

2021 YEAR IN REVIEW

OUR MISSION

To manage risk for our Clients. To build a rewarding environment for our Colleagues. To produce an acceptable return for our Shareholders.

OUR CORE VALUES



Integrity.

Trust forms the foundation of relationships and strengthens our **INSURICA Community**.



Innovation.

Ingenuity is the competitive advantage securing the future of our **INSURICA Community**.



Purpose.

Passion transforms ordinary into extraordinary and delights our **INSURICA Community**.

INSURICA colleagues consistently strive to uphold the agency's Mission and Core Values statements.

By creating a corporate culture based on ethical behavior in the marketplace and fun in the workplace, INSURICA has been recognized many times as both a Best Practices Agency and a Best Places to Work employer. In 2019, leading insurance industry publication *Rough Notes* named INSURICA Agency of the Year.



Letter from the CEO

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We are pleased to present this Year-in-Review to the INSURICA community – our clients, our colleagues, and our carrier partners.

Because we haven't published a report like this in a few years, we're going a little further back than 2021. As we all know, life as we knew it changed dramatically in early 2020 when a global pandemic required everyone to adjust to a new normal.

Most businesses suddenly found themselves in survival mode. But truly innovative companies knew they had a better chance at keeping their enterprise moving forward in unprecedented times.

Being innovative does not happen overnight. Innovation is about culture and building the necessary "muscle" to respond in trying times. I'm grateful that INSURICA made the commitment years ago to be a company that practiced innovation. That dedication, I believe, helped us get through the most difficult part of the pandemic. That got me thinking about INSURICA's Core Values.

Earlier this year, we introduced to our INSURICA colleagues a refreshed set of core values — adding INNOVATION to the triad of INTEGRITY, INNOVATION, and PURPOSE.

This Year-in-Review seeks to highlight INSURICA's Core Values by telling the stories that demonstrate our values in action through exceptional service to our clients, our colleagues, and our carrier partners.

I hope you will find the INSURICA story as compelling as I do, and I look forward to our bright future together.

Sincerely,

Mike Ross
President and CEO
INSURICA

INTEGRITY. INNOVATION. PURPOSE.

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2022: LOOKING AHEAD

INTEGRITY. (TRUST)



Integrity: INSURICA Community Are “Students of the Game”



It's not only the greatest of INSURICA's Core Values, but it may also be the most important value in life outside of the office.

When integrity is part of the equation, its presence is felt more in the background. But when it's gone... when trust is broken... its absence tends to overtake a relationship negatively.

There are many quotations in literature that say integrity takes a long time to build but can be lost in an instant. One bad decision. One poor choice. Back to square one in building trust.

So, when it comes to establishing and maintaining a reputation for integrity, it all boils down to courage. INSURICAns must have the courage to do the right thing in all situations, large and small. Making courage a habit is a key to building personal integrity and trust in our community of clients, colleagues, and carriers.

We want our community to look upon INSURICA as a company that has, and values, integrity. That can only be achieved when every INSURICAn is courageous

WE WANT OUR COMMUNITY TO LOOK UPON INSURICA AS A COMPANY THAT HAS, AND VALUES, INTEGRITY. THAT CAN ONLY BE ACHIEVED WHEN EVERY INSURICAN IS COURAGEOUS AND CHOOSES THE HONEST PATH.

and chooses the honest path. INSURICA's integrity is the sum of all its colleagues' individual integrity.

But what exactly does courage look like in our daily interactions with our community?

Imagine a typical weekday, where more than 650 INSURICAns are working away, doing what INSURICAns do. At any given moment, there are dozens of people making the courageous choice to:

- Submit accurate information to an underwriter
- Return an overpayment to a carrier partner or a client

- Be professional when speaking with an adjuster
- Hire the best person for the open position
- Learn from a mistake
- Stay vigilant with a service calendar
- Share expertise unselfishly

The point is, integrity is fragile. The way to build and keep integrity and trust is to have the courage to do the right thing in every little or big moment of truth INSURICAns face daily.

