved into the Toledo office in November. And what a great team they are! Each person has an impressive level of dedication, knowledge, work ethic, and genuine care for the client. They are a great addition to our team, and a great fit in our culture.

Kari Kudlac with  
her newborn  
daughter, Harper.



From left to right: Joni Tattersall, Stephanie Ehman, Mike Fitzpatrick, Vicki Wiczynski and Shelby Stein.

With great pride, we introduce the Mullan team to you:



**Mike Fitzpatrick**, CIC, 40 plus-year principal of Mullan, is embarking on a new role at the agency. He is now our Director of Education, and as such, he will provide in-house insurance training to new sales executives and continuing education to our existing team. There are many changes going on in the industry, and Mike will help ensure that our team is on top of them.



**Vicki Wiczynski**, CIC, CISR, CPSR. Vicki has been the backbone of Mullan Insurance for nearly thirty years. She serves the needs of our business clients, offering her professional advice, helping them at claim time, and negotiating with carriers. Vicki holds three insurance designations: Certified Insurance Counselor, Certified Insurance Service Representative, and Certified Professional Service Representative.



**Stephanie Ehman**, CIC, CISR, CPSR, has worked at Mullan since 1986—almost as long as Vicki! Stephanie's specialty is working with our clients on their personal insurance needs. In her long tenure, she has gotten to know her clients very well and enjoys having a personal relationship with them. Stephanie holds three insurance designations.



**Kari Kudlac**, CISR, CMSR, also works with our clients on their personal insurance needs. She has been with Mullan since 2005. Her focus and dedication to her clients is easy to see, and her smile shines through in everything she does.



**Shelby Stein** came to Mullan from Borders Books, so this is her first foray into the insurance industry. Shelby loves the challenge she's found in insurance and recently earned her agent's license. Shelby works in business insurance, rating policies, verifying changes, and processing renewals.



**Joni Tattersall** has been with Mullan for the past year. While hired as receptionist, she has successfully taken on many duties to assist the entire team. All this with a smile in her voice and a "get it done" attitude.

## One Combination Brings Expansion!

The addition of the Mullan team meant we needed room for them all, and the Toledo office was filled to the brim. Thanks to an earlier building purchase next door, we had the room for expansion! So, we moved offices and meeting spaces around, spreading into our new space. Now, we have three conference rooms, aptly named The Erie Room, The Canal Room, and The Middlegrounds. These rooms are equipped with high-efficiency lighting, wireless access, ipad calendars, and a 70-inch video screen. Take a look!



## Welcome New Team Members!

In addition to the Mullan team, we welcomed two new members to the agency in 2012. Get to know them here.



### **Jill Cox**

Insurance is in Jill's blood. She comes from an insurance family; her grandfather and father owned an agency in Fort Wayne. So it was a natural career choice for Jill. The fact that her husband is also an insurance agent may stretch this insurance family into the next generation! Jill actually took a break from insurance to be a stay-at-home mom. She came to us when she decided it was time to get back into the business, and it's been a great experience. Jill consults with businesses on their insurance needs and is getting a reputation for handling the "tough stuff." She has saved the day for a few businesses who were without an insurance solution. Jill is looking forward to a busy 2013.



### **Chris Glisson**

Chris' journey to Wilson Lawson Myers is a bit of a reunion. In 1985, Chris got a job at Central-Funk Insurance through her high school's co-op program. She worked with Bill Wilson, Brad Wilson's dad. (See how this is weaving through?) At the time, the agency had just started with computers, so Chris was entering data into the new system. Chris ended up working for the Wilsons (Brad, Bill, and later, Robbie) for twenty years. She went to another agency for six years, and came back to Wilson Lawson Myers after persistent calls from Brad! Chris now works in business insurance as an account manager and looks forward to helping Brad and Robbie write a lot of new business!

## Financial Services Update

The Financial Services division continues to grow at a rapid pace. The double-digit growth of KCM Consulting resulted from our diligence to find the right solutions for our clients. Our service model continues to be successful in keeping clients on track to meet their objectives. KCM believes in helping clients make logical decisions rather than decisions based on emotion.

“Knowing is not enough; we must apply.  
Willing is not enough; we must do.”

Johann von Goethe

The financial markets experienced both volatility and success on a domestic and global basis. The year produced an increase in consumer confidence. Existing home sales rose 11 percent from the previous year as interest rates remained at historic lows.

