FEBRUARY BOARD MEETING

February 12th – 13th, 2025
Omni Las Colinas | Dallas, TX

WEDNESDAY, FEBRUARY 12, 2025

9:00 AM	"Shaping the Next Generation of Insurance" Producer Track
1:00 PM	From Insight to Action: Implementing Agency Management System Best Practices
3:00 PM - 4:30 PM	Business Meeting (CAA Members Only)
5:00 PM	Welcome Reception
6:30 PM	Dinner on Your Own

Business Meeting (CAA Members Only)

Call to Order – Bob Wood

A. Consent Agenda – Bob Wood

B. Financial Report – A.J. Lovitt

C. Staff Update/Q&A – CAA Staff

D. New Business – Bob Wood

    1. Open Position on Executive Council

E. Member Discussion

    1. AgencyKPI Update – Bobby Billman & Matt Peterson

F. Member Private Time

G. Adjourn

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THURSDAY, FEBRUARY 13, 2025

8:00 AM — **Breakfast**

8:15 AM — **CAAPFF & AfcoDirect Update**
(Dave Takacs & Dave Rudolph)

9:00 AM — **Innovating the Industry: Carrier Leaders**
Scott Jean – CEO, EMC
Sarah Jacobs – SVP Product, Underwriting, & Telematics, Nationwide
Wally Waldhart – VP Sales & Communications, Acuity
Mike Brennan – CEO Commercial Solutions, CRC

11:00 AM — **Carrier Panel**

12:00 PM — **Lunch**

1:00 PM — **Empower Your Future: Unlock M&A Opportunities Presented by AgencyFocus**

- M&A Overview Fireside Chat (Carey Wallace, Mike Strakov, David Foate)
- Buying & Selling an Agency (James Parker, Jake Jensen, Kevin Callister)
- Rapid Fire Q&A

5:00 PM — **Reception**

6:30 PM — **Dinner on Your Own**

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Carrier Panel Bios

SCOTT JEAN

emc INSURANCE

Scott joined EMC as an intern in 1991 before starting his career there as an Actuary. He was promoted to Vice President and Chief Actuary in 2009 and Executive Vice President in 2015. Scott became President and Chief Executive OU’icer in March 2020. Reporting to him are EMC’s three Executive Vice Presidents and Field Operations. Scott received a bachelor’s degree in mathematics from Iowa State University and is a Fellow of the Casualty Actuarial Society (FCAS) and a member of the American Academy of Actuaries (MAAA). He and his wife, Natausha, have five children and live in West Des Moines, IA. He enjoys spending time with his family, golfing and running.

Nationwide®

SARAH JACOBS

Sarah has 25 years of Property & Casualty experience across Product, Underwriting, Claims, Servicing and Operations. In these roles she has focused on strategy development, execution, and improving results through innovation and collaboration.

In her current role as Senior Vice President of Nationwide’s Personal Lines Product and Underwriting, Sarah has profit & loss accountability for Nationwide’s $9B portfolio of Personal Lines products including Auto, Property and Powersports. Her teams are responsible for both national and state-level product management, business insights and advanced analytics, underwriting, and product development, including our industry-leading telematics and smart home programs.

Carrier Panel Bios

WALLY WALDHART

acuity INSURANCE

A University of Wisconsin-Eau Claire graduate with the AU and CPCU designations, Wally managed the company's underwriting, loss control, and premium audit functions until 1996. He was then named vice president, handling the functions of regulatory compliance, market research, rate and product development, and project implementation. In 1999, he became Vice President – Sales and Communications when the company had less than $250 million in written premium. After 43 years with Acuity, 26 of those as an officer, Wally is Vice President of Distribution overseeing 40,000 agents and over $3 billion of revenue across 32 states.

MIKE BRENNAN

CRC Group
Wholesale & Specialty

Mike Brennan is on the Senior Leadership Team and is the CEO of Commercial Solutions for CRC Group. With more than 30+ years of industry experience, Mike began his career in 1987 at Arthur J. Gallagher & Co. as an Account Executive. He then moved to Alexander Howden North America in 1992, which later merged into IBS then Swett & Crawford, ultimately becoming part of CRC Group in 2016 after the merger of CRC and Swett. He has served in various capacities at Swett and CRC Group, including brokerage production as well as local, regional and national management roles. Mike has contributed to mentorship initiatives in the Casualty Practice and across the broader firm, including raining and recruiting. Mike has led the integration of the Swett and Crawford team into CRC Group while continuing his leadership role in Commercial Solutions. He holds a Bachelor of Science degree from Marquette University.