Integrity is one of INSURICA's three Core Values because trust is the foundation upon which success is built.

INSURICA University is new. But for INSURICAns, being a “student of the game” is certainly not a new thing. Learning, growing, becoming the best professional a person can be... This ethos is part of the very fabric of who INSURICAns are and have been for decades.

About 20 years ago, a couple of our very best teachers — recently-retired Executive Vice President Gary Jarmon and the effervescent Bobbie Duke — started a lunch bunch group of like-minded eager learners called “coverage nuts.” Coverage nuts are people who love learning about the extremely important contract language (that constantly changes, as INSURICAns know) that makes up the insurance policies we sell. As INSURICA has grown remarkably over the past 20 years, we learned that similar groups of “coverage nuts” were being intentional about digging deeper into the craft and staying abreast of all the various changes typical of our profession.

Almost two years ago, Executive Vice President Ed Young recognized that a lot of learning, training, and development

was happening all across the INSURICA community – and pulled together a group of key learning leaders to simply “inventory” all that was going on. To no one’s surprise, there was indeed a lot. Leadership began to organize around the idea of “university,” borrowing concepts and ideas from what people recognize in the world of higher learning.

In 2021, INSURICA University was officially launched. That group of leaders became known as the “Board of Regents.” They set up different “colleges” (like the one shown below) and named “deans” of each college to lead the different areas of learning.

Also remarkable in 2021 was the hiring of Cecily Thomas, INSURICA’s very first INSURICA University Assistant. She hit the ground running and has dramatically helped accelerate INSURICA University’s progress.

Keep an eye open for the great things that are happening – and join the exciting movement within the INSURICA Community of being a “student of the game.”



INSURICA UNIVERSITY



Cecily Thomas, INSURICA University Coordinator



INSURICA
UNIVERSITY

Organization Chart

PROVOST

College of **SYSTEMS AND TECHNICAL APPLICATIONS**

Training that is focused on some of the software platforms we use like: EPIC, Paycom, Salesforce, Power BI, Microsoft Teams, etc.

College of **SALES DEVELOPMENT**

Exclusively for producers. This is training to help producers become better at their craft. IncitePG, Sales Conferences, Networking, Tips, Techniques, etc.

College of **INSURANCE CONTRACTS AND CONCEPTS**

INSURICAns engaged with serving customers – producers and operations specialists alike – work with insurance contracts. Must be Students of the Game in this area to better serve our clients and avoid E&O.

College of **LEADERSHIP AND PROFESSIONAL DEVELOPMENT**

As the title suggests, this “college” would focus on preparing our current and emerging leaders, helping all colleagues refine the soft skills necessary to be successful. Assets include Toastmasters, Internal Coaching, Right Now Media.

INNOVATION. (INGENUITY)



***Innovation:* Data as a Weapon with Janet and Luke**

To innovate successfully, you must first build a framework for measuring your efforts. Evaluating data is essential for companies to push the needle forward in their industry and beyond. Data is used to make informed business decisions about a company's present status and future direction.

When INSURICA collects data, we use it not only as a tool but as a weapon. We must know what data we have and how to present them in a format that makes sense to our consumers. We also source external public data that will benefit INSURICA. This strategy enables us to assess our colleagues' productivity and measure our performance as an insurance broker and gives INSURICA an advantage over its competitors.

It's a big job, but Director of Data Analytics Janet Yem and Data Scientist Luke Reese enjoy what they do. They work every day on the front lines to protect and manage INSURICA's data. The data team has made significant strides during the last two years. Janet and Luke shared their stories.

Q: Did the COVID-19 pandemic change the way the data team works?

A: Fortunately, the COVID-19 pandemic has not directly affected the way the data team operates. Instead of speaking across our cubicles, we use Microsoft Teams chat to discuss and collaborate.