Stocks advanced in the face of major headwinds. A disappointing fall earnings season weighed heavily on Wall Street in October and November. Persistent anxiety over the fiscal cliff, tax hikes, the presidential election, and spending cuts factored into economists' outlook for 2013. Despite continued fears concerning China's economic productivity, Spain and Italy's bond yields and Greece's financial peril, U.S. stocks finished 2012 on a positive note with the Dow up 7.26 percent for the year.

The fiscal cliff was on everyone's mind by year end, which of course impacted the markets. In January, Congress assembled and passed a bill, which will impact most Americans. Changes include the end of the payroll tax holiday we have enjoyed for the last two years. Employee payroll taxes were reduced by 2 percent in 2011 and 2012 as an economic stimulus. The Social Security tax rate has now returned to the previous level of 6.2 percent, rather than 4.2 percent.

Planning for Health care reform presents a challenge to employers as they attempt to understand the changes that will occur in 2014. Rising premiums associated with the Patient Protection and Affordable Care Act will require creative solutions from business owners. Education remains a vital part of our service, evidenced by the Health Care Reform Seminar we hosted in January 2013.

Our agency is excited and positive as we look into the coming year. We thank our clients for their continued support and value each one of them.

“We do not  
see things as  
they are.  
We see them  
as we are.”

The Talmud

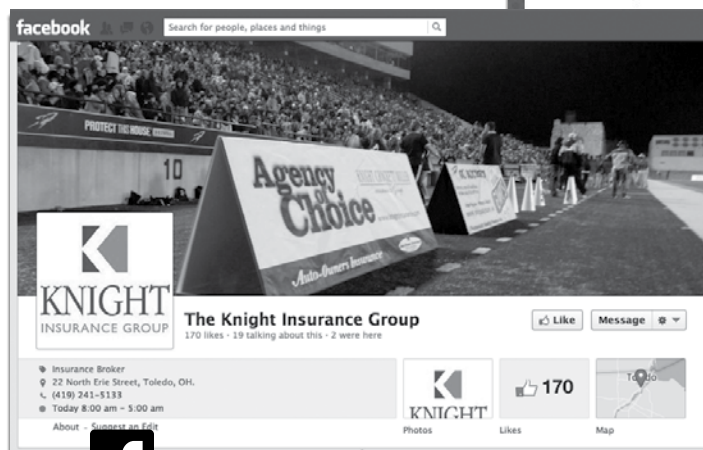
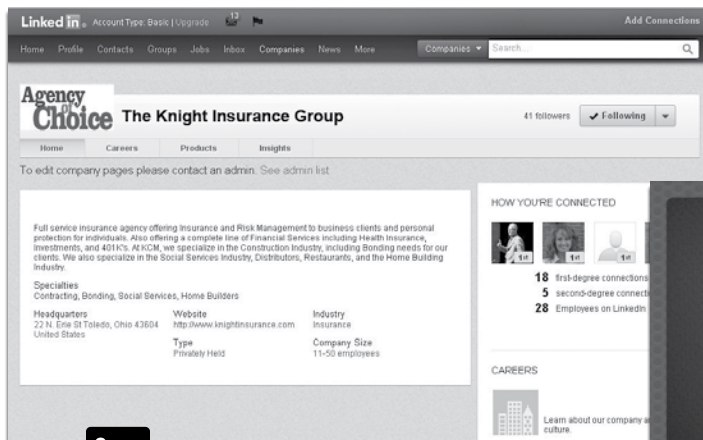


## It's a Social World



It's hard to remember a time when we didn't know what these symbols meant. That's the age we live in...where even our sociability has gone digital. We have been in the game for a while, and if you're not linked in or friends with us, get on the band wagon!

Here's a look at each of our pages:



## #1 Employees

Maybe we're biased, but we think we have the best team around. Here's some evidence that other organizations think our people are pretty cool too...



### **Cynthia Matus**

Cynthia continues to distinguish herself at the International Association of Insurance Professionals. This year, she was runner-up at the Confidence While Communicating competition at the Ohio State Council meeting in Akron, Ohio. Her speech was entitled, *"The Most Important Kitchen Accessory."* In addition, she is President-Elect of the local organization.



