

WATSON AND THE AMAZING TECHNO-SAVVY DREAM COAT

IBM's supercomputer will change medical care forever.



LEADER'S EDGE

[THE FAMOUS WHO CLAIM US]

Comedian Steve Harvey

INSURANCE IS A GAME for a fast-talking entrepreneurial kind of guy, usually with a heart of gold.

Gifted with all those qualities, comedian Steve Harvey burst out of the insurance business in 1985, the day after he won an amateur standup contest at a comedy club in Akron, Ohio. The next day, he printed up business cards that said: "Steve Harvey, Comedian," and he quit his sales job.

"My boss said, 'What are you talking about?'" Harvey later told *People* magazine. "You're not even funny! You'll never make it."

But Harvey, whose worth is now estimated at \$85 million, did make it, as a standup comic ("The New Kings of Comedy"), as a sitcom star ("The Steve Harvey Show") and as a television host of "Showtime at the Apollo" and now "Family Feud."

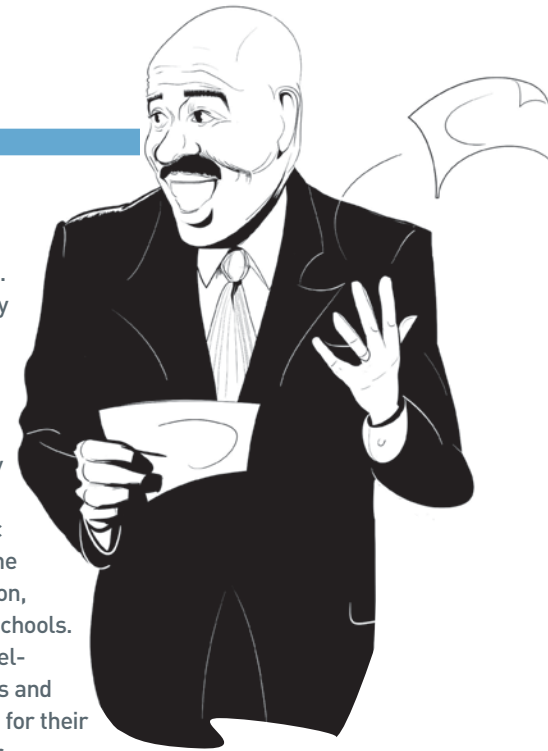
He also has a daily radio show, "The Steve Harvey Show," that is one part hilarious and one part inspirational.

The youngest of five children of a coal-mining family from Welch, W.Va., Harvey grew up in a Cleveland ghetto. In high school, he was voted "Most Difficult," largely for seeming anti-social. He went on to study at West Virginia University, then took a job as an assembly-line inspector at a Ford factory near Cleveland. At night, he haunted local bars to hustle rubes

with three-card monte. Laid off in 1981, Harvey worked selling pet products, carpets and finally insurance.

And like any great insurance man, Harvey gives back. He runs a variety of philanthropic programs, including The Steve Harvey Foundation, which benefits public schools. His "Hoodie Awards" celebrate local businesses and religious organizations for their efforts to improve their communities.

Along with other celebrities, he has instituted mentoring weekends for young adult African-Americans in various cities across the nation. A major supporter of that program, as well as much of his work, is an enthusiastic State Farm Insurance.



[BROKER NEWS]

ALLIANT INSURANCE SERVICES

Katie Knowles joins

subsidiary T&H Brokers Group as SVP based in White Plains, N.Y. She will target

high-net-worth individuals in the entertainment industry. www.alliantinsurance.com

AON

Moving corporate HQ from Chicago to London upon shareholder approval. Move intended to expand global growth, particularly in emerging markets. No staff reductions planned, though 750 staffers will move from Chicago to other U.S. locations. Aon plans to add 1,000 other positions in the U.S. Chicago will still be HQ for the Americas. Will change incorporation from Delaware to England. Expects to see significant reduction in global effective tax rate. Transfer expected to close in Q2. >> Chris Lee-Smith named COO

of Aon Risk Solutions' U.K. retail business based in London. He replaces Tom Tinkler, who was promoted to CEO of Aon's affinity business. >> Aon Benfield has promoted Henry To to non-executive chairman of that region. Stephen Warwick succeeds To as CEO. Both are based in Hong Kong. www.aon.com