When INSURICA began allowing employees to work from home, it created a need for branch offices to manage work effort differently. The ability to use data as a management and strategic decision-making tool became a top priority.

Q. What are some of the big projects your team worked on in 2021?

A. In 2021, we moved from Qlik to Power BI. The licensing model for Power BI allows us to add users easily and more affordably. Once we have more users using Power BI, the demand for more data dashboards has also increased as our users can see how this tool can help them get what they need without having to run reports manually. With Power BI, we can also ensure that everyone is using accurate and consistent

“WE BELIEVE THAT DATA IS ACCESSIBLE TO THOSE WHO KNOW WHERE TO LOOK, AND THAT DATA IS UNQUESTIONABLY A WEAPON IN THE HANDS OF THOSE WHO UNDERSTAND HOW TO UTILIZE IT.”

data. Some of the reports that are used heavily are books of business, production, and production analysis. If you look at the chart below, you could see between the months of May to December, we have almost doubled the number of users for Power BI. The usage of these reports has also increased. We know we will be adding more users in 2022 and we will continue to enhance our reports based on our users' feedback.

INSURICA has developed an internal tool, utilizing Power BI, to generate a report called “SafeFleet”. Kevin Riley, Safety & Risk Consultant from our Tyler office, who is an expert in transportation, says that this allows the risk management team, account executives, producers, and marketing to gain easy access to an insured or prospects data as it relates to any available

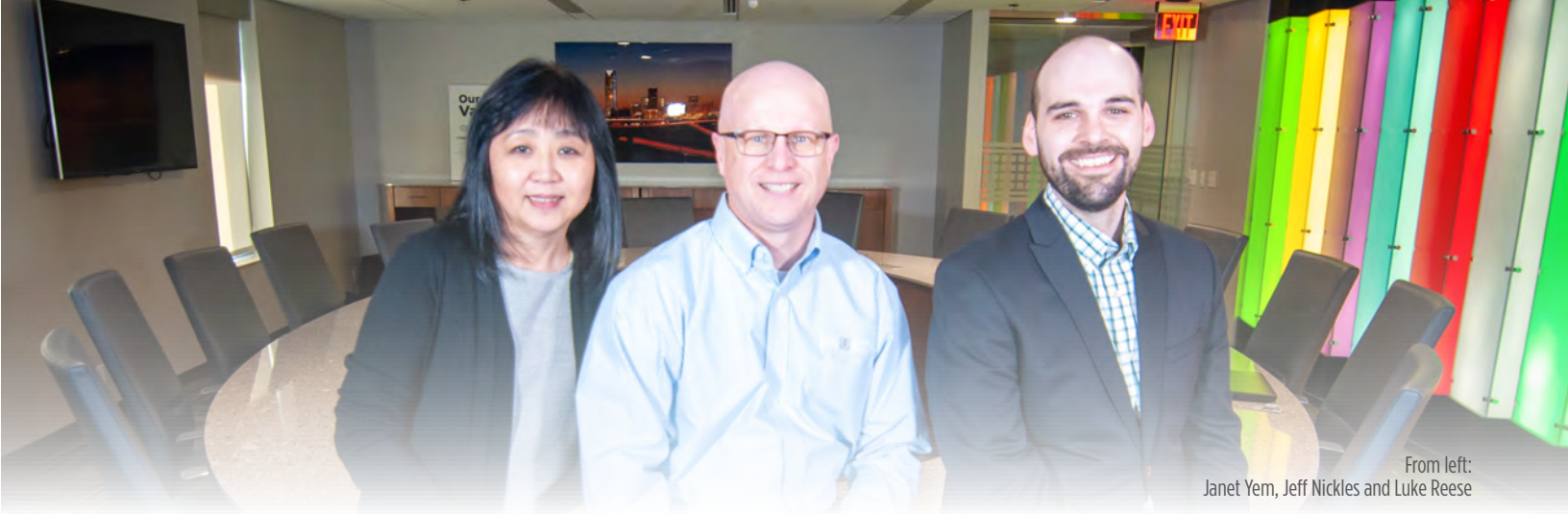
data associated with the motor carrier's regulated activity.