“Empower Your Future” Bios

CAREY WALLACE

AGENCY FOCUS

Over the past 16 years, Carey has worked with hundreds of independent insurance agencies helping them understand their agency’s value and turn that knowledge into an actionable plan for their future. She is a Certified Exit Planning Advisor, CEPA, and provides a variety of business consulting services including valuation, perpetuation planning services, acquisition support, financial and compensation analysis, and fractional CFO services through the company she founded, Agency Focus, LLC. Carey has presented to over 5,000 agents this past year, and is considered an expert in her field. She is also the co-host of the podcast Insurance Refocused which highlights agents that are innovating and redefining the benchmarks in our industry. She prides herself in taking the time to understand the agency’s unique situation and helping them build the future they envision for themselves.

pfs legal

DAVID FOATE

David Foate is the Principal Director of PFS Law, APC where he works pro-actively with business owners, their advisors, and their families to develop customized practical solutions that best accommodate their general business needs as well as their long-term trust and succession planning goals. He has over 15 years of experience in business law and tax services.

"Empower Your Future" Bios

MIKE STRAKHOV

WESTFIELD BANK

Mike joined the Westfield in 2024 as the Agency Banking Market Leader. He leads a group of professional bankers focused exclusively on insurance agents and brokers across the United States. Mike was previously the Head of Insurance, Accounting & Tax and Law lending at Live Oak bank. During his 9-year tenure with Live Oak, Mike started the Insurance Lending Vertical and was instrumental in developing a team of lenders, creating the credit criteria and the go to market strategy for the lending team. In 2022, his responsibilities expanded to over see the Accounting and Tax lending team and the development of a new strategic focus on lending to Law Firms. Mike holds a Masters Degree in Insurance Management from Boston University and a CPCU designation from the American Institute of Certified Property Casualty Underwriters.

JAMES PARKER

BroadStreet Partners

James Parker joined BroadStreet℠ Partners in 2020 and is responsible for corporate development, market partnerships, corporate strategy, and supporting core agency partner operational priorities. James has twenty years of experience working with insurance intermediaries. Prior to joining BroadStreet℠, he was based in Portland, OR as a Partner at a national law firm leading the national insurance brokerage and insurance regulatory practice. Prior to that, he was a broker for a national public entity and pooling wholesale broker and MGA in Chicago, IL. James has also led teams supporting the retail operations and due diligence activities of a national insurance agency. In addition to his experience with intermediaries, James has also represented self-insurance trusts, life & health insurers, and property & casualty carriers in regulatory, formation, mergers, and general business matters. James earned a Bachelor's Degree in Finance from Florida State University and Juris Doctor from Indiana University Maurer School of Law.

"Empower Your Future" Bios

JAKE JENSEN

Leavitt Group

Jake leads the development team within the affiliations department, responsible for affiliating with agencies that fit Leavitt Group's culture and vision. From sourcing to closing, Jake coordinates affiliation tasks with Leavitt Group affiliations teams responsible for generating leads, building valuations, completing due diligence audits, drawing up legal agreements, and integrating new agencies onto our 70+ year- old service platform. Much of Jake's time is leveraged to ensure Leavitt's current 85+ agencies are able to grow by acquisition with strategic roll-in opportunities in their specific geographic areas. Jake has worked in the insurance industry and for the Leavitt Group since 2003, holding accounting and operations leadership positions in the company prior to assuming his current position in March 2020. He is married to Monica and has four children aged 22 down to 15.

