

e-PIN Input Data Descriptions

P&C Agency Bill Commissions

Property & casualty commissions billed by the agency to customer, including fidelity & surety, assigned risk, joint underwriting funds, overdue and average commission adjustments and bid bonds and also includes fees in lieu of commissions.

P&C Direct Bill Commissions

Property and casualty commissions received directly from insurance companies where they have billed the premiums to the customer.

Life & Health Commissions

Commissions from health & accident, life, group policies, variable annuities and pension and profit sharing plans.

Fee Income

Earnings from consulting, risk management, counter signature, inspection, engineering and finance charges.

Contingents

Commissions received as contingent payments for property & casualty business including bonus commissions and profit sharing from companies.

Investment Income

Interest income, dividends, annuity receipts, etc. (earned from CDs and interest-bearing investments). Record interest earned from notes receivable in Miscellaneous Income.

Miscellaneous Income

All other items of income not classified properly in the above, e.g., sale of agency assets gain/loss. Include gain or loss on investment transactions and any other non-insurance related sources of income here. Also, include interest earned from notes receivable.

Outside Commission Expense

Commissions paid to brokers and independent contractors outside of the agency. Do not include commissions paid to producers/owners or employees in the agency.

Executive Payroll

Include all, or a portion of, individuals who act in the capacity of CEO or COO within the agency.

Production Payroll

Include all owners and producers who have primary responsibility for selling to new customers or re-selling to old customers. Owners who function primarily as managers but who at one time were responsible for producing or handling a book of business should also be included. Also includes sales managers and sales center coordinators (telemarketers) if the latter are directly soliciting business

and/or appointments from prospective customers. Include any directors fees paid to Producers/Owners. Include salaries to family members (wives, mothers, brothers, etc.) who do nominal or no work at the agency. Do not include payments to retired producers or owners such as consulting fees or deferred compensation. This should be put in Deferred Compensation.

Support Payroll

All non-producing staff members with managerial or administrative positions or duties (other than sales and customer service managers). This should include all full-time general managers, office managers, treasurers, human resource managers, information systems personnel, controllers, bookkeepers, accountants, accounting clerks, data processors, word processors, mail clerks, secretaries or receptionists. It might also include an allocation of a servicing person's time if a significant portion of time is spent on the above activities and vice versa, if significant.

Service Payroll

All personnel directly engaged in the servicing of commercial, personal and life & health customers. Claims people and marketers are included in this category as well as customer service representatives, account handlers, account executives and placers and also includes managers of personal, commercial and life & health service personnel.

Total Benefits

Include all company paid retirement plan contributions and employee portion of 401(k) plans and administration fees. Also include payroll taxes, group health & accident, group life insurance, disability, employee welfare payments and employee premium discounts. Also include any educational or training costs of the agency and any other benefits such as employee welfare, parties, employee gifts, cafeteria supplies, flex plans, etc.

Total Selling Expense

All agency-paid expenses relating to travel including airfare, trains, hotels, and meals, social clubs, auto leases, mileage, gas, oil, auto maintenance costs, parking, auto insurance, rental car expense and auto license fees. Also includes advertising, meetings, conference costs, gifts and promotional items. Automobile mileage, auto leases, gas, oil & maintenance costs, parking, auto insurance, rental car expense and auto license fees. Advertising and Promotion: cost of advertisements including print, radio, yellow page, billboards and TV. Customer relations, meetings, conference costs, gifts, promotional items and contest awards.

Total Operating Expense

Includes all expenses related to facilities, telephone, postage, office supplies and printing, dues, subscriptions and contributions, taxes and licenses, insurance (except employee benefits), professional fees, equipment rental and maintenance, bad debts, outside services and miscellaneous expenses.

Total Administrative Expense

Includes periodic depreciation charges for equipment, buildings, and autos; charges for non-tangible asset write-offs such as purchased insurance renewal lists, restrictive covenants, goodwill and incorporation costs; officers' life insurance (paid by the agency with the agency as beneficiary); and all interests and finance charges for the use of money (mortgages, notes and installments).

Amortization of Intangible Assets

Periodic charges to reflect the diminishing useful life of intangible assets (e.g., non-compete

covenants, insurance renewals, restrictive covenants and incorporation costs).

Officers' Life & Disability Insurance

Company paid life insurance with the company as beneficiary (e.g., retired life reserves and key-man) as well as company paid disability insurance with the company as beneficiary.

Interest Expense

All finance and interest charges for the use of money (e.g., mortgages, notes, and installment loans) go into this account.

Miscellaneous Administrative Expenses

All other administrative expenses not included in the accounts: Depreciation of Tangible Assets, Amortization of Intangible Assets, Officers Life & Disability Insurance and Interest Expense.

Total Executive Personnel

This employee classification includes only those individuals that perform the CEO and COO functions in the agency.

Total Production Personnel

Include all owners and producers who have primary responsibility for selling to new customers or re-selling to old customers. Owners who function primarily as managers but who at one time were responsible for producing or handling a book of business should also be included. Also includes sales managers and sales center coordinators (telemarketers) if they are directly soliciting business and/or appointments from prospective customers.

Number of Personal Lines Service Personnel

Includes all personnel directly engaged in the servicing of personal lines customers: claims personnel, marketers, placers and customer service representatives. Count part-timers and employees who split their time among different functions as fractions of employees.

Number of Commercial Lines Service Personnel

Includes all personnel directly engaged in the servicing of commercial lines customers: claims personnel, marketers, placers and customer service representatives. Count part-timers and employees who split their time among different functions as fractions of employees.

Number of Life & Health Service Personnel

Includes all personnel directly engaged in the servicing of Life & Health customers: claims personnel, marketers, placers and customer service representatives. Count part-timers and employees who split their time among different functions as fractions of employees.

Total Support Personnel

All non-producing staff members with managerial or administrative positions or duties (other than sales and customer service managers). This should include all full-time general managers, office managers, treasurers, human resource managers, information systems personnel, controllers, bookkeepers, accountants, accounting clerks, data processors, word processors, mail clerks, secretaries or receptionists.

Total P&C Agency Bill Premium

The amount of property & casualty premium billed by the agency to their clients over a twelve month period.

Total Accounts Receivable Over 60 Days

The total amount of Accounts Receivables that is aged over 60 Days.

Cash

Cash on hand, checking accounts, savings accounts, liquid asset accounts, money market funds, CDs and any other cash accounts.

Investments

Brokerage accounts, stocks, bonds and all other investments which can be converted to cash within one year.

Total Accounts Receivable - Insurance

Balances due from customers on agency bill premiums and all other insurance receivables. Offset by any allowance for bad debt. Do not include company receivables.

Total Current Assets

All items which can be utilized within one year such as Cash, Investments, Accounts Receivable - Insurance, Accounts Receivable Other, Prepaid Expenses or Notes Receivable Current.

Total Intangible Assets

Includes the unamortized value of such assets as covenants not to compete, purchased insurance renewal lists, goodwill, going concern value, and organizational costs.

Total Accounts Payable - Insurance

Insurance Accounts due to insurance companies for currently in-force policies, including pre-bills. Do not include payments for loans from insurance companies.

Total Current Liabilities

All current liabilities such as Accounts Payable - Insurance, Accounts Payable - Other, Accrued Expenses & Taxes, Current Portion of Long Term Debt and any line of credit accounts.

Total Equity

Total Equity is total assets minus total liabilities. It may also be referred to as Net Worth.