This report not only allows an insured to track monthly changes and identify potential trends in a timely manner, but it also becomes a tool that keeps INSURICA in constant contact while relaying important information. If used appropriately, the data-driven report is an excellent way to remain relevant and in tune with the issues that are without a doubt driving current insurance pricing. Our producers can also use this as a prospecting tool.

We also want to highlight how Kevin Wellfare, Vice President, Agency and Brand Development, has been using the data in Power BI to help him drill down into our industry segments, lines per office, and key offices/producers within each segment and identify some key take-aways for emphasis in 2022. Now that INSURICA has

better data quality and the right tools, we can use data as a weapon in our efforts to work systematically with our carriers to find opportunities. This ability creates an even deeper relationship with our trading partners and shines a light on INSURICA as an innovation-forward agency.

Bob Turner, who is the marketing manager for Tulsa and the marketing associate for Global Express Underwrites (GEU), uses NAICS codes and GL Class codes in the book of business Power BI report to research a variety of data to help him find markets. Bob believes that by using the GEU program to find the right fit for the Tulsa branch, he will be able to increase commission percentages from 8-10% to 12.5-15%. This is a win for INSURICA and GEU. If all goes well, this will increase Tulsa's revenue for 2022 by \$350,000.



From left:
Janet Yem, Jeff Nickles and Luke Reese

Besides Power BI, we created a software application for our Bakersfield office to help them report on workers compensation claims easily to their clients. Jeremy Hearron, Strategic Resource Services Manager for INSURICA says this is vital because it allows him and his team to formulate a plan for each claim and then allows the client to hold us responsible for that plan. The other part of the program allows us to report on their OSHA 300 logs. With both initiatives, we can show our clients that we are dedicated to them in both small and large ways.

Q. How do you interact with your data users?

A. It takes a collaborative effort to get the data we created to be pushed out. Our data users are what we like to refer to as champions. We value the feedback we receive from our champions and are always ready to help improve the way the data is presented. We couldn't agree more with Kevin Riley that "data is available to those who know where to seek it out, and data is most certainly a weapon for those who know how to use it!"



IT Help Desk Analyst Herman Williams in action working to protect the security of INSURICA's network systems.

INSURICA IT HEROES

Russ Sullins	Director of Information Technology
Tim Hedrick	Help Desk Analyst
Steven Hopkins	Sr. Systems Administrator
Joe James	IT Security Analyst
Ariel Perez	Senior Help Desk Analyst
Mike Reed	Systems Administrator
Jamaal West	Help Desk Analyst
Herman Williams	Help Desk Analyst



INNOVATION: IT and the Journey to Work from Anywhere

The COVID-19 pandemic changed our way of life, including how we worked. Businesses around the country have shared their stories of how they've had to balance the health and safety of their employees and customers while also ensuring that their operations ran as smoothly as possible. Working from anywhere is one strategy INSURICA examined to help slow down the spread of the virus, while still delivering high-level brokerage services. In its infancy, INSURICA did not realize at the time that this forward-thinking approach, backed by the expertise of the IT department, would prove to be a game-changer for the company's workflow in the long run.

Russ Sullins, INSURICA's Director of Information Technology, has worked for the company for five years. He says that working remotely for his team was not a novel concept. It's common for IT workers to work from anywhere. The challenge was getting people from other departments who were used to coming into the office for most or all of their work lives to successfully make the transition.

Sullins describes the process of setting up every INSURICA colleague to work remotely as "herculean." The IT team is based in Oklahoma City, so ensuring that all INSURICA colleagues at every branch were prepared for the new workflow wasn't a simple task.

During the early stages of the transition, the IT department handled 7,000 calls in a month to help streamline the new workflow process. Sullins says his team also had to borrow computers until backordered supplies were delivered. Our colleagues at American Fidelity graciously loaned INSURICA dozens of laptops.