### **Brad Wilson**

Brad just completed his second term as school board member of Fayette County School Corp. Brad was first elected to school board in 2004. When re-elected in 2008, he served as President of the board. During Brad's tenure, the school system, like many others, underwent budget analyses and school closings. Two elementary schools were closed amidst great controversy and angst. Brad's leadership during this difficult time helped the community move forward.





**Bridgett Purpich**

distinguished herself as a writer this year. As the Ohio CSR of the Year in 2011, she was given the opportunity to write an article for *Rough Notes* magazine, based upon her winning essay. Her article appeared in the November 2012 edition. Way to go!



**Ted Havens**

was named Elk of the Year by the Highland, Indiana, lodge. This annual award is given when new officers for the year are sworn in. The Outgoing President chooses one member he feels should be recognized for his service. For the sixth year in a row, Ted chaired the Charity Gaming Committee, which raised \$30,000 in 2011/2012 for the lodge's charities.



**Sandi Mominee**

Sandi is a veteran of the International Association of Insurance Professionals, having been a member since 1983. For the second time, she has held the position of President of the local association, and will travel to Orlando, Florida, for the national convention.

## One in Wellness



We jumped on the Wellness bandwagon in 2012 with T.E.A.M.—Together Everyone Achieves More—a committee created to develop ideas that promote health and wellness at the agency. T.E.A.M. came up with some great activities! First, we offered each employee \$200 toward the wellness initiative of his/her choice. By the end of the year, the agency reimbursed close to \$4000 to employees for their wellness activities. Some of the items reimbursed included:

- Exercise videos
- Fees to 5K runs
- Health magazines
- Yoga classes
- Stationary bikes
- Weight Watchers' fees

T.E.A.M. also initiated *Eat This Not That*, an educational e-mail that compares the nutritional facts of two seemingly similar foods. What an eye opener! The agency then provided funds to each office to buy the more nutritional item for everyone to taste for themselves.

**One** of our employees took the wellness challenge to the next level, and we're proud to share her story with you:



I started Weight Watchers on January 25, 2012, at a cost of \$42.95 per month. Their program doesn't include food--that is just the cost for all the E-tools and weekly meetings/weigh-ins. I used my \$200 wellness benefit for this cost, which obviously was used up pretty quickly. That was fine because it really helped ease me into that monthly cost. The comparisons of *Eat This Not That* also helped and went along with what I learned at my meetings. Our office really enjoyed the snacks we were able to get with our monetary stipends.

I then had my first knee replacement on April 25, 2012, and started on the patch to quit smoking while I was hospitalized. It didn't take that time, but by May 19, 2012, I smoked my last cigarette after I made a deal with my brother to join Weight Watchers and he agreed. I then had a second knee replacement on July 18, 2012. I joined a fitness center at Purdue University near my home in October 2012 that I still attend. During all that time, I lost a total of 51.6 pounds, of course with ups and downs along the way. It's bittersweet because I feel I could have lost more, but at the same time I realize quitting smoking is probably what set me back some, but the benefits are great on all fronts.

I used to be on oxygen with my sleep machine (I have sleep apnea due to being heavy). In October, my doctor said I didn't need the oxygen any longer, and as I lose more weight, I won't need the sleep machine either, probably this year.

I think my employer instituting a Wellness Program shows how much they care about our well being on a personal level. Through Weight Watchers, I talk to many people and there has been **no one** that can say the same about their employers except UPS and Chase Bank (which my sisters work for), but they hadn't taken advantage of those programs until now, since I was bragging about Knight. Not only the Wellness program, but the entire T.E.A.M. program is really a wonderful way for all of us to be better people all around. I know that sounds deep, but it really helps!

*Lucy Spitale*

## One Promise to Ethics



In 2012, the agency was nominated for the Better Business Bureau's Torch Award for Marketplace Ethics. This was our first nomination to the Torch Award, and we learned what an honor it truly is. For us, dealing with clients ethically is just how we do business. We strive to do right by clients, acting as their advocate at claim time and certainly counseling them on the insurance they need.



Hundreds of applications were received—our BBB Chapter covers Northwest Ohio and Southeast Michigan. What a great affirmation for us to receive Finalist status on our first try. Many people came up to us at the presentation luncheon and congratulated us on the achievement.

Diane Keil-Roe and Ken Knight accept the award.

