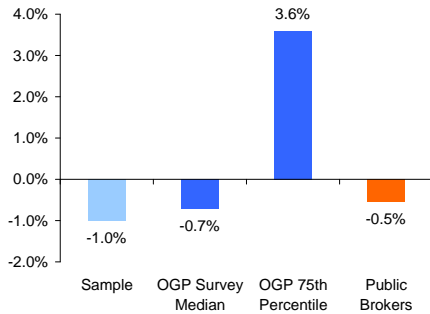


Organic Growth & Profitability Survey (OGP) - Q2 2009

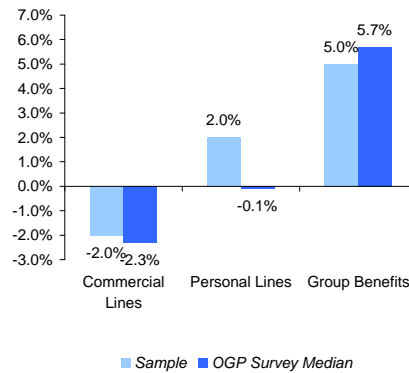
- Median annualized revenue for surveyed firms is \$17 million, average is \$38 million. All U.S. geographies represented.
- Included in the "public broker" data are averages for Aon, Arthur J. Gallagher, Brown & Brown, Marsh and Willis (from public filings, press releases, estimates).

Organic Growth

Total Agency Organic Growth



Organic Growth by Product Line



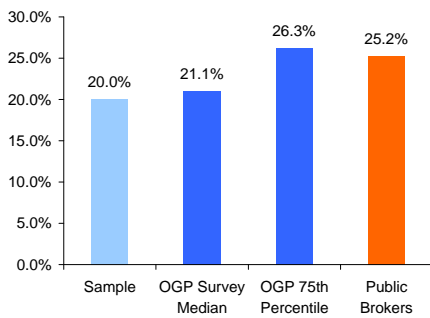
Reagan Consulting Observations

- Median private broker growth continues to fall and is now at -0.7% through the first half of 2009
- 10% of firms reported double-digit organic growth, while over half of firms reported negative organic growth
- Group Benefits continues to show growth, but the economy has slowed growth from 7.3% for Q1 2009 to 5.7% for YTD 2009
- The economy and soft P&C pricing have pushed commercial growth to -2.3%
- To be a top 25% performer nationwide required organic growth of 3.6% or more

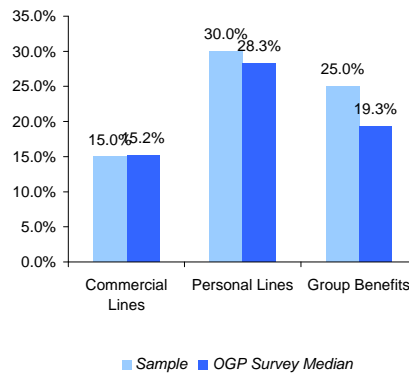
Sample organic growth rank: **40th - 50th percentile**

Profitability

Total Agency EBITDA Margin



EBITDA Margin by Product Line



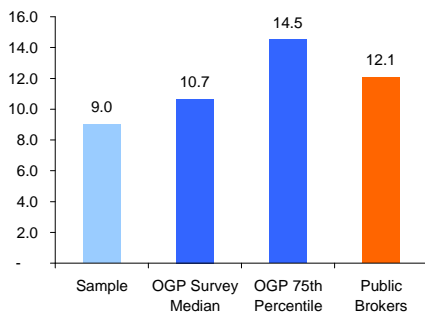
Reagan Consulting Observations

- Most firms' EBITDA margins continue to be slightly inflated, as most firms record contingent income on a cash basis (full-year margins are likely to be lower)
- Contingent income in 2009 is down 20% for the median agency, indicating that 2009 profit margins will struggle to reach 2008 levels
- To be a top 25% performer nationwide required EBITDA of 26.3% or more

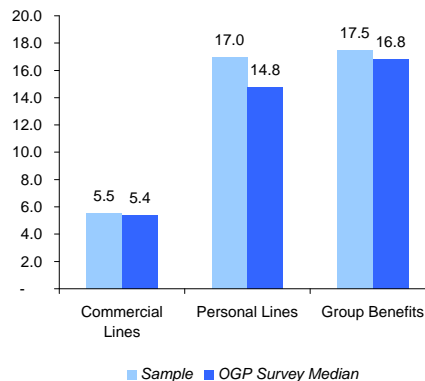
Sample profitability rank: **40th - 50th percentile**

