

Arthur J. Gallagher Risk Management Services, Inc. & ARM Partners

Auto Dealer Services

Gallagher Auto Dealer Overview

- **Client Focused**
- Houston Based - National Presence
- Over 20 Auto Dealer Specialists Worldwide
- Over 2,000 Insured Locations
- Over \$100,000,000 in Automotive Premium
- Concentration on Experience, Expertise and Integrity
- Tremendous Market Clout and Worldwide Market Access
- Design, Market and Administer Innovative Risk Transfer / Risk Management Programs including both Traditional (Guaranteed Cost/First Dollar) and Non-Traditional (Captive / Risk Retention)

Gallagher Auto Dealer Overview

- **Discussion Points/Target Market**
- Bring auto dealer experience to your client/prospect
- Size relative to Revenue Sharing; minimum gross revenue generally \$15,000
- Franchised new car dealerships only
- Multi-Store Groups
- Minimum of 120 employees generally makes most sense
- Not one fits all approach
- States of operation, size, geography, competition will dictate marketing plan
- Markets you are simultaneously approaching (avoid market conflicts)
- Wealth of knowledge and expertise to the table from all sides of risk and insurance. We know the auto dealer business and are a customer driven, solutions broker dedicated to producing results. Our Auto Dealer Group has over 50 years of combined experience in this niche and can add tremendous value to your client/prospect's property and casualty program

Gallagher Auto Dealer Overview

- **Ineligible Candidates**
- Single point dealerships with less than 90 employees
- Non-franchised used car dealerships
- Gross revenue less than \$15,000

Gallagher Auto Dealer Overview

- **Lines of Coverage**
- 3rd Party Liability (Garage)
- Statutory Errors & Omissions / Customer Complaint
- Property (Including Equipment Breakdown)
- Auto Physical Damage/Dealers Open Lot (DOL)
- Workers' Compensation/Non-Subscribers
- Garagekeepers Liability
- Umbrella/Excess Liability
- Commercial General Liability
- Employee Benefits Liability
- Executive Protection Package (D&O / EPLI / Fiduciary / Crime / K&R)
- Pollution Legal / Environmental (1st and 3rd Party)
- Privacy & Network Security (Cyber)

Houston Auto Team Members

Mike Henthorn, ARM - *Regional Manager*

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Mike Arnold, ARM - *Branch Manager*

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Christopher Hawkins, CRM - *Auto Dealer Team Lead*

