



January 15, 2020

TO: **Our Valued AmRisc Wholesale Brokers**

RE: **2020 Elite Producer Program**

Since December 1<sup>st</sup>, 2000 AmRisc has written over \$10 billion of premium with profitable results for our carrier and syndicate partners. We could not have accomplished this without the extraordinary efforts of our producer partners delivering market-leading property insurance solutions for their insureds.

AmRisc had another record-breaking year with 2019 premium growth and rate-improvement in all segments. We closed the year just over \$1.3 Billion GWP - a 24.5% increase overall over 2018. Over \$1.0 Billion GWP came from our Wholesale Brokers – truly our Elite Producers!

In 2020, we are celebrating AmRisc’s 20<sup>th</sup> birthday in a variety of ways organized around enhanced service to our broker partners and optimizing our teamwork culture within the organization. This is reflected in our new logos for AmRisc Group and our family of uniquely-branded companies.

This year will also mark the 11<sup>th</sup> anniversary of the Elite Producer Program, which since its inception, has been the central platform for rewarding our Elite Wholesale Brokers and developing closer relationships at all levels within our respective organizations. This year, we have made changes to the Relationship Manager role, Elite Status levels and commission structure, and the **TopGun** Award program.

**Relationship Managers** will take on a more prominent position and be empowered to assure that the organization is responsive to their service needs focusing on the following objectives:

- Help producers and producer-offices get to a higher Elite Status
- Provide quarterly updates on producer company GWP and hit ratio performance
- Monitor our overall service delivery and advocate for the broker in the case of a particular service need
- Promote matching products to a particular broker’s needs or expertise
- Advise and champion on-boarding new office appointments throughout the year

The Relationship Manager assignments are posted on our website and, in the coming days, we will be introducing these individuals to all of our wholesale brokers.

**Elite Status** levels, benefits and thresholds for Broker-Offices will apply to all accounts with x-dates of February 1, 2020 later:

Elite Status	Annual Premium Threshold	Clearance Days to Eff Date	Commission
Diamond	30,000,000 *	120 days	+1%
Sapphire	10,000,000	120 days	Standard
Platinum	5,000,000	110 days	Standard
Gold	2,500,000	100 days	Standard



*\*Broker-offices that produced \$20m in 2019 are Diamond for 2020*

**Standard wholesale commission rates** are:

- 17.0 % for New business plus 0.50% on **TopGun** Award accounts
- 16.0 % for Renewal business

**TopGun Award** exclusively for Top 10 New Business brokers each quarter

Benefits for individual Producer to use on any One New (to AmRisc) Business account:

- Additional 0.50% Commission on TopGun Award new business account
- 360 days clearance (e.g. 4Q2019 award used on x-date up to 12.31.2020)
- Reservation can not be BOR'd
- Service from AmRisc Wholesale Senior Leadership
- Pricing flexibility at Producers discretion after FINAL quote
- Invite to exclusive **TopGun** Event

As all are aware, we are in a firming, if not hardening environment in our CAT and complex property insurance market. The near-term "correction" we are seeing is a response to the lengthy soft market where elevated attritional and CAT loss ratios were exacerbated by increased acquisition costs to the ultimate risk-takers – our carrier and syndicate partners. As always, we will continue to focus on reducing attritional loss ratios and support the CAT market's return to improved profitability. The above changes in compensation structure is a reflection of the downward trend – on a percentage basis - in MGA compensation.

In anticipation of the question, the wholesale - retail commission differential will remain unchanged from 2019 as a similar reduction will be implemented for Chronos Retail agents.

For all Elite Producer Program details including appointed brokers, Relationship Managers and program guidelines, please see [http://www.amrisc.com/elite\\_producer.shtml](http://www.amrisc.com/elite_producer.shtml)

If you have any questions, please contact me or your Relationship Manager.

Thank you for your business with AmRisc.

**John B. Horton**

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