ARTHUR J. GALLAGHER

Acquires Riley & Associates, a p-c retail brokerage in South Carolina. Russell Parker and staff will continue in Mt. Pleasant office under

Industry Execs Bare It in Vegas

EIGHT EXECUTIVES, sponsored under wholesale brokerage AmWINS' "Expired Coverage" team, had their heads shaved clean bald in front of a cheering crowd in Las Vegas recently. The fundraiser for St. Baldrick's Foundation to fight childhood cancers raised more than \$700,000, making it the single-highest fundraising event in St. Baldrick's history. The team was comprised of David Bresnahan, president, Lexington; Dave Leonard, president, RSUI Group; Eduardo Lucena, CEO, Colemont Brazil; Frank Murphy, Group CEO, THB Group; James Drinkwater, president, Brokerage Division at AmWINS; John Charman, CEO, Axis Capital; Scott Carmilani, CEO, Allied World Assurance Co.; and Skip Cooper, president, AmWINS (not pictured in order).



[TICKER TRENDS]

GLOBAL CATASTROPHES in 2011 created a "two-speed" insurance market: Businesses in affected areas have seen premium increases while reductions are available in unaffected regions.—Marsh

72% OF P-C INSURANCE EXECUTIVES think the industry is on the road to recovery and expect improvement in commercial lines profits, although 55% say they don't think workers comp lines will do better. 67% predict premium growth, but 31% aren't as optimistic, saying they expect another year of flat premiums.—I.I.I.

direction of Mitchel Brashier, Southeast regional manager of Gallagher's retail p-c operation. >> Expands upstate New York presence with purchase of Capital Bauer Insurance Agency. David Bauer and team will remain in Albany location and be under direction of Douglas Brown, Northeast regional manager of Gallagher's retail p-c operation. www.ajg.com

ASSURED PARTNERS

Acquires Dawson Cos. Deal includes Dawson Insurance, Dawson of Florida, Dawson Consulting Group, Group Benefits Agency and Dawson Mid-Atlantic. Michael Sherman, CEO of Dawson, will serve on the board of AssuredPartners and lead the units in northern Ohio, Florida and the Mid-Atlantic. Operations at Dawson remain under current names and locations. www.assuredptr.com

BB&T

Agrees to buy life and p-c division of Crump Group for \$570 million in cash. Deal, which includes rights to Crump name, will double BB&T's wholesale business and make BB&T the nation's largest wholesale brokerage. John Howard, Crump Group's president and CEO, will join BB&T in a senior leadership role reporting

to Wade Reece. Brian Winikoff, president of Crump Life Insurance Services, will remain in his position. Dave Obenauer, president of Crump Property & Casualty Services, will lead integration with BB&T's wholesale and p-c unit. Both Winikoff and Obenauer will continue to report to Howard. Acensus, Crump's retirement services division, isn't part of the sale. www.bbt.com

BMS GROUP

Opens office in New York. CEO Carl Beardmore will be based there, and EVP Larry Cantwell will be lead producer in the new office, which is designed to be a hub for all BMS markets. The brokerage is also moving servicing of all reinsurance accounts to Minneapolis. www.bmsgroup.com

BOLLINGER

Has acquired Absolute Resource Solutions, an employee benefits program provider and consultancy in Flanders and Kenilworth, N.J. Principals John Kirkpatrick and Eric Thieringer join as SVPs with their staffs. >> Bolsters new professional liability division with purchase of Argent Professional Insurance Agency in Warren, N.J. Bollinger previously bought The Woodland Group and Allied Insurance Services, both

having professional liability expertise. www.bollingerinsurance.com

BROWN & BROWN

President and CEO J. Powell Brown, 44, has taken a temporary leave of absence for health reasons. His father, J. Hyatt Brown, will assume leadership duties during his absence. >> Tony Strianese promoted to regional president. He oversees Wholesale Brokerage Division, including Decus Insurance Brokers, as well as Brown & Brown's public entity

operations in Georgia, Texas and Virginia. www.bbinsurance.com

CHS

Subsidiary Ag States Group has promoted Keith Illa to president, succeeding Corwin Tuft. www.chsinc.com