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Jon Sherman

Claims Manager

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Michel Martinez

Assistant Account Manager

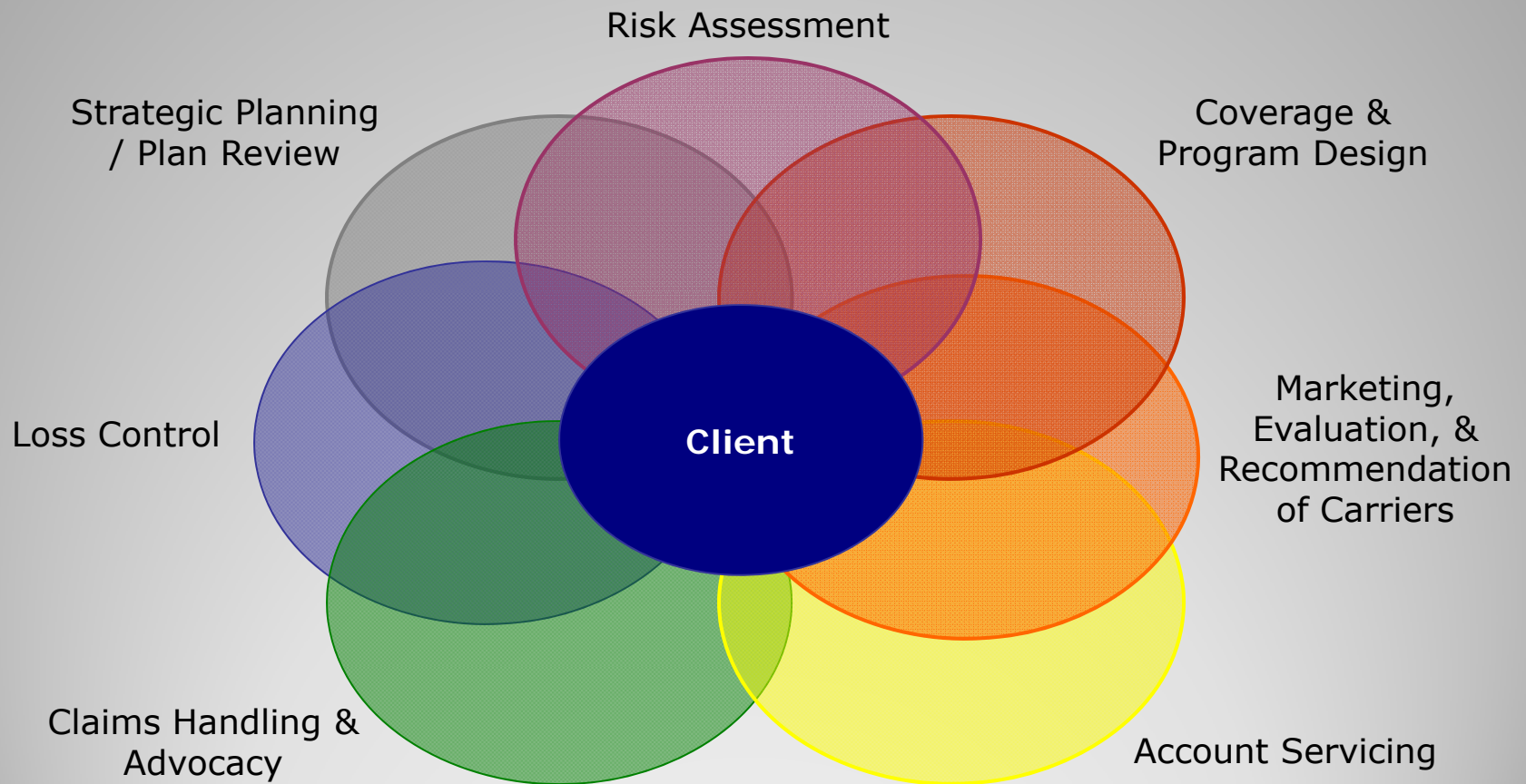
michele_martinez@ajg.com

713-358-5749

Partial Auto Dealer Client List

- Mercedes Benz of Mobile
- Gurley Leep Automotive
- General RV
- Billy Navarre Group
- Garber Management Group
- Lamarque Group
- Fred Haas Group
- Foreign Car Parts
- Billy Navarre Chevrolet
- Harley Davidson Program
- Automotive Resources International (ARI)
- Bob Howard Group
- Bill Munday Group
- Garlyn O. Shelton, Inc.
- Helfman Enterprises, Inc.
- Jack Key Motors
- Jeff Haas Mazda
- World Class Automotive
- Roger Beasley Auto Group
- Stewart Cadillac
- Pack Automotive Group
- Eagle Companies
- Ed Bozarth Group

Successful Program Components



Available Program Services

Risk Assessment

- Review Risk Management Philosophy
- Complete Exposure Survey
- Analyze Insurance Needs & Key Cost Drivers
- Evaluate Loss History
- Contractual Review

Coverage and Program Design

- Evaluate Limits vs. Cost
- Determine Deductibles and Retentions
- Review Program Structure/Layers
- Analyze Coverages Required/Desired

Marketing, Evaluation, & Recommendations of Carriers

- Develop Renewal Strategy
- Obtain Updated Exposure Value
- Prepare Accurate Submissions
- Present Account to Qualified Markets
- Communicate with Markets
- Compare/Evaluate Quotations
- Prepare Presentation with Recommendations
- Follow-through Binding Activities

Account Servicing

- Issue Certificates & Auto ID Cards
- Premium Allocation
- Serve as Liaison to Carriers
- Clarify Coverage Questions
- Prepare Invoices and Summaries
- Review Audits for Accuracy
- Issue Summary of Insurance
- Provide Industry Updates

