2014

MORE THAN 600 OFFICES ON SIX CONTINENTS

29 BILLION USD IN PREMIUM VOLUME

CELEBRATED 60TH ANNIVERSARY

105 PARTNERS IN FOUR REGIONS ACROSS THE GLOBE:
- 12 Asia / Pacific (APAC)
- 31 Europe / Middle East / Africa (EMEA)
- 9 Latin America / Caribbean (LAC)
- 53 North America (NA)
Dear Partners:

In 2014, we focused on realizing our 2014-2017 Strategic Plan and after isolating key drivers and eliminating many obstacles, a common theme rang true. Our success is hinged on the energy we create through our collective level of engagement, and the oxygen that fuels that energy is revenue growth. This is the battle cry of our time.

There’s an old joke that goes something like this...The past, the present and the future walk into a bar...it was tense! Because we are living it, I think there is a tension that results in a tendency toward believing that our profession is going through never before seen consolidation, disruption, realignment and complexity. In reality, an in-depth history - dating back to the Chinese and Babylonian traders of the second millennia BC, through Genoa merchants in medieval times, to the Enlightenment period of Europe and specific London offerings from the early 1700s - certainly would indicate that although there have been changes and added complexities to what we do; how we do; and for whom we do, they have not been fundamental.

Contrast the elements of change in our profession versus the innovation of the 21st century (smart phones, tablet computers, wearable technology, cloud computing, etc.). Most would argue that we are in the most innovative time ever until you reflect on the innovation of the 20th century which brought us cars, telephones, planes and cures for illnesses that plagued mankind for centuries. What provides us tension, whether it is life changing inventions that sustain us and make our lives easier, or the reordering of our profession, is really the speed at which things happen - not what is actually happening - and therein lies the future of Assurex Global and its relevance to each of our firms.

Growth through engagement is about leveraging the collective oxygen of the Partnership so that our firms can achieve accelerated organic and acquisitive growth while maintaining majority ownership and operational control of our firms. To achieve this, we need to build a different Assurex Global going forward. The business model must serve as a leverage point, in essence a “middle office” for all our firms when working the revenue growth equation. This middle office must be sensitive to the power of each of our own franchises, yet serve as the fulcrum to enhance our collective needs centered around best practices, information sharing, technology, knowledge, collaboration, sales and professional development. Of course, all of these are on display when we are able to share clients amongst us, particularly those with international needs. Some terrific examples of the power of engagement are captured in the success stories segment of this report (pages 19-21).

With certainty, we can say that innovation will march on. Consolidation will continue. The world around us will continue to be more complex, exciting and yet, somewhat dangerous. Of course, new technologies will have some disruptive effect on our businesses, but all of that sounds like opportunity to me! Whether past, present or future, our need for each other continues.

This annual letter should never close without acknowledgement of the talented and dedicated staff and leadership of Assurex Global in Columbus and throughout the world. As for my small part in all of this, to serve has been a high honor and privilege.

Thank you,

Bob Cawley
Dear Partners:

2014 was a year to both thoughtfully reflect on the past and eagerly look forward toward the future. We took a few moments in September 2014 at the opening dinner of our annual global Partners’ Conference to acknowledge our 60th anniversary. In so doing we gained further appreciation that we are a unique business, a business that is sometimes hard to describe to others both within and outside the insurance industry - and a business that is based upon rock solid values that have stood the test of time. We are a business that strives to be better tomorrow than we were yesterday; a business that embraces change so it can stay relevant to its stakeholders.

Please take the time to read this entire annual report. I also ask that you pass it forward to all associates in your organization. In the pages that follow you will get a glimpse of the journey we are on, a journey that we make together. The current leg of this journey commenced in 2014 as we embarked upon the execution of a new and refreshed business plan. As you read and study our direction forward, you may notice a subtle, yet important change. Many of our current and new initiatives are intended to have a substantial impact upon your offerings to your clients and to further enrich the investment your firms have made in Assurex Global.

The launching of practice groups, joint business development activity, branding, broadening our technology platforms - all directly or indirectly touch the services you provide. These key initiatives are built upon the feedback we received from your firms in 2013 as we commenced our planning process. They also call upon your firm’s further engagement as we seek involvement in task forces, steering committees, information sharing and data gathering.

We are purposely being very methodical with how we execute our strategic plan - as illustrated by the examples below.

- We have implemented a project management methodology to help ensure that we meet our commitments and also identify risks in the execution of our business plan. Of course, with limited resources, we must choose and deliver upon the initiatives that will have the biggest impact for as many firms as possible. Thus, when we ask for your insight through surveys, task forces and meetings, it is with the intent that we execute with an “aim-ready-fire” discipline.

- In the second half of 2015, we will be implementing a CRM system (Salesforce.com) internally to make sure that we are actively managing our relationship with each firm; paying attention to and tracking the right data; and being responsive to your requests.

- Later this year you can expect to see the results of a branding effort that addresses what virtually all of you have said we need - let’s tell the world who we are, what we do and the value proposition that is inherent with being an Assurex Global firm. Establish a brand that your clients will start to recognize and further associate with your firm’s commitment to excellence.

- Also in 2015, we are analyzing our financial model to make sure we have a financial plan that will fund current and future endeavors - plus align our success with yours. Our revenue sources have changed considerably in the last 10 years, and we are working closely with the newly-formed finance committee to make sure our financial model supports our future direction.

Lastly, and speaking on behalf of all Assurex Global employees, we are all very proud to work for you and with you, and to represent the best independent brokers in the world. Thank you for your ongoing support.

Best regards,

Jim Hackbarth
For decades, Assurex Global has served the needs of the world’s leading independent insurance brokerage firms by facilitating the sharing of business opportunities as well as best practice ideas and services. In early 2013, we began a strategic planning process to ensure the continuous improvement of the Partnership’s value and relevance to Assurex Global firms.

Planning Process
Partner Survey: Our first step was to understand Partner needs in a rapidly changing marketplace. We began with a comprehensive survey seeking input from all Assurex Global Partner firms. We were delighted when Partners showed intense interest - with a 93 percent response rate to the survey.

Sharing Insights: We then had a two-day strategic planning session that involved 23 firms representing our worldwide footprint. Following this session, there were many months of conference calls and discussion groups to determine how best Assurex Global might evolve to provide greater value for Partner firms.

In considering Assurex Global’s future, we evaluated WHY our organization exists and HOW it can be more effective in achieving its purpose. We concluded the future direction below.

Future Direction

Strategic Vision: Assurex Global exists to ensure that the world’s best insurance brokerage firms remain strong, competitive and independent.

Mission: Assurex Global accomplishes this by partnering with these firms to grow and improve their businesses and to better serve their clients throughout the world.

Based on the research, discussion and insights, the Partners came to a clear, strategic conclusion on the direction the Partnership must take to best fulfill its purpose: Assurex Global will transform into a financially stronger, sustainable business that directly supports the business development of Partner firms.

Partners saw the dual benefits of this strategic vision: building the value and ROI of the Assurex Global Partnership for Shareholders, while creating value for Partner firms through sales support and direct business development.

