

EQULIBRIUM

INSURANCE PARTNERS



2023 ANNUAL REPORT

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January 2024


My Story. Humble Beginnings.



It's early 2022 and I'm working for my family-owned insurance agency, Howey & Associates, in Woodhaven, Michigan, a suburb of Detroit. My grandfather Chuck Howey had started the outfit back in 1953 after serving in the Korean War. Chuck built a fantastic foundation, but it was my father Skip Howey - assuming ownership in 1993 - who took the business to new heights. Skip was the leading producer and quadrupled the business by the time I got there. The shop had 26 employees and boasted of best-in-class carriers. Howey & Associates was one of the most knowledgeable insurance agencies in the entire State of Michigan with over 700 years of combined experience, and still is today.

Up until this point, my path as a producer was not linear; in just over three years of working in the family business, I had broken our 68-year sales record and my book of business stood at \$747,000 in revenue (\$5,000,000 in premium). This probably put me as one of the top producers in the country for my age. But I had an advantage: great mentorship.

My dad made me get my insurance license while I was still in college (2015). He was way ahead of the curve and put me straight into commercial insurance. I sold in the summer months each year, winning a few smaller deals on my own and a \$12,000 revenue hotel account with the help of the late Debbie Anderson. Debbie held my hand throughout my college years of selling and also my first full year in business. She took my coverage knowledge to the next level and taught me the work ethic needed to succeed in the business. When I graduated in 2018, I hit the ground running. I could speak the lingo well enough from my three summers of selling and had some basic knowledge of the marketplace. My brother John Gaynier with RogersGray in Kingston, Massachusetts, who had over a \$5 million revenue real estate book at the time, gave me the number of tip of all time: "Find a weakness in the marketplace and solve that weakness."



Back to early 2022. I was partially burnt out from 60+ hour weeks my first three full years of producing. I realized that continuing to grow my book of business wasn't going to satisfy me. As I pondered the situation over the ensuing months, I recognized that I lost my purpose. My goal was to be the #1 producer at my family-owned agency, and I had achieved that quickly by practicing real estate insurance (hotels/apartments). But now there was a bigger problem on my hands; I was destined to take over my family-owned agency and I wasn't sure if my heart was in it or not. I needed to go off on my own and find out.

I had an idea of creating my own digital insurance agency (no brick and mortar), with a heavy emphasis on technology and digital advertising. I spent the next six months creating a business plan and narrowing down the location of where I wanted to set up my agency. After market research in several counties in Michigan and Ohio, I decided on the physical location of Perrysburg, Ohio. Perrysburg was an affluent, rapidly growing area that I was somewhat familiar with already because my grandpa owned a 158-unit apartment complex there. By June 14, 2022, I had filed the articles of incorporation for my agency, which I called Equilibrium Insurance Partners, L.L.C. The name Equilibrium meant two things to me: it reminded me to try and strike work-life balance, and to also find the equilibrium point for every client, which I've defined as where price and coverage intersect.

West Bend Insurance Company gave me my first appointment in late 2022 which got me off my feet officially (thank you). On January 26th, 2023, I wrote my first account with them, a generational auto body shop in the suburbs of Cleveland, Ohio. In early 2023, Frankenmuth Insurance Company graciously gave me my first personal lines appointment. I was able to add Berkshire Hathaway GUARD for both personal and commercial lines in Q1 2023 as well.

This agency was built while simultaneously managing my book of business at Howey & Associates. On November 1st, 2023, my father and I sold Howey & Associates to private equity backed AssuredPartners. I have remained on as an independent contractor and continue to have a fiduciary responsibility to maintain my book of business.

MacGregor C. Howey



Founder



2023 FINANCIAL RESULTS

Sales

Direct Bill Sales Commission

West Bend Mutual	\$20,583.39
Frankenmuth Mutual	\$3,853.43
Berkshire Hathaway GUARD	\$4,705.80

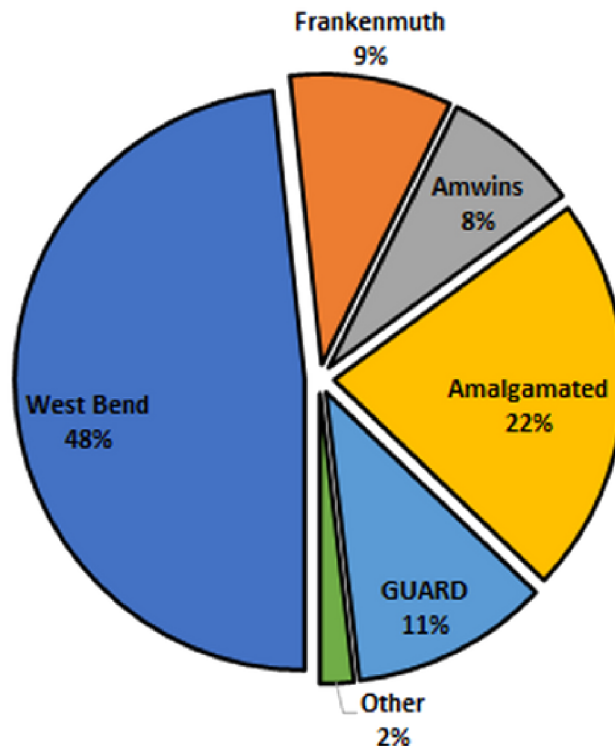
Agency Sales Commission

Amwins	\$3,266.50
Amalgamated Insurance Underwriters	\$9,467.36
Great Point Insurance Services	\$679.00
Risk Placement Services	\$112.69