KEVIN CALLISTER

Leavitt Group

Kevin directs corporate development and manages the integration of mergers and acquisitions for Leavitt Group. He also leads the team responsible for identifying agencies and 'equity ready' producers who may be a good fit for joining the company. His team is responsible to develop and negotiate deal structures, analytics and modeling, due diligence, execution of purchase agreements, and integration management for each of the company's transactions. In addition, he leads the development of internal agency valuations, which are instrumental in perpetuating the company's current partners' stock to new partners. He has worked in the insurance industry and for the Leavitt Group since 2001, holding many positions in the company prior to assuming his current position in August, 2014. He is married to Bonnie and has five children (a married daughter and four boys).

CAA BOARD OF MEMBERS BUSINESS MEETING

February 12th – 13th, 2025
Omni Las Colinas | Dallas, TX

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CONSENT AGENDA

February 12th, 2025

MINUTES

COMBINED AGENTS OF AMERICA, LLC

JW Marriott | Nashville, TN

November 6-7, 2024

Wednesday, November 6, 2024

The CAA Board of Members meeting was held at the JW Marriott in Nashville, TN.

All member agencies were represented except the following:

- Bosworth & Associates
- Brownrigg Insurance
- Conexus Insurance
- Ed Weeren Insurance
- Fuqua Insurance
- First Insurance Services
- GBS Insurance Agency
- Hutcherson Insurance
- Mena Insurance
- McGrath Insurance
- Relion Insurance Solutions
- Renn & Company
- Loft & Co
- T. R. Baker Agency
- Williams Insurance

BUSINESS MEETING

Chairman Bob Wood called the meeting to order.

A. CONSENT AGENDA

Bob Wood asked for a motion to consent to the agenda and approve the minutes from the July 2024 meeting.

MOTION WAS MADE BY **Mark Smith**. AND SECONDED BY **Clifton Fendley**. MOTION CARRIED.

B. PROSPECT INTRODUCTION

a. Josh Stephenson (IA)
b. Austin Smith & Ben Reynolds (IN)
c. Jeremy Greiner (IA)
d. Zach Jensen & Ryan Bak (SD)

C. FINANCIAL REPORT

CAA CEO A.J. Lovitt presented the financials to the board.

MOTION WAS MADE TO APPROVE FINANCIALS BY **Rick Elliott** AND SECONDED BY **Kyle Becker**. MOTION CARRIED.

D. STAFF UPDATE/Q&A - CAA Staff

- Current roles in staff
- Guaranteed comp partners for 2024
- E&S Relationships - Chelsea
    - Quotewell - 12 agencies that submit business to them – Nikki asked agents about their experience with QuoteWell and why they use them?
        - Turnaround time is good; looking to grow
        - Technology development in future

- Sabrina Ray said be watchful of QuoteWell contract – Nikki said we recommend Gus for attorney needs
    - Michael Whorton brought up protection of data (Vertafore) and asked about asking Gus regarding of selling of data
- Locked Profit Share 2024: Progressive PL, Safeco, Liberty, Hanover Commercial
- 2025 Carrier Compensation — went with Option 1 for EMC
- EMC KPI Project - Revenue Tuner Demo
- Membership Update - 81 total agencies, 9 states, 2 new members 2024
- 5 current prospects: Iowa, South Dakota, Indiana, Montana
    - Continue to find quality partners to bring into group
- CAAPFF Capital Raise - A.J. working with Dave Takas on this– 3 options
- GPS (Growth & Profitability Survey) - Jesse with Bridgemark, Bryan Insurance, Kyle at Relion both do this
    - Good data to have to market ourselves to carriers; opportunities to set us apart
- 2025 meetings - February and July at Las Colinas

E. NEW BUSINESS

1. Approve 2025 CAA & CAAIS Budget
2. Executive Council Elections – Mark Smith to finish out Past Chair position for a year.

Motion was made to approve 2025 CAA & CAAIS Budgets by **Dusty Davis** and seconded by **Rich Carbonara**.

Motion was made to approve EC election nominations by **Michael Tubb** and seconded by **Stewart Berrong**.