The Rule of 20 ⁽¹⁾

Total Agency Rule of 20



Rule of 20 by Product Line



Reagan Consulting Observations

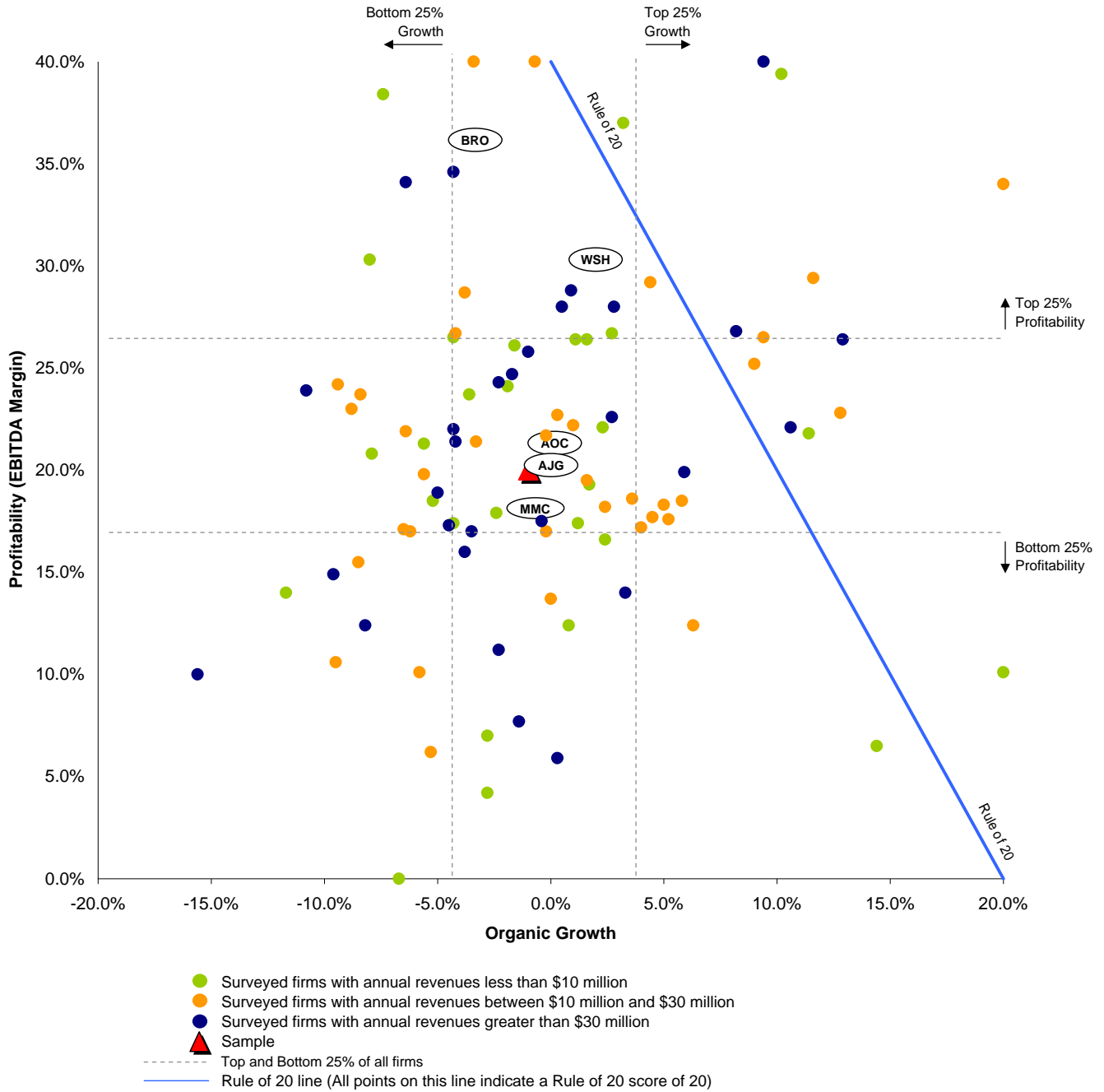
- Despite enhanced profitability from first half contingents, the difficult growth environment still made a Rule of 20 score of 20 or higher very challenging; only 15% of firms scored 20 or higher
- The public broker Rule of 20 for the first half of 2009 is over 10% higher than the median firm, largely based on profitability
- Group Benefits continues to be the highest performing product line for most firms
- Commercial returns have been hit hard by the economy and soft pricing, and are roughly 1/3 of the returns of benefits and personal lines

Sample Rule of 20 rank: **40th - 50th percentile**

(1) Reagan Consulting has developed a metric called the "Rule of 20" to provide a quick means of benchmarking an agency's shareholder returns. The Rule of 20 is calculated by adding half of an agency's EBITDA margin to its organic revenue growth rate. An outcome of 20 or higher means an agency is likely generating, through distributions and / or share appreciation, a shareholder return of approximately 15% - 17%, which is a typical agency / brokerage return under normal market conditions. Give current market conditions, however, few firms are achieving a score of 20 or better.

NOTE: If data for your firm reads "0.0%" or "0.0" it may mean that no data was submitted for that metric.

Agency Organic Growth & Profitability Scatter Plot



About the Scatter Plot

In the chart above, we've plotted every firm in the survey that completed both the total agency organic growth section and the total agency profitability section. Each firm's organic growth is plotted along the x-axis, and each firm's profitability is plotted along the y-axis. We've included a couple of guidelines on the graph to help in interpreting the data. The grey dotted lines show the top and bottom 25% of firms in organic growth and profitability. The solid blue line represents all combinations of organic growth and EBITDA margin that result in a Rule of 20 score of 20. Finally, we've broken the firms into groups based on revenue size, as distinguished by the different colored dots. The goal of this scatter plot is to show the wide range of organic growth and profitability results in the industry and to benchmark where your firm falls.