Action Plan
To accomplish this transformation, Partners developed a strategic action plan. The plan, to be implemented over the 2014-2017 timeframe, will move Assurex Global from the leverage of ideas traded within Partner firms to the leverage of people, systems, technology, communications, products, services and analytics.

Our moving-forward business plan focuses on the following key areas:

- Partnership
- Practice Groups/Products & Programs
- Branding/Business Development
- Technology & Data
- Financial Model

This will be an evolutionary process that will require active participation by all Partners - through task forces, steering committees and other activities - plus staff alignment; effective project management; and precise execution. Through disciplined work and collaboration, our Partnership is committed to transforming Assurex Global into an influential brand with the financial strength to support the development and growth of Assurex Global Partner firms.
Partnership is the very foundation of Assurex Global and it ties all the other strategic initiatives - practice groups/products & programs, branding/business development, technology & data and our financial model - together. In July 2014, a special board meeting was held to thoroughly dissect our notion of Partnership in order to have greater clarity as we move forward.

As a result of that meeting, the board reaffirmed the importance of independence to the Assurex Global Partnership, for the following key reasons:

- Decision-making is held locally with each Partner firm.
- Assurex Global Partners can always act in the best interests of the client.
- By virtue of their independence, all Partners can actively engage in the Partnership.

**Definition of Independence**

Because ownership models are changing rapidly in today’s marketplace, the board spent considerable time debating the definition of independence and decided upon the following criteria:

<table>
<thead>
<tr>
<th>ALLOWED</th>
<th>CONSIDERED ON A CASE-BY-CASE BASIS</th>
<th>NOT ALLOWED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privately held by owners active in the business.</td>
<td>Any ownership scenario that is outside that which is “allowed” but is not a clear-cut “not allowed” situation.</td>
<td>Ownership by Marsh, Aon, Willis, Gallagher, etc.</td>
</tr>
<tr>
<td>Privately held by entities that do not exert operational control (e.g., family trusts) - allowed but will be subject to greater scrutiny on a regular basis.</td>
<td>Any other ownership scenarios would trigger a review by the Partner Evaluation Committee, with a resulting recommendation to the board.</td>
<td>Controlling ownership by a bank or insurance company.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ownership by an &quot;aggregator&quot; - an entity building a national or super-regional platform.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loss of operational control due to outside ownership.</td>
</tr>
</tbody>
</table>

**Expectations of Partners**

- Independent.
- Meeting or actively working toward established operational health metrics (specific metrics to be determined in 2015).
- High quality of service, including responsiveness to other Partners.
- Multiple networks allowed, with the understanding that when prospecting for business the allegiance should lie with Assurex Global. Partners should always endeavor to use the Assurex Global Partnership whenever possible.
- Engagement:
  - Active participation in Assurex Global meetings, with deep/broad participation across each Partner organization encouraged.
  - Responsiveness to requests for information from Assurex Global to support initiatives.
  - Timely payment of dues, meeting invoices, etc.
  - Promotion of Assurex Global.
  - Helping to make your fellow Partners, and Assurex Global as a whole, better; this includes taking an active role in committees and task forces, such as meeting agenda committees, practice group task forces, etc.

(Continued —)
Partner Evaluations
If, as business partners, each Partner firm is held accountable for holding up its end of the Partnership agreement, then each firm should take an active role in evaluating its performance as an Assurex Global Partner on a regular basis. Partners will be expected to submit data on key metrics to Assurex Global on a specified schedule beginning in 2015. Assurex Global staff will use this data, along with information regarding engagement opportunities such as meetings, task forces, and the Assurex Global Community website, to provide an annual engagement report to each Partner. For each Partner firm, the dual purpose of this engagement report will be to 1) illustrate the value of Assurex Global, and 2) stimulate conversation about how to improve upon this value.

strategic plan / PARTNERSHIP, Continued

Assurex Global was founded upon and has evolved around the concept of independent brokers working collectively to win more accounts, better service clients, improve operations and grow their individual businesses. Our strategy includes Assurex Global having a greater impact on the sales efforts of Partner firms through a) formation of practice groups, b) development and/or promotion of programs and products, and c) greater leveraging of industry-specific intelligence, from a sales and client service perspective.

The formation of practice groups was identified as a strategic initiative for the Partnership. These groups will establish a framework for the evolution of highly-functional, sustainable initiatives that drive revenue, develop business and create value for Assurex Global Partners and the Partnership as a whole. Through the work of the Strategic Planning Committee, it was agreed that an Assurex Global practice group should have most or all of the following components or characteristics:

- Built around intellectual capital - knowledge sharing and educating Partners, clients and prospects.
- A group of Partner participants who are committed to support the practice group financially and to actively participate and share data, best practices and industry/niche intelligence.
- Partner accountability to established business development and sales metrics.
- A sound “go-to-market” strategy for a client base that has a long-term need for specialty services.
- Global reach.
- Use of a common technology platform for information sharing and client service.
In addition to the products and programs to be developed through practice groups, the strategic plan envisions Partner-developed products and/or programs being opened up across the Partnership, on a regional or global basis, thereby generating revenue for the managing Partners and Assurex Global as well as providing a competitive advantage to all participating Partners.

We offer a two-tier approach to Partner products/programs:

1.) **Self-promoted Partner programs**: Partner products or programs that are listed on the Assurex Global website and managed/promoted by the individual Partner.

2.) **Assurex Global-sponsored products/programs**: Products or programs that are broadly accessible to other Partner firms (not necessarily all firms) and actively promoted by Assurex Global via a coordinated communication campaign. The Partner who owns the product or program (in conjunction with the supporting carrier/vendor, as appropriate) may offer incentives to Partners (e.g., enhanced commissions, discounted rates, exclusive services, etc.), as well as a revenue stream (e.g., fee, revenue share, etc.) to Assurex Global.

Currently, Partner products/programs for clinical trials, employment dispute resolution, wellness, long term disability and personal excess liability have been opened up for use by other Partners.

In addition, we also feature various carrier programs such as HCC Specialty’s TotalEvent product and AIG’s CyberEdge product, which was developed in conjunction with a task force of Assurex Global Partners. In 2014, 22 Partner firms placed more than $2 million (USD) in GWP with the AIG CyberEdge program.
Discover. In our case, this consisted of surveying all Partners; benchmarking against similar organizations both within and outside the insurance industry; carrier, client, Partner and executive interviews; plus an exhaustive audit of past marketing communications. This phase is complete.

Analyze/Hypothesize/Strategize/Define. This phase is also complete. It has consisted of synthesizing all the data from step one - leading in turn to review and debate/discussion around emerging concepts/strategies for branding direction.

Create & Iterate. Based on the brand strategy coming out of step two, this phase consists of developing options for concrete verbal and visual expressions of the new Assurex Global brand. This will entail the look and feel as well as brand language.

Activate/Extend. This is the final work product including logo; accompanying graphics; messaging; collateral material templates; Partner brand marketing toolkits (demonstrating how best to integrate the Assurex Global brand with individual Partner brands); etc. In addition, this phase includes a brand activation program that will require a public website and content marketing program, among other support elements.

Next Steps
To help us complete the branding journey started in summer, specialized professional resources are required - principally in the form of a branding firm and a content marketing service provider. Some of you have been through a branding process and are currently engaged in content marketing, so you are familiar with how the process works.