Other Commission

Contingency	\$0.00
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Revenues	\$42,668.17
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INCOME STATEMENT (CONTINUED)

Expenses

Operating Expenses

Postage	\$48.19
Rent (UPS/PMB Box)	\$264.00
Accounting	\$1,430.00
Supplies	\$625.97
Licensing	\$231.20
Insurance - Property, GL, WC, E&O	\$2,892.65
Insurance - Health	\$286.86
Computer Software - Partner XE	\$5,795.19
Website - Forge3	\$3,303.19
Office Equipment	\$173.72

Utilities

Telephone - RingCentral	\$640.87
Electric	\$116.80
Gas	\$68.92
Internet	\$1,413.30

Sales Expense

Marketing	\$5,450.71
Trusted Choice Claim It Leads	\$805.00
Producer Expense	\$17,117.30
Tivly	\$827.00
Appraisal/MVR Expense	\$6.75

Other Expenses

FICA Expense	\$42.00
Ohio - FUTA Expense	\$1,305.65
Federal - FUTA Expense	\$243.00
Donations	\$930.00

Expenses	\$44,018.27
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Net Income	(\$1,350.10)
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BALANCE SHEET

	As of 01/01/2023	As of 12/31/2023
Assets		
Current Assets		
Checking Account	\$11,778.64	\$29,345.77
Trust Account		\$6,166.03
Other Receivable Accounts.		
Accounts Receivable		(\$1,116.00)
Company Receivables		
Prepaid Expenses		
Non Current Assets		
Assets	\$11,778.64	\$34,395.80
Liabilities and Equities		
Current Liabilities		
Accounts Payable		\$435.59
941 Federal - Taxes Payable		\$10,000.00
Ohio State - Taxes Payable.		\$5,500.00
Local School - Taxes Payable		\$85.34
Social Security - Taxes Payable		\$1,058.17
Medicare - Taxes Payable		\$247.48
FICA - Taxes Payable		\$1,305.65
Ohio FUTA - Taxes Payable		\$243.00
Federal FUTA - Taxes Payable		\$42.00
Long Term Liabilities		
Producer Payables		\$50.03
Company Payables		
Liabilities	\$0.00	\$18,967.26

BALANCE SHEET

(CONTINUED)

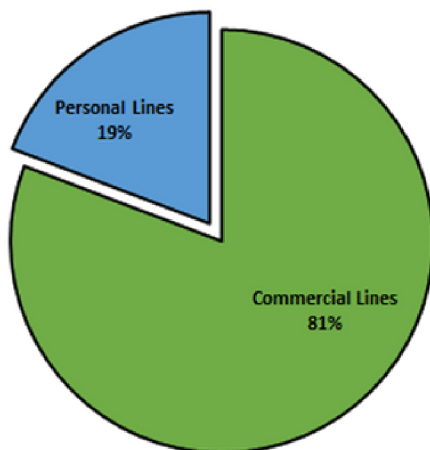
	As of 01/01/2023	As of 12/31/2023
Equities		
Long Term Equities		
Capital Investment	\$25,000.00	\$30,000.00
Retained Earnings	(\$13,221.36)	(\$14,571.46)
Equities	\$11,778.64	\$15,428.54
Liabilities and Equities	\$11,778.64	\$34,395.80

NEW BUSINESS PRODUCTION (DIRECT BILL)

PRODUCTION

	As of 01/01/2023	As of 12/31/2023	Gain/ Loss
West Bend Insurance Company	\$0.00	\$147,547.00	\$147,547.00
Frankenmuth Insurance Company	\$0.00	\$41,478.00	\$41,478.00
Berkshire Hathaway GUARD	\$0.00	\$26,263.00	\$26,263.00
Total		\$215,288.00	\$215,288.00