CRG INSURANCE SERVICES

Rusty Hughes promoted to head of Professional Liability Department in Birmingham, Ala. www.crcins.com

CRUMP

Joins ProspX technol-

ogy platform. Begins using electronic marketing product to deliver custom insurance-industry, line-of-business, and carrier-specific news to agents and brokers. www.crumpins.com

EPIC

EPIC Programs Group expands coverage under newest program for pizza restaurants and delivery operations. "SLICE" (safety, loss control, insurance coverage and expertise) now includes commercial excess liability. Limits from \$1 mil-

lion to \$10 million. www.edgewoodins.com

EXCEPTIONAL RISK ADVISORS

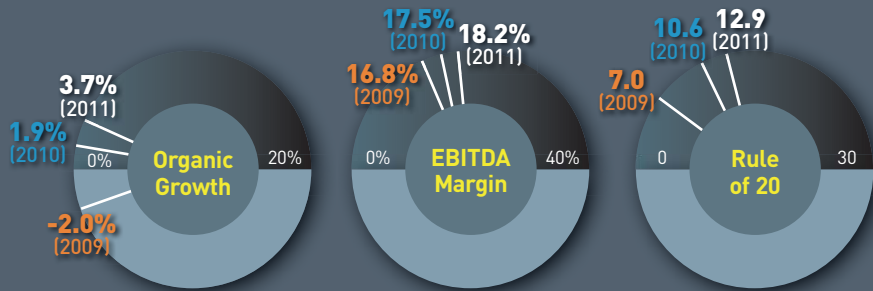
Chris Lack joins the Lloyd's MGU in New Jersey as head of sports and entertainment division. www.exceptionalriskadvisors.com

SSTAR SPECIALTY PROGRAMS

Announces new market for business auto program, with coverage for more classes, including wholesale distributors; retail locations that deliver appliances, baked goods, furniture and

VALUE CREATION DASHBOARD

2011 Results Mark Second Straight Year of Improvement



- > Industry organic growth continued its steady rise in 2011, standing at 3.7%, up from 1.9% in 2010. Only 1 in 5 firms reported negative organic growth in 2011, a stark contrast from two years ago when 65% of firms were "in the red" from a growth perspective.
- > Profitability (measured by EBITDA margin) improved by 0.7 percentage points in 2011 (the same step up as 2010), finishing the year at 18.2%.
- > Though growth and profitability results aren't high by historical standards, the consistent improvement has driven shareholder returns steadily upward: The Rule of 20, a blended score of a brokerage's organic growth rate plus 1/2 of its profit margin, is designed to provide a quick benchmark for shareholder returns. The median Rule of 20 score increased by more than 20% in 2011.

Source: Data are provided by Reagan Consulting's quarterly Organic Growth & Profitability Survey of large insurance agents and brokers (median annual revenue for firms participating in the Q4 2011 survey is \$14 million).



Contact Reagan Consulting (www.reaganconsulting.com) to participate in future surveys and for customized analysis.

EMERGING RISKS for 2012 include some that have flown below the radar. Hydraulic fracking, an energy process that pumps water underground to extract natural gas, may create earthquake risk as well as environmental risks. Workers compensation in service professions that treat the obese is also listed, as is quantifying potential losses from business interruption and supply chain risks.—WillisWire

[BROKER NEWS]

department store items; various contractors; and local/intermediate trucking. Not available in Louisiana and Massachusetts.
www.5starsp.com

FRANK CRYSTAL

Todd Yomtov appointed senior managing director of commercial insurance services in Houston. He was previously COO of Confie Seguros's Northeast operations. >> Gina Higgins named senior managing director of commercial insurance services.
www.frankcrystal.com

GLATFELTER

Glatfelter Program Managers buys Senior Living and Religious Institutions programs of Bunker Hill

Underwriters, a subsidiary of Houston International Insurance Group. Bruce Williams, formerly president of HCCIS, named president of Glatfelter Healthcare Practice. The Religious Institutions program will be named Glatfelter Religious Practice. Glatfelter is retaining all underwriting and claims staff from these two programs, and they will stay in Houston.
www.glatfelters.com

HEFFERNAN

Karen Albanese >> appointed SVP for Benefits Strategy and Administration in Los Angeles. She was SVP at