Consequently we embarked upon reviewing three branding firm candidates - one in New York City and two locally in Central Ohio, as it just so happens there are several highly qualified options in the Columbus area. On a confidential basis, we provided all three with our initial discovery material from phase one and requested that they make presentations covering how they would add value; their process; what their end work product would look like; cost and timing.

We then evaluated each on three criteria, compared them and selected one to submit a formal proposal. The name of the selected firm is Ologie.
You can learn more about Ologie and its people on LinkedIn and the website www.ologie.com. Ologie was selected largely because of compelling parallel work on Legg Mason along with a comprehensive portfolio that included multi-national firms, plus a very diverse, deep bench.

Ologie’s engagement started in early December. To close out the discovery phase, its team completed extensive executive and Partner interviews along with the comprehensive audit of past marketing communications. Phase three is in process and further updates will be provided as the work progresses. The project is estimated to take about five months so final output will be available by late May. New branding, marketing tools and guidelines will be rolled out to all Partners over the summer.

On the content marketing front, we used a vetting process similar to that for branding firms and selected a content marketing partner, NuGrowth Digital. It will construct a public website; develop content assets that can be co-branded and distributed on the site as well as by Partners; and implement tools for tracking/measurement. More details will be made available as the work product develops. Finally, to manage all of the above, Michael Sapienza has come on board full-time as vice president, marketing communication. Michael’s background includes extensive branding and business development work, as well as multi-national operations.

**strategic plan**

**BUSINESS DEVELOPMENT**

One of the greatest strengths of the Assurex Global Partnership is the degree to which our Partners communicate with and support each other in the development of new business and the servicing of existing business. And yet, as with many good things, the full potential strength of this cooperation has not yet been tapped.

Business development is a key focus area of Assurex Global’s strategic plan and has, of course, a strong tie to the branding initiative – the work of one will inform and support the other. Practice groups are an important driver of business development – both in North America and across the globe. Product and program development with Partners and strategic carriers impact business development as well.

The following key international business development projects were organized in 2014, with a view to expand their reach and impact in 2015:

**Joint Prospecting Process**
A 2014 EMEA task force on business development – Troy Johnson of Griffiths & Armour, Natalia Zaborovska of MAI Central Eastern Europe, Ltd., John Eltham of Miller Insurance Services, and Björn Thorstrand of Söderberg & Partners – together with Crystal Stokes of Assurex Global – developed a standard process to support Partners in international new business. Standard forms have been devised for Partners to complete when joint prospecting and regional Assurex Global staff – Crystal Stokes (EMEA), Sangeeta Sawant (APAC) and Ric Mazon (NA & LAC) – are available to provide support and coordination for these business development activities

**International Operating Standards**
Through the adoption of common procedures, a standard for high levels of professionalism is set and clients can be confident of consistently outstanding service delivery throughout the world. The Assurex Global International Operating Standards received a thorough review in 2014 and a streamlined – but effective – version will be available on the Assurex Global Community website soon.

**International Business Development Champions**
Each Assurex Global firm was asked to designate an International Business Development Champion. An International Business Development Champion is someone who is focused on producing business but will also act as a central point for incoming prospects from other Assurex Global Partners. These Champions will be expected, among other things, to view each opportunity proactively, produce development plans for prospects, advance opportunities through the development funnel, and provide regular updates to Assurex Global regional staff on incoming and outgoing opportunities. Now that the Champions have been identified, orientation and ongoing communication will commence in 2015.

Continued—
Technology and data play an important part in serving the business needs of Partner firms as well as Assurex Global. As a strategic initiative, the use of technology and data will help to drive efficiencies, gain productivity, allow for information sharing among Partners and support the business processes of our Partners so that they may be responsive to client needs. In order to achieve these outcomes, we focused our technology and data efforts on three main areas during the year.

Community (Website)
A major focus of 2014 was the development and rollout of Community, Assurex Global’s Partner-exclusive website. Community provides valuable information to Partners, not only about the programs and resources provided by Assurex Global, but also engagement and information sharing tools including: a personal profile for each user; interactive group participation; access to Ask-A-Partner and much more. This technology tool was launched in May 2014 and has been updated twice with new software releases in September and December - most recently including a new feature in the area of identifying staff expertise. Feedback from Partners regarding the website has been very positive and at year-end, there were more than 4,000 users and 15,000-plus Partner logins. Further, Partners have used Ask-A-Partner to exchange information on hundreds of questions throughout the year.

Data Analytics
There was also preliminary work done throughout 2014 to begin the process of using data analytics for benchmarking purposes and to capitalize on relationships, especially with carriers. There were a number of meetings throughout the year with third-party vendors and Partners to explore capabilities and needs regarding the use of data as well as building a unified data model for the future. Discussion also took place on potential data needs during some of Assurex Global’s annual departmental meetings. Armed with this information, the process of building a task force comprised of a diverse Partner group with varied roles (CEO, COO, CIO, business unit leaders and others) began. The goal of the task force is to identify the data requirements and tools necessary for the common purpose of using the data to support Partner business initiatives as well as provide a competitive advantage.

In December 2014, John O’Connor was hired as vice president, technology and portfolio management. John’s main focus is to drive this initiative, along with other technology solutions for Assurex Global. He comes to us with more than 12 years of experience providing technology solutions in the financial institution sector, spending much of his time at GE Capital and a large regional bank in the Midwest.

Customer Relationship Management (CRM)
The third main area of focus was an internal initiative (within Assurex Global corporate only) aimed at the eventual use of a CRM tool that will allow us the opportunity to provide robust annual stewardship/engagement reports to Partners. This is an important aspect of Partner engagement as it relates to the Partnership strategic initiative. This tool will also help us to more effectively manage all relationships - Partners, carriers and vendors. The process began with a number of internal meetings to identify the purpose and use of such a tool. Five vendors were identified and a number of meetings and demonstrations were held. A requirements document was sent to the finalists, and Salesforce.com was selected as the
CRM system for Assurex Global. Installation and training will begin in early 2015 and full implementation will occur during the second quarter.

While much work was focused on these areas during the year, we still spent considerable time looking at new technology solutions, maintaining Passport and planning for its next revision, as well as helping solve other specific technology issues brought to us by the Partnership.
Based on the initiatives identified in our strategic plan, it comes as no surprise that our financial model will need to change in order to meet the Partnership demands. This will be an evolutionary process that will coincide with the implementation of the strategic business plan.

A look back at Assurex Global financials over the years shows that from 2003 through 2014, our revenue, while growing slightly, has basically remained flat. Over these years, both the number of categories and the percentage within each category has changed. The charts to the right show the shift that has occurred over 11 years.

In order to begin the process of evolving the financial model and make sure any change involves the input of Partners, the board added both a Finance Committee and an Audit Committee to its corporate governance structure. These committees will lend expertise, knowledge and business acumen to the financial model process. The Finance Committee will have primary responsibility working with the board to identify the future financial model for Assurex Global, and will have representation from each region as well as include two board members as co-chairs.