F. MEMBER DISCUSSION

1. IBA & WalkerHughes - Heather Wessels
    a. Discussed provisional membership for WalkerHughes Missouri (IBA)

2. Private Equity Task Force Update – A.J. Lovitt
    a. Separate legal entity is first piece
    b. We need to educate members on PE – Series next February surrounding this topic – as seller, buyer, etc.
    c. Identified PE models that work within CAA
3. Ideal CAA Member – A.J. Lovitt
    a. Documented perpetuation plan and how to fund them
    b. Will add criteria as we socialize about this topic
4. Mid-Year Member Disassociation – Bob Wood
    a. Disassociation and dues practice needs to be in place
    b. What should we do with profit share when someone leaves? Give until March 1 to clean up loose ends but after that they have to pay dues for the rest of the disassociating year to receive profit share.
    c. Will send out an official vote in 30 days.

Motion was made by **Michael Whorton** to allow WalkerHughes Missouri to remain a part of CAA (provisional membership) while rest is figured out for WalkerHughes Indiana in the next 12 months and seconded by **Andrew Plummer**.

G. MEMBER PRIVATE TIME

H. ADJOURN

MOTION WAS MADE TO ADJOURN MEETING BY **Randy Smart** AND SECONDED BY **Bryant Young**. MOTION CARRIED.

FINANCIAL REPORT

February 12th, 2025
A.J. Lovitt, CEO

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COMBINED AGENTS OF AMERICA LLC

Budget vs. Actuals: FY_2024 - FY24 P&L

January - December 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
CAAIS Reimbursable	92,732.37	90,000.00	2,732.37	103.04 %
Capital Contribution	48,276.48	50,000.00	-1,723.52	96.55 %
Meeting Sponsorship	346,100.00	200,000.00	146,100.00	173.05 %
Member Assessments	2,282,703.92	2,526,857.00	-244,153.08	90.34 %
Technology Fee	302,400.00	327,600.00	-25,200.00	92.31 %
Unapplied Cash Payment Income	5,000.00		5,000.00	
Total Income	**$3,077,212.77**	**$3,194,457.00**	**$ -117,244.23**	**96.33 %**
GROSS PROFIT	**$3,077,212.77**	**$3,194,457.00**	**$ -117,244.23**	**96.33 %**
Expenses				
Agency KPI Subscription	390,373.80	405,125.00	-14,751.20	96.36 %
Bank Charges	5,321.91	6,500.00	-1,178.09	81.88 %
CAA Staff Travel	110,229.95	110,000.00	229.95	100.21 %
CAAIS Expenses	**72,892.65**	**90,000.00**	**-17,107.35**	**80.99 %**
Charity/Contributions	9,779.25	9,000.00	779.25	108.66 %
Contract Labor	**33,259.03**	**30,000.00**	**3,259.03**	**110.86 %**
Dues/Membership	17,270.00	12,000.00	5,270.00	143.92 %
Gifts	7,449.78	6,000.00	1,449.78	124.16 %
Insurance - CAA	**42,510.67**	**37,000.00**	**5,510.67**	**114.89 %**
Internet Provider Fees	814.36	1,500.00	-685.64	54.29 %
Licenses and Permits	8,891.91	3,000.00	5,891.91	296.40 %
Meeting Expense	**802,872.33**	**705,000.00**	**97,872.33**	**113.88 %**
Miscellaneous	2,566.98	3,600.00	-1,033.02	71.31 %
Office Supplies	7,064.99	8,500.00	-1,435.01	83.12 %
Office-Small Equipment & Furn	5,838.40	12,000.00	-6,161.60	48.65 %
Payroll Benefits	**210,364.51**	**218,600.00**	**-8,235.49**	**96.23 %**
Payroll Expenses	**1,142,887.07**	**1,231,200.00**	**-88,312.93**	**92.83 %**
Postage Expense	1,018.11	1,000.00	18.11	101.81 %
Prof Development	25,367.45	20,000.00	5,367.45	126.84 %
Professional Fees	**83,325.14**	**108,500.00**	**-25,174.86**	**76.80 %**
Promotional	10,818.68	10,000.00	818.68	108.19 %
QuickBooks Fees	2,398.46	2,300.00	98.46	104.28 %
Rent	62,447.84	59,000.00	3,447.84	105.84 %
Repairs & Maintenance	18,080.15	20,000.00	-1,919.85	90.40 %
Software	21,173.16	15,000.00	6,173.16	141.15 %
Subscriptions & Journals	12,334.62	12,000.00	334.62	102.79 %
Taxes	401.50	10,000.00	-9,598.50	4.02 %
Telephone	12,977.17	13,000.00	-22.83	99.82 %
Total Expenses	**$3,120,729.87**	**$3,159,825.00**	**$ -39,095.13**	**98.76 %**
NET OPERATING INCOME	**$ -43,517.10**	**$34,632.00**	**$ -78,149.10**	**-125.66 %**
Other Income				
Interest & Dividend Income	61,027.64		61,027.64	