Sullins and his team express gratitude for everyone's patience and support as INSURICA transitioned into the new workflow. Sullins says one of the IT department's primary goals for 2022 will be to keep going the extra mile to improve and protect the security of INSURICA's network systems.

2021 BY THE NUMBERS

Sales and Financial Performance (2020⇒2021 projected)

Gross Revenues = **\$125M** ⇒ **\$143M** = **14%** Growth 

Growth Breakdown = **14%**  total with (**6.5%** from Acquisitions and **7.5%** Organic)

EBITDA = **\$22M** ⇒ **\$25M** = **14%** Growth 



New Business = **\$10.2M** ⇒ **\$10.4M**

225 X 25

INSURICA's Growth Vision

225 X 25 = **\$225M** in revenues by **2025**


Total INSURICA colleagues EOY 2020:

615 



INSURICA established an internal Diversity and Inclusion initiative at the beginning of 2021 named "U Belong". This program is led by a leadership task force with representatives from across our organization and executive management sponsorship.

Total INSURICA colleagues EOY 2021:

 **680**

 **\$8M**

INSURICA's 'digital distribution' division is now generating approximately \$8M in annual revenues. We took steps in 2021 to move closer to our goal of becoming the insurance and risk management 'one-stop shop' for small business owners. We provide commercial P&C insurance solutions to small businesses through INSURICA Express, and we provide life & health insurance solutions to small business owners and individuals through the INSURICA-owned entity, Broker Source. Our goal is to add personal insurance solutions for the business owners. All transactions through this division are completed digitally.



Marketing in 2021:



Total Podcasts
30

Total Blog Posts
109

Total Website Traffic:
94,024

PURPOSE. (PASSION)



Purpose: The Evans Agency Helps Shape the Future of INSURICA

INSURICA's network and community continue to expand at new heights. Our newest partnership with the Evans Agency represents a historic moment for the company: our very first footprint east of the Mississippi River. Maurice Evans, the CEO, and Reginald "Reggie" Thompson, the COO, lead the minority-owned firm, which was founded in 2016. The agency has grown to seven colleagues and earned \$1 million in revenue since then, with offices in Jackson, Mississippi, Quincy, Florida, and Birmingham, Alabama. Our partnership with the Evans Agency was finalized in October 2021.

Maurice and Reggie, along with their team, provide proven and valuable expertise in several key areas, including insurance and risk management consulting for municipalities, a deep understanding of "minority business enterprise" opportunities in the public entity bidding programs, and exceptional construction insurance and surety knowledge.

"Maurice and Reggie are true students of the game, and we are eager to complement their expertise with valuable resources, collaboration, and market access. This is just the first step in the expansion of the INSURICA community with minority-owned agency partnerships. The Evans Agency will ideally serve as a foundation and a bridge to prospects for cooperation and/or acquisition with other minority-owned businesses." — Mike Ross, CEO of INSURICA



From left: Reginald Thompson, Mike Ross, and Maurice Evans

"This is just the first step in the expansion of the INSURICA community with minority-owned agency partnerships. The Evans Agency will ideally serve as a foundation and a bridge to prospects for cooperation and/or acquisition with other minority-owned businesses." — Mike Ross, CEO of INSURICA

The Evans Agency says its founding vision is to be a best-in-class commercial insurance agency whose leadership reflects a diverse community with the capacity to serve clients both large and small. The agency's vision is directly aligned with that of INSURICA's.

From Maurice: "We have an opportunity to be the bridge that unites diversity and inclusion with excellence, in an industry that so desperately needs it," said Maurice Evans, CEO and President of the Evans Agency. With INSURICA, we can now make it become what it should be. We are honored and excited to join the INSURICA team."