**Finance Committee members:**
- Matt Donnelly, Managing Director, Griffiths & Armour (Co-Chairman)
- Kurt Watson, President and COO, The IMA Financial Group, Inc. (Co-Chairman)
- Enrique Acevedo, General Manager, Correcol – Corredores Colombianos de Seguros
- David Becker, President, Cottingham & Butler, Inc.
- T.C. Chau, Chief Operating Officer, Ximco Corporation
- Greg McKinley, President, Cragin & Pike, Inc.
- Kurt Wicki, CEO, IBC Insurance Broking and Consulting SA

**Audit Committee members:**
- Andy Sloan, Partner, The Magnes Group (Chairman)
- Andre Arntzen, Operations, Norwegian Broker AS
- Grant Cameron, CEO, Trafalgar International Ltd.
- Stavros Costarangos, Executive Vice President - Principal, Padeco Seguros
- Scott Ferguson, Managing Director, The Underwriters Group
- Grantland Rice, III, President, Cobbs Allen

The Finance Committee will meet to identify and explore the various financial models available to govern Assurex Global for the future. Certainly, the committee will be looking for the model that can properly balance the financial needs to fund the strategic initiatives as well as apply said model in a fair manner to all Partners. Once chosen and adopted, it will take several years to fully implement the new model throughout Assurex Global’s financial operations.
The revenue listed on page 17 does not include the offsetting revenue of Assurex Global's meetings. However, meeting revenue is reflected in the financials on page 18 of this report. All figures are listed in USD.
The 2014 audit of Assurex Global Corporation (AGC) and its subsidiary, Assurex Agency, is currently in process. While an audited financial statement was not available to provide in time for this publication, the audited financials will be available to all Shareholders once finalized and approved by the board.

Provided is a highlight of the (unaudited) financial results for 2014 compared to the audited results from 2013 and 2012.

Result Summary:

<table>
<thead>
<tr>
<th>Consolidated Balance Sheet</th>
<th>2014 (Unaudited)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$ 6,478,049</td>
<td>$ 6,143,155</td>
<td>$ 5,785,150</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 1,874,239</td>
<td>$ 1,297,205</td>
<td>$ 1,156,050</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>$ 4,603,810</td>
<td>$ 4,845,950</td>
<td>$ 4,629,100</td>
</tr>
</tbody>
</table>

Consolidated Statement of Income

<table>
<thead>
<tr>
<th></th>
<th>2014 (Unaudited)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$ 7,220,316</td>
<td>$ 7,129,669</td>
<td>$ 6,093,387</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 7,040,404</td>
<td>$ 6,992,885</td>
<td>$ 5,861,638</td>
</tr>
<tr>
<td>Income from Operations</td>
<td>$ 179,912</td>
<td>$ 136,784</td>
<td>$ 231,749</td>
</tr>
<tr>
<td>Other Income (Expense)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Dividends</td>
<td>$ 11,573</td>
<td>$ 27,488</td>
<td>$ 11,519</td>
</tr>
<tr>
<td>(Loss) Gain on Sale of Investments</td>
<td>$ 36,298</td>
<td>$ (27,173)</td>
<td>$ 94,960</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$ (3,342)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on Disposal of Fixed Assets</td>
<td>$ (3,057)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income Before Taxes</td>
<td>$ 221,384</td>
<td>$ 137,099</td>
<td>$ 338,228</td>
</tr>
</tbody>
</table>

Operating income for the year increased slightly over last year. This increase was driven by investment gains and the value of investment in PAR Holdings, Ltd.

Operating expenses also increased slightly from 2013. This increase primarily occurred in consulting. Assurex Global relied on consulting services throughout the year to support the Private Exchange effort, branding initiative and the development and launch of Community to the Partnership. Travel costs for the year came in under budget and mirrored previous years, excluding 2013. In 2013, travel costs were more than $100,000 greater due to the AG Education Day Initiative throughout APAC and EMEA regions.

The Income Before Tax Budget for 2014 anticipated a pretax profit of $100,000. We expect to end the year at $221,384 or $121,384 higher than budget. The deferral of hiring, due to the use of consultants, until late in the year helped to increase the pretax profit along with expense control measures throughout the year.

Once the audit is complete, we can provide a 2014 share price to the Shareholders. We will notify all Shareholders of the audit completion so that those interested may obtain a copy by contacting Tim Wiechers at twiechers@assurexglobal.com.
The Client
In its 44th year of service, Dallas, Texas, USA-based Southwest Airlines is the nation’s largest carrier as measured by originating domestic passengers boarded.

The Situation
As a longtime client of San Antonio, Texas, USA-based Catto & Catto, Southwest made a decision to move forward on its first cyber liability program. Catto & Catto has provided most of Southwest’s non-aviation insurance since the airline’s early days, but it didn’t have the expertise in-house to develop and place the required coverage, so Southwest began evaluating several major brokers.

The Solution
Catto & Catto CEO Jaimie Hayne tapped a connection with Stan Loar, chairman of San Francisco, California, USA-based Woodruff-Sawyer & Co. The relationship between Jaimie and Stan has been developed over the years at Assurex Global meetings. Knowing of Woodruff-Sawyer’s expertise in cyber through this relationship, Jaimie contacted Lauri Floresca, Woodruff-Sawyer SVP and partner, to discuss the Southwest opportunity.

A meeting was then held in San Francisco between Jaimie and the Woodruff-Sawyer team to provide background on Catto & Catto’s relationship with Southwest, as well as determine if Woodruff-Sawyer would be a good fit for the highly-valued client. This meeting resulted in the decision for the two firms to collaborate on the opportunity, so the combined team flew to Dallas for an initial meeting.

The strength of Catto & Catto’s relationship with Southwest as well as Jaimie’s confidence in the Woodruff-Sawyer team made Southwest’s selection of Woodruff-Sawyer quick and painless - the business was placed after just one meeting. Then came the hard part.

A nine-month process began to build a complex, $200 million program with 21 carriers led by AIG. This process included a well-received “underwriter day” at the Southwest Airlines headquarters in Dallas, at which the Southwest team, led by Southwest CEO Gary Kelly, made presentations to educate and train the syndicate of underwriters.

Following the underwriter day, Catto & Catto, Woodruff-Sawyer and Southwest collaborated to successfully build the cyber program. This was no small feat given the program’s intricacy and the challenging time within the market - just after the Target breach. The process was a quintessential example of how the Assurex Global system works to produce the optimal end result for the client.

“This was a true effort of partnership - Catto & Catto was very engaged and its trusted relationship with Southwest ensured that the right people were brought in; consequently we were able to obtain the information and decisions needed,” Lauri Floresca said.

Jaimie Hayne added, “When two Assurex Global Partners work together like we did to win and service business, it’s a beautiful thing. Thanks to the Assurex Global network and Woodruff-Sawyer’s complementary knowledge, we not only retained a big piece of business that most assuredly would have gone elsewhere, but also deepened our relationship with Southwest.”

Results & Implications
Southwest is pleased with the cyber program and, as noted above, Catto & Catto retained significant business while strengthening its relationship with a marquee client. In addition, Woodruff-Sawyer picked up significant new business along with the ability to leverage a “lighthouse” account in Southwest Airlines.