Claims Handling and Advocacy

- Act as Advocate on all Claims
- Provide Routine Claims Status
- Attend Claims Meeting as Requested
- Follow up with Carriers on Claim Payments

Loss Control

- Coordinate Loss Control Inspections
- Establish Loss Control Objectives
- Supervise Insurer Loss Control Activities

Strategic Planning/Plan Review

- Focus on Future Exposures/Coverages
- Review Alternative Program Structures
- Set Goals for Program Advancement
- Provide Stewardship Report
- Provide Consultative Solutions to New-Client Concerns

Phase I – Information Gather

- In this phase we would guide you in the following areas:
 - Compilation of data and information considering the marketing strategy
 - Completion of applications
 - Completion of worksheets
 - Submission of applications to Gallagher

Phase II – Marketing

- In this phase we accomplish:
 - Marketing of your property and casualty insurance
 - Negotiating coverage terms, conditions, structure, and cost
 - Placement of all property and casualty insurance programs

Christopher S. Hawkins

EXPERIENCE

March 2007 to Present

Arthur J. Gallagher Risk Management Services, Inc.

- Broker/Producer (in-house Niche Director) with primary focus on automobile industry commercial property and casualty insurance and risk management

July 2003 to May 2006

Group 1 Automotive, Inc. / Arthur J. Gallagher of Texas

- Risk Management Director responsible for the design, development, marketing, placement, and maintenance of all property and casualty risk financing, risk retention and loss control/safety programs covering 95 automotive dealerships comprised of 139 franchises, 31 brands, as well as 30 collision service centers in 12 states

February 2002 to July 2003

DaimlerChrysler Financial Services (DCFS) / DaimlerChrysler Insurance Company (DCIC)

- Insurance Manager specializing in automobile physical damage (APD) insurance for auto dealers and other automotive industry businesses
- Responsibilities included compilation of underwriting data, managing, marketing, and sales of APD insurance through 35 DCFS Dealer Relations Managers and DCIC Insurance Relations Managers over 5 zone offices
- Book generated \$14.33MM in revenue covering 500 insured dealers representing \$2.40BB in auto inventory (or 85% of DCFS's outstanding collateral in the region)
- Activities included (partial):
 - coordinating insurance sales and marketing with finance partner
 - recommending and overseeing all program structures and pricing of new and existing business
 - developing/implementing traditional and alternative risk financing for large, corporate customers
 - training Dealer Relations and Insurance Relations Managers

Christopher S. Hawkins Cont.

- Major Accomplishments:
 - Spearheaded the implementation of new underwriting standards for all high risk accounts
 - Exceeded 2002 margin goal by 258% by producing \$7.40MM in margin in region (almost half the company wide goal) - Margin increased from -9.0% in 2001 to +56% in 2002
 - Produced and developed 116 new insured clients with an annualized premium of \$3.00MM and a loss ratio of 35% - Redirected (to other insurance carriers) 18 insured dealers with an annual premium of \$780K and a loss ratio of 93%
 - Through commitment to sound underwriting and loss containment, exceeded 3.00% 5-year Loss Ratio improvement goal by producing a 46% loss ratio in 2002 on earned premium of \$13.7MM and incurred losses of \$6.3MM (down from a loss ratio of 76% in 2001)

April 1989 to February 2002

DaimlerChrysler Financial Services / DaimlerChrysler Insurance Company

- Commercial property and casualty insurance sales associate concentrating in automobile dealership commercial package insurance
- Sr. Sales and Underwriting Manager (SSUM) position consisted primarily of direct sales activity, including all facets of the marketing and management of commercial property and casualty insurance portfolios
- Book of business generated in excess of \$3.40M in revenue, which was made up of 55 clients

EDUCATION

The University of Texas at Austin (Austin, Texas)
BBA in Finance and Risk Management and Insurance (Double Major)

PROFESSIONAL DESIGNATIONS

Certified Risk Manager