COMBINED AGENTS OF AMERICA LLC

Budget vs. Actuals: FY_2024 - FY24 P&L

January - December 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total Other Income	**$61,027.64**	**$0.00**	**$61,027.64**	**0.00%**
Other Expenses	**$0.01**	**$0.00**	**$0.01**	**0.00%**
NET OTHER INCOME	**$61,027.63**	**$0.00**	**$61,027.63**	**0.00%**
NET INCOME	**$17,510.53**	**$34,632.00**	**$ -17,121.47**	**50.56 %**

Income Statement - One Comparison Variance

		Current Period						Year to Date					
		Actual Amounts		2024 Budget				Actual Amounts		2024 Budget			
		Dec 2024	%	Dec 2024	%	Variance $	Var %	Dec 2024	%	Dec 2024	%	Variance $	Var %
INCOME													
400000	Agency Bill (Commission) I	$883.18	0.5	$16,666.74	5.3	-$15,783.56	-94.7	$81,302.79	3.5	$200,000.00	5.3	-$118,697.21	-59.3
***SubtotalAgency Bill Income		$883.18	0.5	$16,666.74	5.3	-$15,783.56	-94.7	$81,302.79	3.5	$200,000.00	5.3	-$118,697.21	-59.3
401000	Direct Bill (Commission) In	$165,726.16	99.5	$275,000.00	88.0	-$109,273.84	-39.7	$2,114,183.21	92.3	$3,300,000.00	88.0	-$1,185,816.79	-35.9
***SubtotalDirect Bill Income		$165,726.16	99.5	$275,000.00	88.0	-$109,273.84	-39.7	$2,114,183.21	92.3	$3,300,000.00	88.0	-$1,185,816.79	-35.9
405000	Contingency & Profit Shari	$0.00	0.0	$20,833.34	6.7	-$20,833.34	0.0	$94,961.44	4.1	$250,000.00	6.7	-$155,038.56	-62.0
***SubtotalOther Income		$0.00	0.0	$20,833.34	6.7	-$20,833.34	0.0	$94,961.44	4.1	$250,000.00	6.7	-$155,038.56	-62.0
TOTAL INCOME		$166,609.34	100.0	$312,500.08	100.0	-$145,890.74	-46.7	$2,290,447.44	100.0	$3,750,000.00	100.0	-$1,459,552.56	-38.9
EXPENSE													
501000	Broker Commission Expens	$131,606.20	79.0	$250,000.00	80.0	-$118,393.80	-47.4	$1,718,416.88	75.0	$3,000,000.00	80.0	-$1,281,583.12	-42.7
503000	Accounts Receivable Write	$0.00	0.0			$0.00	0.0	$3,593.08	0.2			$3,593.08	0.0
***Subtotal Selling Expense		$131,606.20	79.0	$250,000.00	80.0	-$118,393.80	-47.4	$1,722,009.96	75.2	$3,000,000.00	80.0	-$1,277,990.04	-42.6
601000	Software Expense	$6,166.45	3.7	$3,083.34	1.0	$3,083.11	100.0	$50,579.69	2.2	$37,000.00	1.0	$13,579.69	36.7
601100	Bank Charges	$0.00	0.0	$145.84	0.0	-$145.84	0.0	$23.46	0.0	$1,750.00	0.0	-$1,726.54	-98.7
603000	Payroll Employee Benefit -	$2,149.45	1.3	$4,626.66	1.5	-$2,477.21	-53.5	$24,034.69	1.0	$55,520.00	1.5	-$31,485.31	-56.7
604000	Gifts Expense			$87.00	0.0	-$87.00	0.0			$1,000.00	0.0	-$1,000.00	0.0
605000	Licenses	$109.00	0.1	$291.66	0.1	-$182.66	-62.6	$11,827.27	0.5	$3,500.00	0.1	$8,327.27	237.9
606000	CAAIS Staff Travel	$0.00	0.0	$583.34	0.2	-$583.34	0.0	$192.91	0.0	$7,000.00	0.2	-$6,807.09	-97.2
607000	Miscellaneous	$0.00	0.0	$83.37	0.0	-$83.37	0.0	$5,301.21	0.2	$1,000.00	0.0	$4,301.21	430.1
608000	Office Supplies	$0.00	0.0	$291.66	0.1	-$291.66	0.0	$1,344.59	0.1	$3,500.00	0.1	-$2,155.41	-61.6
608200	Office - Small Equipment &	$76.21	0.0	$333.34	0.1	-$257.13	-77.1	$2,420.21	0.1	$4,000.00	0.1	-$1,579.79	-39.5
609000	Payroll Expenses	$54,038.78	32.4	$42,518.32	13.6	$11,520.46	27.1	$396,350.53	17.3	$510,220.00	13.6	-$113,869.47	-22.3
609100	Contract Labor	$1,649.27	1.0	$1,583.34	0.5	$65.93	4.2	$16,240.38	0.7	$19,000.00	0.5	-$2,759.62	-14.5
609200	Employee Potential Bonus	$0.00	0.0	$3,666.66	1.2	-$3,666.66	0.0	$7,922.91	0.3	$44,000.00	1.2	-$36,077.09	-82.0
610000	Postage Expense	$10.09	0.0	$83.34	0.0	-$73.25	-87.9	$286.21	0.0	$1,000.00	0.0	-$713.79	-71.4
611000	Professional Development	$0.00	0.0	$416.74	0.1	-$416.74	0.0	$16,574.44	0.7	$5,000.00	0.1	$11,574.44	231.5
612000	Professional Fees/EPay	$25.00	0.0	$62.50	0.0	-$37.50	-60.0	$286.85	0.0	$750.00	0.0	-$463.15	-61.8
612100	Advertising/Promotional Ex			$62.50	0.0	-$62.50	0.0			$750.00	0.0	-$750.00	0.0
616000	Internet Provider/Telephon	$232.95	0.1	$650.00	0.2	-$417.05	-64.2	$5,023.07	0.2	$7,800.00	0.2	-$2,776.93	-35.6
617000	Rent	$4,003.06	2.4	$3,500.00	1.1	$503.06	14.4	$47,179.93	2.1	$42,000.00	1.1	$5,179.93	12.3
618000	Insurance - CAAIS	$4,782.98	2.9	$1,166.66	0.4	$3,616.32	310.0	$4,857.98	0.2	$14,000.00	0.4	-$9,142.02	-65.3