Floresca concluded, “As such a great and well-recognized brand, it goes without saying that having Southwest Airlines on your tombstone is very valuable. While we still had to prove ourselves once we got our foot in the door, Woodruff-Sawyer was not likely to get an introduction to Southwest on our own. The Assurex Global Partnership has proven a great way to access a highly valuable and visible client.”
The Client
A large financial services company with wholly-owned subsidiaries across the globe.

The Situation
The tsunami/earthquake disaster that hit Japan in 2011 presented a unique challenge for this client that was masterfully fulfilled - and likely could only have been - through the collaboration of Assurex Global Partners. In the words of Karen Randazzo, vice president of RCM&D, “During this natural disaster in Japan we initially worked with a small broker who was not an Assurex Global Partner because of a prior existing relationship. When the tsunami happened, everything was in a state of chaos, and we had a 1 April renewal in process, with a requirement (Japanese regulation) that coverage be paid for before it is bound. This was not a new placement, but one written with local admitted placements, including earthquake coverage. There was a moratorium on quotes - new or renewal - because of the dire circumstances, so needless to say with the lapse date looming there was strong concern. As hard as we tried to get the local broker and the carrier to respond and advise on status, we were getting nowhere fast. Urgency was increasing by the hour because time was starting to run out on securing coverage for a multimillion dollar location and property (inclusive of EQ) - in addition to other lines of liability written by a different carrier that were part of a master global program. Those were not our issues, but the property coverage was in jeopardy.”

Why It Worked
Karen explains, “We knew of Cornes, not just in name, but at a deeper level because our senior leadership had met and interacted with them at various meetings and programs over several years. Consequently there was comfort and trust in the relationships as well as knowledge of capabilities that each firm could bring to the situation.”

Results & Implications - What Likely Would Have Happened Without Assurex Global Partners Working Together
Karen continues, “This is a highly-valued client. The ability to resolve the problem quickly and completely was paramount. It does not create significant revenue for Cornes, but its team members never treated it as a small account. They quickly understood the importance of this placement for our highly-valued client and have always treated the local Japanese client contacts with the same level of service and dedication of resources as we do from the U.S. Certainly, we would always recommend Cornes for a situation in which another Partner needs its assistance. I can say with confidence that its people are reliable, diligent and thorough in their work product and service delivery.”

“Experience has given me a greater understanding of the power behind having the option to choose a respected, valued Partner. When I worked for a large national broker, I would have never had the option of choosing a broker Partner, and would have had to settle for the local office. I can tell you through firsthand experience, that usually meant settling for less than spectacular service capabilities. Plus, there was always a larger demand for income to be paid to that servicing office, so it often meant a higher expense for my client to work with a mediocre broker contact. That is not the case here, or with other Assurex Global Partners. Experience continues demonstrating to me, my firm and my clients that we have the ability to bring them the best - always.”
S U C C E S S  S T O R Y  U P D A T E
GRIFFITHS & ARMOUR AND THE MAGNES GROUP: ORIGINAL WIN BLOSSOMS WITH MORE ASSUREX GLOBAL PARTNERS

The Client and Background
Babcock International Group PLC, an FTSE 100 quoted company, is the United Kingdom’s leading engineering support services organization with current annual revenue exceeding £3.4 billion. Babcock works behind the scenes and delivers critical support to the defense, nuclear, emergency services, telecommunications, rail, airports, training and education sectors.

Griffiths and Armour originally won Babcock’s U.K. insurance business in 2008, but when Babcock acquired Canada-based VT Group in 2010 (original story published in Compass), the Assurex Global Partnership demonstrated its strength and effectiveness. Griffiths & Armour began to integrate Babcock’s international placements through Assurex Global Partners, including an especially productive relationship with Andy Sloan, partner of The Magnes Group in Ontario, Canada. Philip Potter, Babcock’s group risk and insurance manager, presented the details of how the solution came together at the Assurex Global EMEA Regional Conference in May 2011.

Sloan also explained how this opportunity showed his firm a new way to leverage its Partnership with Assurex Global. “This sector of business is highly-technical marine engineering, and we were able to tap Griffiths & Armour’s unique expertise thereby gaining confidence in the Assurex Global system.”

Kristine Furrer and Kevin Loar at Woodruff-Sawyer & Co. in California, USA, as well as Leue & Nill in Germany have also been involved in supporting Babcock’s business.

The New Situation & Solution
In 2014 Babcock acquired Avincis, which opened an opportunity for more Assurex Global Partners. Griffiths & Armour along with Philip Potter of Babcock toured Partners within the countries affected by this acquisition. Babcock is now in discussions with the following Partners: Ribé Salat Broker Correduria de Seguros y Reaseguros, S.L.; João Mata Corretores e Consultores de Seguros; Strategica Group Srl; Servyr Courtage; Norwegian Broker AS; Optimum Insurance Consultants Oy; and Söderberg & Partners.

Results & Implications
Relationships are being built with Babcock’s local operations and its people are impressed by the Partners with whom they are working. The level of service Babcock has received from all Partner teams has been excellent, since they are very passionate but above all knowledgeable and reliable.

Through this acquisition with Avincis, Babcock’s business now has a £25 million spend and a £5 million spend on the general insurance side. It continues to grow, providing even more opportunity for Assurex Global Partners.
Several initiatives have been launched since the opening of the APAC office in 2012. The region has moved ahead in developing carrier strategies and will accomplish important milestones toward business development in 2015.

2014 Accomplishments:
- Launched the regional newsletter *Eastern Sun* with an average delivery rate of 98 percent and readership rate of 50 percent.
- Completed Australia due diligence to identify prospective Partner firm - GSA Insurance Brokers was elected as a Partner of Assurex Global, effective 1 March 2015.
- Increased the focus within the region on utilization of Assurex Global resources.
- Initiated a cooperative agreement with QBE to support the development of the trade credit line of business in the region.
- Advanced the AIG relationship with a focus on Broker Academies and development of a cyber product bundled with D&O.
- Achieved a high level of participation from non-APAC Partner firms at the 2014 APAC Regional Conference in Bali and an overall satisfaction score of 4.3 (out of 5).

2015 will mark a turning point in business development for the region with the new motto, “No victory is achieved without a team effort.” It will ensure added engagement and commitment, not only from the steering committee, but from each of the principals. 2015 will be a year in which each APAC Partner firm will be engaged as a team, through five focus groups, to achieve our goals accredited at the 2015 APAC Regional Conference in Singapore.

Business development remained a key initiative in 2014 and will remain a focus for 2015. The EMEA region continues to be a frontrunner in coordinated, Partner-initiated international business development. With active leadership and dedicated coordination, the region has made and will continue to make significant progress in developing various initiatives to drive business development. A prime recent addition to the region that will help foster new opportunity is Italy’s Strategica Group Srl.

The EMEA Regional Conference has carried on the theme of business development and encourages Partners to work together for the same goals. This conference has international appeal to all Partners of Assurex Global, and remains dedicated to growing and supporting each other to win new business.
Regional Update: Latin America / Caribbean

Regional Chairman: Pablo Lorant, LorantMMS, Seguros y Fianzas

The LAC region met twice in 2014 and continues its focus on business development, raising visibility and promoting its expertise across the Assurex Global Partnership.