From Reggie: "I'm excited to have a partner in INSURICA that has the technical capabilities and leadership that will allow us to realize the fullest potential of our agency and staff," said Reggie Thompson, Chief Operating Officer of the Evans Agency. "I realized on the first video call that the Evans Agency and INSURICA had a shared value system and commitment to our clients. We believe that our partnership will show the industry that people from diverse backgrounds can thrive in the industry. We hope to use our experience to bring value to the INSURICA family."

In the years ahead, we look forward to working with the Evans Agency to help us grow as a company and become even stronger.



INSURICA 2021 SERVANT LEADER *snapshots*

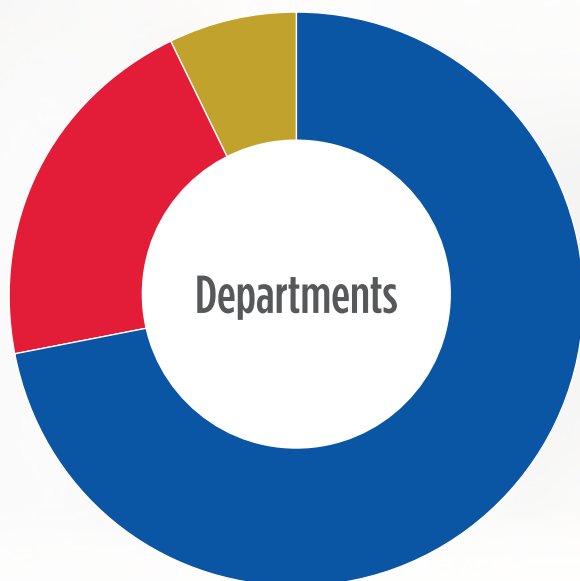
PURPOSE: INSURICA COMMUNITY SERVES WITH PASSION



Photo 1: Oklahoma City, OK — OKC Memorial Marathon **2:** Phoenix, AZ — Save the Family **3:** San Antonio, TX — SA 5K **4:** Arlington, TX — Habitat for Humanity **5:** Phoenix, AZ — Backpacks for Kids **6:** Tyler, TX — Salvation Army **7:** Tyler, TX — Salvation Army **8:** Arlington, TX — Habitat for Humanity **9:** Arlington, TX — Habitat for Humanity **10:** Amarillo, TX — Ronald McDonald House Charities

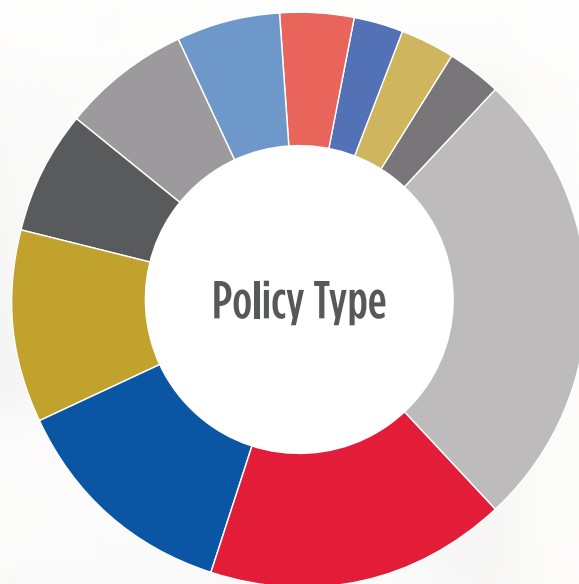


INSURICA'S PRODUCT *Distribution*



72%	Commercial Lines
21%	Employee Benefits
7%	Personal Insurance

17%	Property
13%	General Liability
11%	Auto
7%	Worker's Compensation
7%	Group Health Fully Insured
6%	Inland Marine
4%	Umbrella Liability
3%	Package
3%	Professional Liability
3%	Group Health
26%	Other*



