

Fortifies Agencies Board Meeting Minutes

October 30, 2023

Zoom Meeting

Board Members Attending:

Lou Moran III, Shaw Johnson III, Jon Jenen, Jay Reynolds, Art Glasgow Denny Sanford, DR Pennington, Scott Lemon, Brant Galloway. Also attending CEO Joe Craven

Welcome:

Lou welcomed everyone to our fall meeting. We began with asking for the minutes and if there were any questions or changes. Seeing no comments, Lou asked for the minutes to be approved from the last meeting. John made a motion to approve the minutes with Scott providing the second. The vote was unanimous.

Carrier Update from CEO:

Joe thanked everyone for the prompt reply to his emails for carrier lock in's. He is almost finished with the process. Joe needs FCCI, Hanover commercial lines and GuideOne to complete the process.

Next Joe will be reaching out to our company partners to see where we are with respect to certain thresholds, and then update the agents as needed to maximize potential profits. Liberty Mutual has changed its profit-sharing program for next year. They are going to charge 20% for a \$600,000 stop loss next year. We will have to decide on that. Denny added that Berkley SE was headed the same way and Auto-Owners raises theirs every year.

Joe is going to email a vote to the group regarding accepting or rejecting the Liberty Proposal.

Annual Meeting Update:

Joe: the meeting is scheduled for January 21-23 at the Omni Hotel in Nashville. Registration websites went out in early September. Currently we have 44 registered and are expecting approximately 300 attending. It is early and those numbers will increase. We have \$40,000 pledged for sponsorships. The fees to register went up this year due to increased expenses. The Nashville area is expensive. The increased fees were necessary to reduce our deficit from last year.

Mid-Year Meeting:

Joe indicated that we had not signed the contract, but we are planning on 2024 Mid-year meeting being held at Ros Bridge in Birmingham, Alabama. Lou added we are waiting on replies from some of our carrier invites to speak or be a part of a panel.

Financials:

Lou indicated that we were \$27,000 to the positive and asked for questions. Denny was reviewing the budgets and comparing Profit Sharing income Options 1 & 2 of contingencies. Contingencies are in a downward trend. He asked how solid the projected profit is of \$432,000 in that category. Lou replied

about 80% of what it should be. Lou added that with the loss of some agencies it was still a wash, but now is the time to look at dues and other options if needed. Denny replied that if we need more income, we should look at dues, as it is easier the budgets to estimate.

Lou suggested that we send out spreadsheets with options to let everyone digest it and play with the numbers. Art asked if these numbers reflected the owners that were going to be leaving in 2024. Denny suggested that any changes with income come from the dues side for month-to-month stability.

Adjusting the 8%-4% option for profit sharing was discussed. Jay suggested we increased dues not profit sharing and keep it the same as last year. Art and Denny agreed. Dues increases were suggested to increase by \$75 per month. Jay suggested we increase we dues to \$300 per month and \$35 per additional agency location up to 5 branches. Jay made this a motion and Denny seconded the motion. The vote was unanimous.

Planning Session:

Lou suggested that we do it either a day before or a day after the conference. Jon and Denny both suggested we have the planning meeting after the conference to discuss those needs to be addressed. Lou agreed and suggested that we add it to the end of the conference and limit it to ½ day.

New Members:

Denny brought up about the need for new member/owners since we recently had a couple of members that were bought out by larger agency aggregators. Lou suggested that we call some of our GA agent friends. It will be an ongoing challenge with the changing agency environment.

New Employee:

Joe shared that we have hired our newest employee. Carrie Reinhart. She started 2 weeks ago. Carrie has 15+ years of insurance experience and had a great referral. So far, she is doing a great job. An announcement to the owners will be coming soon.

Adjournment:

Seeing no other business to be discussed, DR made a motion to adjourn and Denny offered up a second. The vote to adjourn was unanimous.