Franco Fernandez & Asociados of the Dominican Republic was elected as a Partner effective 1 March 2015. Additional areas of expansion are being considered in the Caribbean to match the growing economies in that region.

Regional Update: North America

Regional Chairman: Charlie Rosson, Woodruff-Sawyer & Co.

The North America region continued to develop operational, leadership and producer development initiatives. Operationally, the region continued its commitment to the Financial Benchmark Questionnaire and report. This initiative provides each participating Partner firm with benchmarking data to determine where it stands in relation to its peers on a number of financial metrics. Further, this report forms the basis of the Financial Management Meeting held each June.

The Value Creation Initiative (VCI) is another important program that continued during 2014. Started more than seven years ago, the 24 participating firms met twice during 2014 to explore valuation trends, profitability, growing talent, performance compensation, lead generation, producer recruitment and best practices development in depth.

The 2014 North America Regional Conference focused on developing leaders and was facilitated by the Center for Creative Leadership (CCL). Based on feedback from the Partner attendees, a leadership development task force was formed to consider further development programs for Assurex Global Partner firms.

Two new Partners joined the North America region in 2014: Pritchard & Jerden of Atlanta, Georgia, USA; and Seacrest Partners of Savannah, Georgia, USA. Due diligence is currently being conducted in North Carolina, Connecticut, Minnesota and Mississippi to replace Partners that have recently been acquired in those states.

The Assurex Global Private Exchange was officially launched in 2014 with 18 of the 40 invested firms already committing to implement and market the initiative. A total of 20 groups at 10,000 lives have been enrolled on the Exchange. An effective way to understand the platform offering is to move your agency onto it. So far, six firms have enrolled their own employees on the Exchange: The Crichton Group, Harden, The Horton Group, MJ Insurance, The Rowley Agency and The Daniel & Henry Co.

Private Exchange Sales Boot Camps have become a popular and effective means for training producers and other firm members who want to learn more about the Private Exchange. There were five boot camps held across the United States in 2014 with plans to hold several more in 2015. Efforts this year will be focused on assisting additional firms in the building and launching of their Exchanges. We will also focus on the Partners that have embraced the Assurex Global Private Exchange platform as the go-to strategy for their clients, not just another tool in their toolbox. A steering committee for the Private Exchange was recently formed with the objectives of gathering Partner feedback, providing future direction, evaluating current and future products/services, and making the Assurex Global Private Exchange successful. Studies affirm a continuing interest in private exchanges among employers. We are committed to assisting our Partner firms in implementing a strategy that incorporates the Assurex Global Private Exchange.
### APAC (Asia / Pacific)

- Acclaim Insurance Brokers Pte Ltd
- AEGIS Co., Ltd. (correspondent broker)
- Asian Alliance Risk Services Taiwan
- J.B. Boda & Company Pvt. Ltd.
- Cornes & Company Limited
- Daewoo INS Korea Corp.
- Gotuaco, del Rosario Insurance Brokers, Inc.
- GSA Insurance Brokers Pty Limited
- CM Houlder Insurance Brokers Limited
- MIR Insurance Brokers
- Trafalgar International Ltd.
- Ximco Corporation

### EMEA (Europe / Middle East / Africa)

- ACECA
- AllIA Insurance Brokers n.v./s.a.
- Allrisk Leue & Nill Versicherungsmakler GmbH
- Arachas Corporate Brokers Ltd
- ASCOMA AC
- Associated Insurance Consultants
- BH Sigorta ve Reasürans Brokerligi, A.S.
- Charles Stanley Financial Solutions
- Cicor International, S.L.
- Dahlberg Assurance Brokers A/S
- Dogan Sigorta ve Reasürans Brokerligi, A.S.
- Eurobrokers S.A.
- F. Rego Corretores de Seguros, S.A.
- GEPAR
- GIB Insurance Brokers (Pty) Ltd.
- Griffiths & Armour
- Henner
- IBC Insurance Broking and Consulting SA
- João Mata Corretores e Consultores de Seguros
- Leue & Nill GmbH & Co.
- MAI Central Eastern Europe
- MAI Insurance Brokers
- Meeûs Assurantiën B.V.
- Miller Insurance Services LLP
- Norwegian Broker AS
- Optimum Insurance Consultants Oy
- Ribé Salat Broker Correduria de Seguros y Reaseguros, S.L.
- Servyr Courtage
- Söderberg & Partners
- Strategica Group Srl

### LAC (Latin America / Caribbean)

- Correcol – Corredores Colombianos de Seguros S.A.
- Franco Fernandez & Asociados, S.R.L.
- Gabel Corredores de Seguros SAC
- Interbrok Group – Adams & Porter Sociedade de Corretagem de Seguros Ltda
- Lilienfeld, Corredores de Seguros Limitada
- LorantMMS, Seguros y Fianzas
- Makler S.A.
- MaKLeR Sociedad de Corretaje de Seguros, C.A.
- Padeco Seguros
NA (North America)

Bolton & Company
Catto & Catto LLP
Celedinas Insurance Group
Fred C. Church, Inc.
Cobbs Allen
Cottingham & Butler, Inc.
Couch Braunsdorf Insurance Group, Inc.
Cragin & Pike, Inc.
The Crichton Group
The Daniel and Henry Co.
Daniels Insurance Agency, Inc.
DiBuduo & DeFendis Insurance Brokers, LLC
Early, Cassidy & Schilling, Inc.
Engle-Hambright & Davies, Inc.
Excel Insurance Group Inc.
Freisenbruch-Meyer Insurance Services Limited
Frenkel & Company
Gillis, Ellis & Baker, Inc.
The Graham Company
Harden
Haylor, Freyer & Coon, Inc.
The HDH Group, Inc.
The Horton Group, Inc.
The IMA Financial Group, Inc.
INSURICA
Kapnick Insurance Group
Kinney Pike Insurance, Inc.
Lanier Upshaw, Inc.
Lipscomb & Pitts Insurance, LLC
LMC Insurance & Risk Management, Inc.
Louisiana Companies/Querbes & Nelson
Lyons Companies
The Magnes Group, Inc.
The Mahoney Group
MJ Insurance, Inc.
Moreton & Company
Oswald Companies
Parker, Smith & Feek, Inc.
PayneWest Insurance, Inc.
Pritchard & Jerden, Inc.
R&R Insurance Services, Inc.
RCM&D
Roach Howard Smith & Barton
The Rowley Agency, Inc.
Seacrest Partners
Shaw Sabey & Associates Ltd.
Starkweather & Shepley Insurance Brokerage, Inc.
Thames Batré Insurance
The Underwriters Group
Groupe Viau, Inc.
Wedgwood Insurance
Woodruff-Sawyer & Co.
Wortham Insurance & Risk Management
OFFICERS

Bob Cawley
Chairman
RCM&D
Baltimore, Maryland, USA

Jim Hackbarth
President & CEO
Assurex Global
Columbus, Ohio, USA

Charlie Rosson
Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Jim Kapnick
Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Matt Donnelly
Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Meg Allwein
Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Tim Wiechers
Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Gautam Boda*
2013 - 2016
J.B. Boda & Company Pvt. Ltd.
Mumbai, India

