

SPECIALTY BROKERAGE & UNDERWRITING for Challenging Risks

2018 ANNUAL REPORT



Worldwide Facilities[®], LLC

“Experience a World of Difference”

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A Message from Davis Moore, CEO, and Ron Austin, President

In an industry accustomed to insuring catastrophic risks, 2017 was an especially difficult year for our risk-bearing partners. Property, director's and officer's liability, general liability—many lines of insurance faced an extremely challenging year. Unprecedented catastrophes, including three major windstorms, earthquakes in Mexico, and wildfires in California with subsequent mudslides, pushed catastrophe losses in excess of an estimated \$125B. Despite these events, Worldwide Facilities weathered the challenges of 2017 and emerged once again with double-digit annual growth, exceeding our own growth goals.

Given these events, the reinsurance markets expect more favorable terms when reinsurance renewals are negotiated in 2018. Our trading partners are determined to stabilize and increase rates for underperforming business classes. Transportation and catastrophic property risks will likely see upward rate pressure in the coming year. Our strong relationships with our markets are a major asset to us. We will continue to leverage our expertise and relationships to ensure the best terms for our customers. We will work diligently to provide unparalleled access to both established and emerging insurance markets.

We set a new record in 2017: \$835 million in gross written premium, exceeding our projected target for the year. Our growth in excess of 30 percent further diversifies our platform, both from a geographic and product line perspective, further strengthening our business platform. We attribute this growth, as in the past, to the hard work and dedication of our associates and the value proposition our production teams deliver to our clients.

To manage our growth and continue to serve our retail agents, we expanded our executive leadership by creating a new position for Cameron Kelly, Chief Operating Officer, and adding John Galaviz as our Chief Financial Officer. We will continue to expand our internal resources to assist with our growth expectations.

Much of our growth has been organic, significantly outpacing the overall industry averages. Contributions from our organic growth came from our existing and new producer groups as well as our newer producers emerging from our professional development program. Our growth further diversified our professional talent, brought new strategic partnerships with specialty carriers, deepened existing carrier relationships and

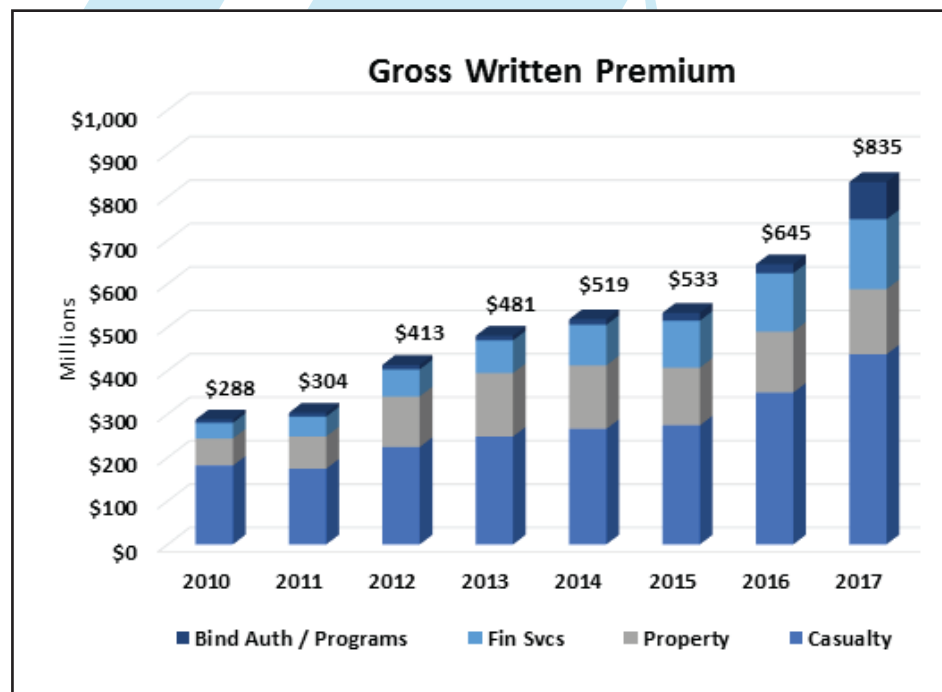
served to strengthen relationships with our retail agent partners. While we are projecting another year of double-digit growth in 2018, as we continue to grow, we will continue to place the needs of our retail agents and brokers foremost.

Worldwide Facilities continues to innovate in the wholesale insurance space. We developed new products for autonomous vehicles, cannabis and cyber liability. An uptick in oil prices is stimulating investment capital in the energy industry, and we developed an innovative program to increase our product offerings for this business segment. We opened a new office in Salt Lake City with expertise in construction, environmental and transportation, as well as other lines of coverage. We continue to grow and improve all aspects of our business.

From our customers' perspectives, retail agent and broker consolidation continued in 2017 as did the consolidation of their trading relationships with wholesalers. With that in mind, we remained focused on continually increasing our value proposition through specialization and collaboration. We are pleased with those efforts, and feedback from our clients shows they are, as well.

As we look forward to 2018, we continue to be very excited about how we are positioned in the marketplace. We expect to once again experience significant growth, both organic growth significantly outpacing industry averages and growth resulting from M & A opportunities.

Without our exemplary employees, the support of our markets and the solid allegiance of our retail customers, we could not have achieved this growth. We thank you, and look forward to an even more exciting 2018.



HIGHLIGHTS FROM 2017

- ➔ Added two senior management positions to our executive team, Chief Operating Officer and Chief Financial Officer.
- ➔ Repositioned additional executive level resources directed at customer development.
- ➔ Remained focused on providing broking and underwriting expertise and a consultative approach to our retail brokers and agents as consolidation continued in their segment.
- ➔ Generated double-digit annual growth for the past five years.
- ➔ Achieved annual growth in excess of 30% with contributions coming from existing producers, newly recruited producers, emerging producers from our professional development program and recently acquired businesses.
- ➔ Continued to maintain a healthy balance sheet. The addition of a new Chief Financial Officer and Chief Operating Officer provides additional bench strength, further allowing us to pursue acquisitions that will benefit our carrier partners and clients.
- ➔ Maintained and improved relationships with virtually every specialty insurer, even developing new MGA / MGU / Underwriting Authorities in growing markets like oil and gas.
- ➔ Continued to recruit talent that strengthens our expertise in all our lines, including construction, transportation and oil and gas.
- ➔ Added a Salt Lake City Office to increase our presence in that region.

SERVICE BEYOND THE TRANSACTION

- ➔ Key principals / owners (majority of our senior management and senior producers) are actively involved in producing business and/or managing the company-fosters a team approach ensuring that our best resources for a given opportunity are fully engaged.
- ➔ Significant quantitative and qualitative relationships with virtually every specialty insurer.
- ➔ Consultative approach to the business.
- ➔ Organized in specialty divisions; Casualty / Healthcare / Property / Marine / Financial Services / Workers' Comp / Transportation / MGA with dedicated resources and demonstrated expertise in each.
- ➔ Industry specific specialists within each division which are deployed nationally as opposed to locally to ensure that we provide maximum value to our retail clients.
- ➔ MGA | MGU / Underwriting Authority on behalf of more than 14 insurers to quote / bind / issue policies.



HEADQUARTERS

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