Income Statement - One Comparison Variance

		Current Period						Year to Date					
		Actual Amounts		2024 Budget				Actual Amounts		2024 Budget			
		Dec 2024	%	Dec 2024	%	Variance $	Var %	Dec 2024	%	Dec 2024	%	Variance $	Var %
***Subtotal Operating Expense		$73,243.24	44.0	$63,236.27	20.2	$10,006.97	15.8	$590,446.33	25.8	$758,790.00	20.2	-$168,343.67	-22.2
TOTAL EXPENSE		$204,849.44	123.0	$313,236.27	100.2	-$108,386.83	-34.6	$2,312,456.29	101.0	$3,758,790.00	100.2	-$1,446,333.71	-38.5
NET PROFIT/LOSS		-$38,240.10	-23.0	-$736.19	-0.2	-$37,503.91	5094.3	-$22,008.85	-1.0	-$8,790.00	-0.2	-$13,218.85	150.4

CAA STAFF UPDATE

February 12th, 2025

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NEW BUSINESS

February 12th, 2025

Bob Wood, Chairman

1. <u>Open Position on Executive Council</u>

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MEMBER DISCUSSION

February 12th, 2025

Bob Wood, Chairman

1. **AgencyKPI Update**

   Bobby Billman & Matt Peterson

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CAA M&A WORKBOOK DOWNLOAD LINK