Aon Consulting and an asst. VP at Marsh before that. >> Ed Lief joins Portland, Ore., office as VP for employee benefits and commercial lines.
www.heffins.com

HUB INTERNATIONAL

Has acquired Associated Independent Agencies, based in Pullman, Wash. It will become part of Hub Intl. Mountain States. Chairman Tom Lees, President Mike Rydbom, Secretary Les Ruhs and team will join Hub Mountain. Lees will join as a member of the executive committee. Purchase expands Hub's footprint into eastern Washington. >> Buys insurance brokerage

[15 SECONDS OF FAME]
FORMER FAME SCHOLARSHIP RECIPIENTS



JESSICA HUSSONG
2007 and 2008 FAME Scholar

SCHOOL: University of Wisconsin
SINCE COLLEGE: Consultant for insurance and non-insurance clients at Ernst & Young Consulting in Chicago; traveled to Asia, Africa, Europe and South America

JOB SEARCH SURPRISES: The amount of talent competing for the same jobs. Also the help I got from staff close to my age. They gave great insight into what day-to-day life at the job would be.

OFF-DUTY: Dancing, playing piano, eating double-chocolate brownies

CONTACT: jessicahussong@gmail.com

assets of FAS-EBA Insurance Services, a Del Mar, Calif.-based employee benefits brokerage that primarily targets mid-sized to large employers. President and owner Thomas Freismuth, joins Hub California as EVP. >> Acquires assets

of Mahres & Mahres Insurance, a full-service personal and commercial lines brokerage in Las Cruces, N.M.
www.hubinternational.com

HYLANT GROUP

Reorganizes at corporate level. Richard Hylant takes on new duties managing and developing relationships with carriers and underwriters as well as overseeing philanthropic initiatives. John Chaney, previously president of Cleveland office, will now focus on Risk and Industry Practice resources and oversee marketing, branding and customer engagement company-wide. Mark Miller's duties expand to include management and field execution for all 12 Hylant offices. Bill Pridgeon, CFO, adds oversight and management of all internal operations, including HR and management systems, to his responsibilities.
www.hylant.com

LEAVITT GROUP

David Bridges joins as president of Atlanta office. He will also be EVP in affinity programs.
www.leavitt.com

LIG MARINE MANAGERS

Opening office in Philly to cover Mid-Atlantic region. Office headed by Richard Zolty, a 40-year underwriting veteran in workers comp and longshore insurance.
www.ligmarine.com

LOCKTON

Sara Payne joins Lockton Affinity as an SVP in Washington, D.C. She specializes in Defense Base Act insurance programs. >> Michael Power joins as SVP and Northeast real estate practice leader based in Manhattan. He will support and develop client base in real estate and hospitality industries.
www.lockton.com

[CALENDAR]

THE COUNCIL

2012 MEETINGS & EVENTS

March 28-29	Human Resources in Insurance Meeting	Council Offices
April 25	CIO Working Group (New!)	Council Offices
May 2-4	Midyear Board of Directors Meeting	Boca Grande, FL
May 14-16	WILF: Wholesale Insurance Leadership Forum	Miami, FL
May 17-18	CFO & Finance Managers Workshop	Miami, FL
May 29-June 1	EBLF: Employee Benefits Leadership Forum	Colorado Springs, CO
June 20-22	Leadership in a Sales Organization	Miami, FL
June TBA	Legal Counsel Working Group	Council Offices
Sept. 11-12	Human Resources in Insurance Meeting	TBA
Sept. 29-Oct. 3	ILF: Insurance Leadership Forum	Colorado Springs, CO
Oct. 1	International Working Group	Colorado Springs, CO
Nov. TBA	Legal Counsel Working Group	Council Offices
Nov. 13	Management Resources Advisory Group	Chicago, IL

[TICKER TRENDS]

CARGO THEFT incidents were up 8.3% in 2011, making it the top year for thefts. 87.5% were full-truckload or container thefts. 3.4% were facility burglaries. There was a decline in thefts targeting the electronics sector, dropping from 38% in 2006 to 17% in 2011. Food and drink cargo were most targeted, at 22%. Building and industrial products were third, at 14%. Deceptive pickups are on the rise, however, and are expected to be a continued risk. Average value per incident dropped 31% year over year.—FreightWatch