Bob Cawley
2014 - 2017
RCM&D
Baltimore, Maryland, USA

Tienmann “T.C.” Chau
2013 - 2016
Ximco Corporation
Shanghai, China

Greg Collins
2012 - 2015
Parker, Smith & Feek, Inc.
Bellevue, Washington, USA

Matt Donnelly
2012 - 2015
Griffiths & Armour
Liverpool, United Kingdom

Jørn Gisvold*
2012 - 2015
Norwegian Broker A/S
Lysaker, Norway

Jim Hackbarth
2013 - 2016
Assurex Global
Columbus, Ohio, USA

Glenn Horton
2014 - 2017
The Horton Group
Chicago, Illinois, USA

Tom Hughston
2013 - 2016
Roach Howard Smith & Barton
Dallas, Texas, USA

Jim Kapnick
2013 - 2016
Kapnick Insurance Group
Southfield, Michigan, USA

Bob Klonk
2014 - 2017
Oswald Companies
Cleveland, Ohio, USA

Stefan Nill
2014 - 2017
Leue & Nill GmbH
Dortmund, Germany

Charlie Rosson*
2013 - 2016
Woodruff-Sawyer & Co.
San Francisco, California, USA

Andy Sloan
2013 - 2016
The Magnes Group, Inc.
Oakville, Ontario, Canada

Kurt Watson
2012 - 2015
The IMA Financial Group, Inc.
Wichita, Kansas, USA

*Regional Chair

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA

Chairman
RCM&D
Baltimore, Maryland, USA

President & CEO
Assurex Global
Columbus, Ohio, USA

Vice President/Chair-Elect
Woodruff-Sawyer & Co.
San Francisco, California, USA

Secretary
Kapnick Insurance Group
Southfield, Michigan, USA

Treasurer
Griffiths & Armour
Liverpool, United Kingdom

Senior Vice President/CQO/Asst. Secretary
Assurex Global
Columbus, Ohio, USA

Executive Vice President/COO/Asst. Treasurer
Assurex Global
Columbus, Ohio, USA
Other Operations

In addition to Assurex Global Corporation, Assurex Global has management responsibility for three important operations: E&O Plus/PAR, Ltd.; Assurex Development Corporation; and Assurex Global Partners, LLC. Below is an update on each operation.

E&O Plus / PAR, Ltd.

E&O Plus continues to be regarded as the premier agents’ errors and omissions program in the U.S. marketplace. Started more than 28 years ago as a Bermuda-captive company, it is the only offering Assurex Global manages that is available to non-Assurex Global firms. 2014 was a very active year for the program in a number of ways.

Assurex Global provides sales and marketing support to the program and receives a fee for these services from Fireman’s Fund. We work closely with The Council of Insurance Agents and Brokers (CIAB) to help identify quality-minded firms as potential prospects to join the program. Fireman’s Fund continues its longstanding support providing both underwriting and claims expertise. Finally, captive management services are provided through Strategic Risk Solutions (SRS) located in Bermuda.

In 2014, 16 new firms were added to the program. This is the most new business written in more than 10 years. Thirteen firms came from one national account that desired quality management services for its agencies and recognized the program’s reputation. The other three pieces of new business were Cobbs Allen, Cretcher Heartland and Sterling Risk Advisors, Inc. We were pleased to welcome Cobbs Allen back into the program after a five-year absence. E&O Plus currently supports 16 Assurex Global firms among the 63 E&O Plus insureds.

With more than $57 million in assets and Shareholder Equity of $32 million, the program continues to be well capitalized. Dividend payments to Shareholders/insureds have increased consistently since 2005. The 2014 dividend was the 11th consecutive annual payment. The program is in the midst of its annual audit, but based upon third quarter fiscal year-end results, the unaudited book value per share is $71.16.

The program lost seven Shareholders/insureds in 2014. This largely resulted from the acquisition/merger trend in 2013. Four PAR shareholders left due to acquisition/merger and three left based on the competitive pressures in the market. This is the first time in many years that the program lost insureds to competition. The E&O marketplace remains competitive nationally. Acquisition activity will not stop in the future, as these premier firms remain targets for investors. The program has a solid, coordinated and collaborative new business process that it follows to attract new firms. Since 2012, 23 new firms have joined the program with other prospects being actively pursued.

During the third quarter, Fireman’s Fund announced a merger of its operations into its parent Allianz Global Corporate & Specialty SE. While Fireman’s Fund believes that this move will only strengthen its position as a premier leader of agent and broker E&O coverage, the PAR board is undertaking due diligence in light of this announcement by looking at other potential markets, all with the purpose to protect shareholder interest.

What sets this program apart from all other providers is quality management and the program that E&O Plus has built over the 28-year history. Quality management is the proven element that differentiates this program and attracts firms to join. The Quality Management Program was developed and continues to be guided by Assurex Global, so it’s based on practical, real-world applications that help firms improve efficiencies and create a positive client interface - both of which lead to increasing account retention as well as reducing the risk of loss due to an error or omission.

For more information about the E&O Plus program, contact Tim Wiechers at +1 614-743-6066 or twiechers@assurexglobal.com, or Shawn Buicko at +1 614-429-8478 or sbuicko@assurexglobal.com.

Assurex Development Corp. (ADC)

Since its formation in 1981, ADC has provided Assurex Global Partners 102 loans worth more than $103 million. These loans were for the purpose of perpetuation, acquisition or agency automation. Huntington National Bank, a large regional bank based in Columbus, Ohio, USA, has partnered with ADC on these loans since inception of the program. The underwriting process, while thorough, is not laborious because ADC knows your business and is here to support it.

Continued—
Independence is a strong value of Assurex Global and is key within the lending activity of ADC. ADC was created to help Assurex Global Partner firms transfer ownership and to help maintain independence.

Working through independent brokers is a key strategy for some insurance carriers. There are six carrier investors of ADC who remain steadfast believers in the principle that independence makes a difference, and who strongly support the business strategies of ADC: Chubb Group of Insurance Companies, CNA Financial Corporation, The Hanover Insurance Group, The Hartford, The Travelers Companies Inc. and Unum Group.

For more information about ADC, contact Tim Wiechers at +1 614-734-6066 or twiechers@assurexglobal.com.

AGP, LLC/AGRe (AGP)

For more than 10 years, AGP has offered an alternative market solution to those Assurex Global Partners who are Shareholders of this company. AGP’s structure includes its primary subsidiary, AGRe, a Bermuda-based Class II exempted insurer registered as a segregated accounts company.

The strategy of the AGP board of directors is a commitment to measured growth of existing programs, offering new or additional alternative risk opportunities, and the creation of value for participating Shareholders. Strategic Risk Solutions (SRS) provides overall captive management expertise while also working with shareholders to identify new opportunities for growth.

During 2014, this program supported two cell programs. The first and oldest is Assurex Global Construction Risks (AGCR), which was created in 2004 as a group captive for large contractors or trade contractors. It is now in its 10th year of operation. Since the beginning, this cell program has been managed by Stuart Stagner and his team at Innovative Risk Management (IRM). Brian Ricci from IRM works closely with Stuart and the shareholders in marketing and servicing this program. Arch Insurance Company is the fronting and primary reinsurance company for the cell. Boasting 15 current clients with more than 25 potential prospects, this program has grown over the last several years to assets of almost $40 million and Shareholder Equity around $15 million. In 2014, there was nearly $15 million in gross written premium placed in the program. The program has paid out more than $6 million in dividends to participants over the last five years.