INSURICA Now

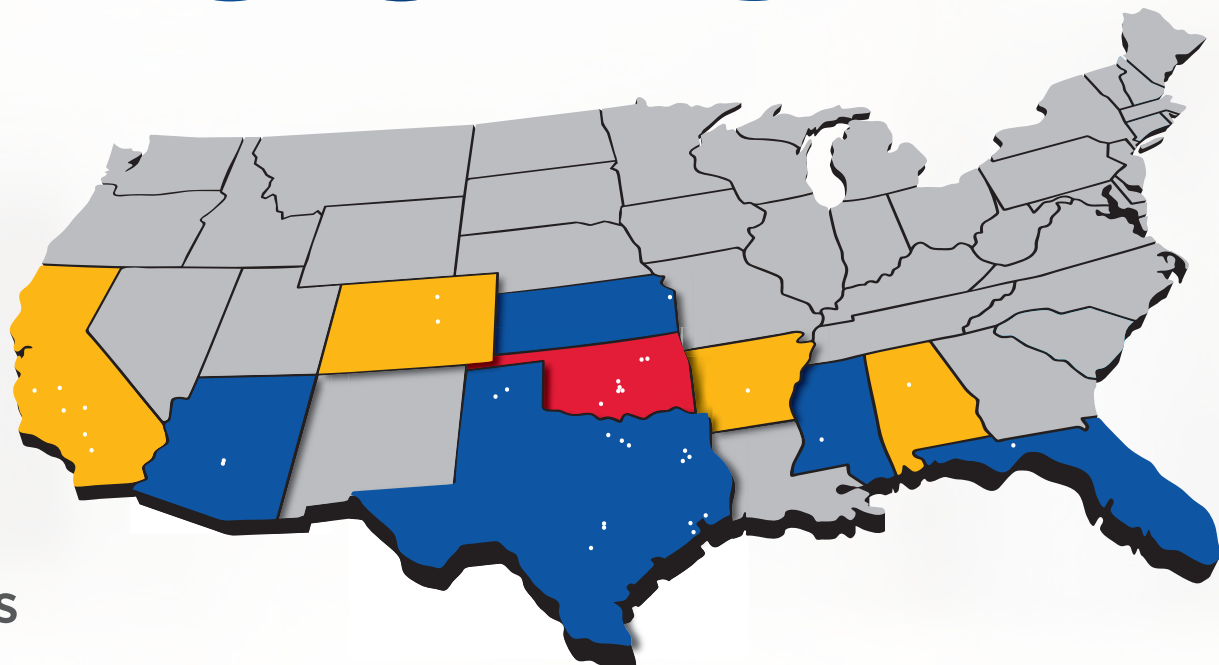
COAST TO COAST

10

States

36

Locations



Our New Partners:

4

ACQUISITIONS/ FOLD-INS

OK and TX with total
(pro-forma) annual
revenues of \$5.9M

3

BOOK PURCHASES

OK, TX and CA with
total pro-forma annual
revenues of \$2.3M

1

PRODUCER LIFT-OUT

with estimated
revenues of \$1M

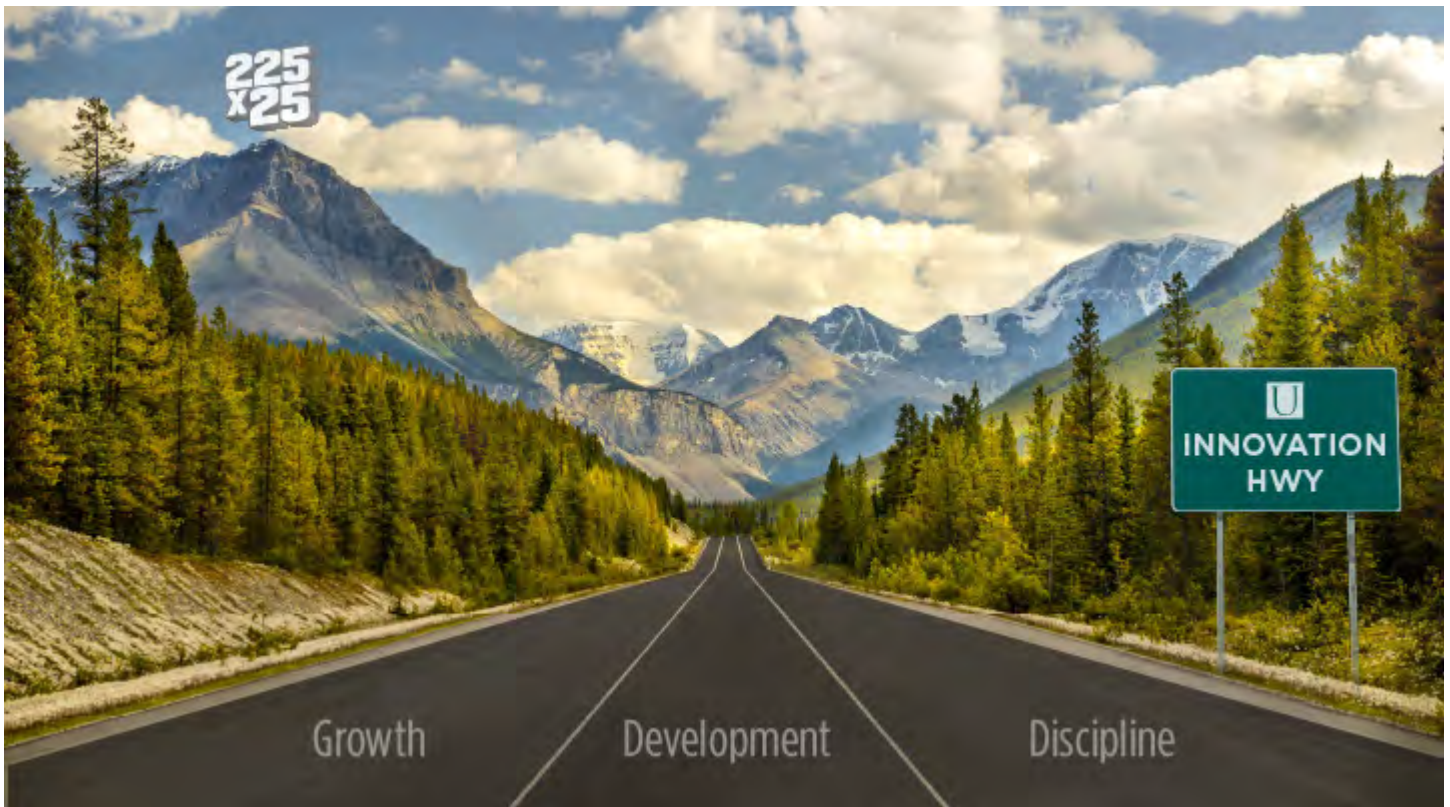
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NEW PARTNERSHIP

with \$1M in
annual revenues

LOOKING *AHEAD*

INTEGRITY. INNOVATION. PURPOSE.



To say the past two pandemic years have been unprecedented would be a huge understatement. It's fair to say that every facet of our community experienced change and challenges like never before.

Yet, in the face of those challenges, INSURICA found strength and not only a way through these difficulties but also INSURICA found a way to grow through it all. The company had a record year in

2020, and found a way to top that historic year with an even better 2021.

Amid the turmoil was born a new mantra: 225 x 25 – which stands for a company goal of reaching \$225 million dollars in gross revenue by the end of the year 2025. Ironically, the momentum created during the Covid-19 Pandemic will propel INSURICA to that goal.

Beyond the increased sales, the acquisitions, and the efficiencies of the past two years is the embracing of a

new Core Value – Innovation. It will be innovation that fuels the growth and profitability of the next three years.

INSURICAns remain optimistic about our future. We remain committed to serving the needs of our INSURICA Community – our clients, our colleagues, our company, and our carrier partners. We look forward to welcoming new community members as we grow and celebrating the many victories along the way.

2021 YEAR IN REVIEW



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