## Position Statement on Ethics

Knight Crockett Miller Insurance Group prides itself on providing clients and prospects with insurance advice that is in their best interest. We believe that educating clients about insurance coverage allows them to make informed decisions and manage their risk in the manner most comfortable for them. Education is the most ethical way we can provide our service to our clients. Transparency in explaining the product a client buys provides clarity and understanding, and those virtues lead to satisfied clients.

## One Mission (ok, maybe two)

We wanted to spotlight two organizations that we supported in 2012. Believing in the importance of giving back to our communities, the agency gives significant time, talent, and treasure to local charities.



### **Central City Ministries of Toledo**

(CCMT). This organization provides a Catholic elementary school education to inner city children. Each year at CCMT's annual dinner, three eighth grade students are invited to share their winning essays on what the school has meant to them. As the students read about their challenging family lives, audience members swelled in tears. These students were the lucky ones—the ones to have a chance at a better life. Each one of them is going on to a Catholic high school, and if statistics hold, they'll make it to college.

Families must pay tuition; it is not free. Because of that, the school is always seeking scholarship money to assist needy families. Teachers work for a fraction of public school salaries. Yet the school's impact on the children it serves cannot be overstated. We share their belief that education is the way out of poverty. We were so inspired by the work of this organization, that we committed the bulk of our fund raising efforts to support it. So we have held employee fundraisers to support their mission. We've also volunteered at the school, read to the children, and donated gifts to the teachers.



### **Toledo Warehouse District**

**Association** (TWDA). Surely a familiar organization to you by now. We have supported TWDA for nearly 25 years. The organization continues to grow in influence, membership, and offerings. In 2012, TWDA's signature event, Wander the Warehouse District, hosted over 500 visitors to the neighborhood. It also celebrated its 25th anniversary with a blow-out party. Historic aluminum signs were posted on nearly twenty buildings. And the website had more hits than ever—especially the Real Estate section. The largest apartment building in the District is full with a waiting list. Diane Roe, Ken Knight, and Bridget Townley were elected board members. Their activity, as supported by the agency, helped TWDA achieve many of these accomplishments. And 2013 looks even brighter!

## Looking Forward to 2013

Ken Knight has been heard around the office saying, "I've never been so busy, so short, and so excited." We have many initiatives started, so 2013 is going to be the year to carry them out. Here are some of the things we will report on in the next Annual Report:

**Knight Vision.** This new strategy is already taking hold, and we're very excited about how it will improve our sales results, profitability, and success.

**Middle Market Operation.** Our Cleveland operation will be one year old next year. We plan to aggressively grow our presence in this market segment.

**Oneness.** Being ONE agency isn't just a catchy theme, it's a culture. We will work on ways to create oneness among all our team members across all locations.

**Training & Development.** Mike Fitzpatrick, our Director of Education, is creating a disciplined training and development program designed to increase our team's insurance expertise and focus on client needs.

**Retention and service.** We have always focused on both, and we keep looking for ways to improve even more.

**On-line tools.** Our new website has many tools that other agencies don't. It is a competitive advantage, and we will promote it as such.

These items all point in the same direction: to be our stakeholders' Agency of Choice. An example of Agency of Choice in action is the recent announcement by Westfield Insurance of its newly minted Trilogy Agents. Trilogy is Westfield's version of our Agency of Choice—the crème de la crème. Only 6 percent of their agency force will be part of the Trilogy group. And we are part of the 6 percent. A public 'Thank You' to Westfield for the recognition, and thanks to our team for making it happen.

**Agency  
of  
Choice**

KNIGHT CROCKETT MILLER  
INSURANCE *Group*

KNIGHT WILLIS MURPHY  
INSURANCE *Services*

WILSON LAWSON MYERS  
INSURANCE *Agency*

WHITE & HAVENS  
INSURANCE *Services*



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Toledo, OH • Cleveland, OH  
419 241 5133 • 800 241 5133  
fax 419 321 5280  
[www.knightinsurance.com](http://www.knightinsurance.com)

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Hamilton, OH  
513 867 4808 • 800 544 9940  
fax 513 867 3101  
[www.kwmins.com](http://www.kwmins.com)

WILSON LAWSON MYERS  
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Connersville, IN  
765 825 5111 • 800 823 5111  
fax 765 825 5114  
[www.wilsonlawson.com](http://www.wilsonlawson.com)

WHITE & HAVENS  
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Highland, IN  
219 972 7575  
fax 219 972 7566  
[www.whitehavens.com](http://www.whitehavens.com)

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