In 2010, a group of four AGP shareholders formed the Multi-Agency Captive (MAC). This cell focuses on business risks including service providers, retail, low-to-medium hazard manufacturing and wholesale/distribution - to name just a few. Participating agencies in MAC are offered risk-sharing opportunities along with competitive commissions. This cell is underwritten and reinsured by Great American Insurance Company and currently supports approximately $1 million in premium. MAC is an ideal program for an agency without access to Great American looking for an alternative market to serve client needs.

Growth opportunities for new cell activity within AGP can be found in a number of different areas. The captive is looking at the possibility of adding a subcontractor default program along with medical group and energy captive cells. Expect continued growth in and increased shareholder use of this alternative market vehicle as clients look for innovative ways to handle risk issues.

For more information about AGP, contact Brady Young, president, SRS, at +1 781-264-1398 or brady.young@srsmail.com; or Ric Mazon at +1 614-734-6076 or rmazon@assurexglobal.com.
NEW HIREs TO SUPPORT STRATEGIC PLAN INITIATIVES

As mentioned in several places throughout this report, we are pleased to announce the hiring of three vice presidents to lead the company’s strategic efforts.

Tim O’Brien, Vice President, Private Client Group, will focus on further developing the practice group. Tim joins Assurex Global from Amaden Gay Agencies, where he was managing director of its private client group. Prior to Amaden Gay, Tim was vice president and private client practice leader with Cook Maran & Associates from 2003 to 2013. His career also includes working for Atlantic Mutual, Republic and Fireman’s Fund.

John O’Connor, Vice President, Technology & Portfolio Management, will focus on further developing IT architecture and Partner support systems. John was most recently a director with TeamDynamix, a Columbus-based software company. His background also includes leadership roles with Fifth Third Bank, General Electric and GE Capital.

Michael Sapienza, Vice President, Marketing Communication, will focus on raising the visibility of the Assurex Global brand across the insurance industry. A marketing veteran, Michael’s background includes extensive work in branding development, analytics, new products, corporate communications and international markets with Wendy’s and electronic payment pioneer, CheckFree (now part of Fiserv). Most recently, Michael was focused on content marketing, sales funnel management and marketing automation tools for several B2B companies.
EXECUTIVES
Jim Hackbarth
President & CEO
jhackbarth@assurexglobal.com
+1 614-734-6060
- Oversight of overall strategic direction
- Carrier/industry relations
- Partner selection & engagement
- President, PAR, Ltd.

Tim Wiechers
EVP, Chief Operations Officer
twiechers@assurexglobal.com
+1 614-734-6066
- Oversight of Assurex Global corporate operations
- Financial strategy of Assurex Global and other entities
- Oversight of Operational Benchmarking Report
- Management and oversight of PAR, Ltd., ADC and AGP, LLC
- North America Regional Conference
- Financial Management Meeting
- VCI

Meg Allwein
SVP, Chief Quality Officer
mallwein@assurexglobal.com
+1 614-734-6058
- Oversight of all regions
- Global Conference
- Oversight of communication
- Partner selection process
- Partnership model
- Partner evaluations

SANGEETA SAWANT
VP, APAC Region
sangeeta.s@jbbodamail.com
+91 22 6631 4854
- Supports APAC region
- APAC Regional Conference
- International business development coordination

CRYSTAL STOKES
EMEA Regional Manager
crystal@assurexglobal.com
+44 (0) 1277-264846
- Supports EMEA region initiatives
- EMEA Regional Conference
- International business development coordination

ADMINISTRATION
Lois Beverly
Executive Assistant
lbeverly@assurexglobal.com
+1 614-734-6064
- Support staff to CEO, EVP and VP, Private Client Group
- Data collection

SARA HILDE
Account Coordinator
shilde@assurexglobal.com
+1 614-734-6061
- Support staff to several members of management team
- Provider coordinator
- EB compliance webinars

COMMUNICATION
Michael Sapienza
VP, Marketing Communication
msapienza@assurexglobal.com
+1 614-734-6068
- Branding initiative
- Content marketing program
- Oversight of communication
- Branding & Communication Meeting

Caitlin Mogan
Communication Coordinator
cmogan@assurexglobal.com
+1 614-726-4199
- Corporate communication
- Website development and maintenance
- Promotions and meeting collateral
EM PLOYEE BENEFITS

John Clark
SVP, Benefits Practice Leader
jclark@assurexglobal.com
+1 614-734-6063
- Assurex Global Private Exchange
- Employee benefits team management
- Oversight of employee benefits carrier relations

Mike Mack
VP, Benefits Practice
mmack@assurexglobal.com
+1 614-787-6019
- Employee benefits carrier, vendor and provider relations
- Employee Benefits Meeting
- Wellness Meeting
- EB study group coordination

FINANCE

David Beckstedt
Director of Finance
dbeckstedt@assurexglobal.com
+1 614-793-1203
- Financial manager for Assurex Global and other entities
- Financial review and underwriting of ADC loans
- Operational Benchmarking Report
- Project management

Mary Milton
E&O Plus (PAR, Ltd.) & Accounting Assistant
mmilton@assurexglobal.com
+1 614-734-6067
- Accounts payable and receivable
- E&O Plus support

MEETINGS

Maggie Johnston
Director of Meetings
mjohnston@assurexglobal.com
+1 614-734-6059
- Meeting planning and logistics
- Loss Control & Claims Meeting agenda

Angela Harper
Meeting & Event Assistant
aharper@assurexglobal.com
+1 614-793-2325
- Assists with meeting planning and logistics
- Meeting registration

PAR, LTD. / E&O PLUS

Jan Brownlee
E&O Plus (PAR, Ltd.) Account Manager
jbrownlee@assurexglobal.com
+1 614-734-6071
- E&O Plus
- E&O Plus Quality Management Seminar

PRACTICE GROUPS

Tim O’Brien
VP, Private Client Group
tobrien@assurexglobal.com
+1 614-726-4198
- Oversees and manages the Private Client Practice Group
- Carrier management

TECHNOLOGY

John O’Connor
VP, Technology & Portfolio Management
joconnor@assurexglobal.com
+1 614-734-6072
- Data analytics
- Technology strategy
- Information Technology Meeting

Jim Haun
VP, Technology Support Services
jhaun@assurexglobal.com
+1 614-734-6065
- Information technology infrastructure
- Passport system

Rachel Saksa
Director of Business Technology
rsaksa@assurexglobal.com
+1 614-734-6069
- Passport upgrade implementation
- Community website project manager
- Partner engagement reports
- CRM implementation
About Assurex Global

Founded in 1954, Assurex Global is an exclusive Partnership of the most prominent independent agents and brokers in the world.

With $29 billion in annual premium volume and more than 600 Partner offices, Assurex Global is the world’s largest privately held commercial insurance, risk management and employee benefits brokerage group.

An international insurance powerhouse, the Partnership combines the local expertise and global reach of international brokers on six continents.