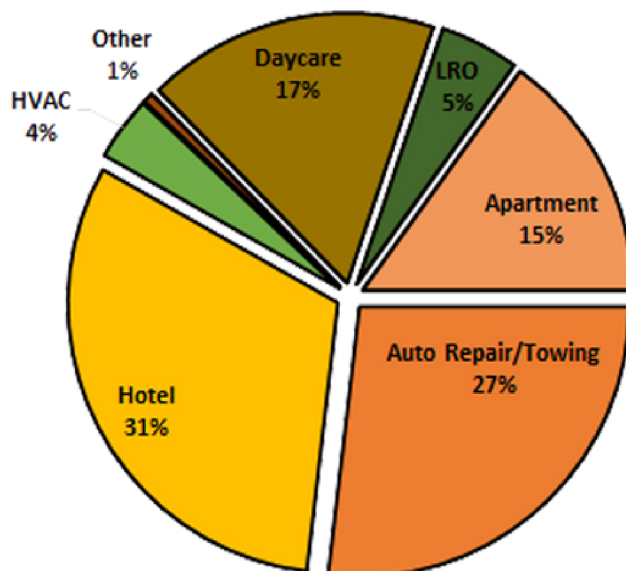
BREAKDOWN



LOSS RATIO

West Bend Insurance Company	6.1%
Frankenmuth Insurance Company	26.4%
Berkshire Hathaway GUARD	0%

COMMERCIAL BY INDUSTRY

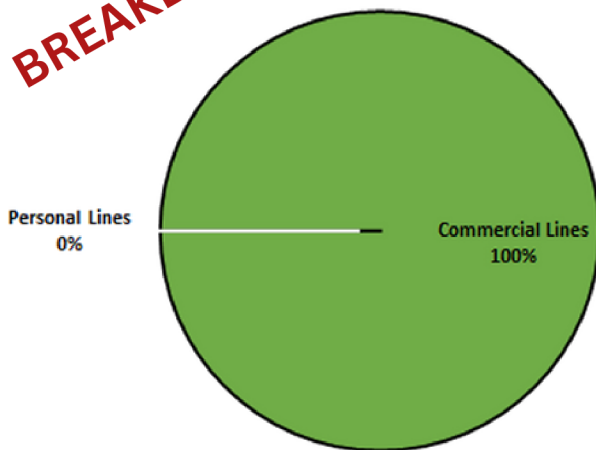


NEW BUSINESS PRODUCTION (AGENCY BILL)

PRODUCTION

	As of 01/01/2023	As of 12/31/2023	Gain/ Loss
Amalgamated Ins. Underwriters	\$0.00	\$33,556.89	\$33,556.89
Amwins	\$0.00	\$34,436.47	\$34,436.47
Risk Placement Services	\$0.00	\$789.00	\$789.00
Great Point Insurance Services	\$0.00	\$5,347.00	\$5,347.00
Total		\$74,129.36	\$74,129.36

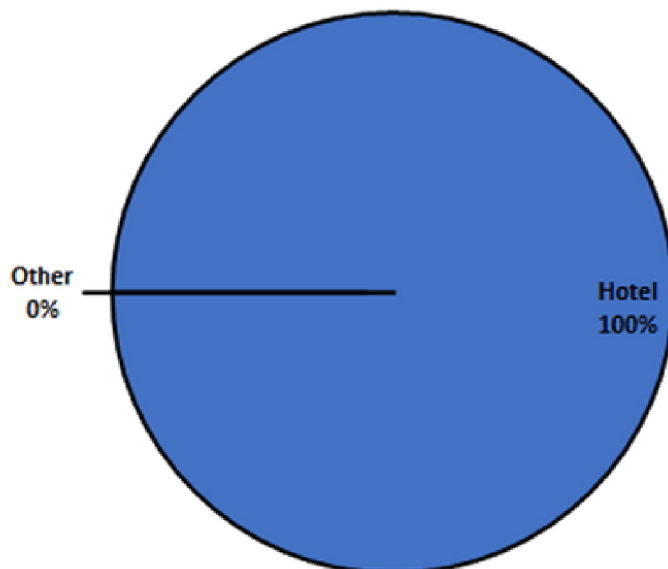
BREAKDOWN



LOSS RATIO

Amalgamated Ins. Underwriters	0%
Amwins	0%
Risk Placement Services	0%
Great Point Insurance Services	0%

COMMERCIAL BY INDUSTRY



PETOSKEY EXPANSION

In June 2023, I was introduced through a mutual friend to a motivated individual in Harbor Springs, Michigan by the name of Paul Friedrich. Paul had no previous experience in the insurance industry, but he wanted to get into the field. After meeting with Paul a few times during the summer months, it became apparent he had fire in his belly, and I wanted to hire him. Paul successfully passed his P&C testing in late November. I hired him soon after.

The expansion into Michigan was perhaps premature, but I was already doing business in the State, and the Petoskey insurance market was promising through market research. In the first month in the insurance industry, Paul has already doubled our production in Personal Lines and has opened up some large commercial opportunities as well.



COMMUNITY INVOLVEMENT



Equilibrium Insurance



WestBend Mutual



In 2023, Equilibrium Insurance Partners was a proud sponsor of various charitable organizations. We started the summer sponsoring The Simone Foundation, a research foundation for Signet Cell Ring Carcinoma. Our top carrier West Bend Insurance Company also sponsored the Simone Foundation.



We also had the pleasure of sponsoring the Western Golf Association/Evans Scholar Foundation. The Evans Scholar Foundation awards full tuition and housing college scholarships to high-achieving caddies with limited financial means.



2024 GOALS

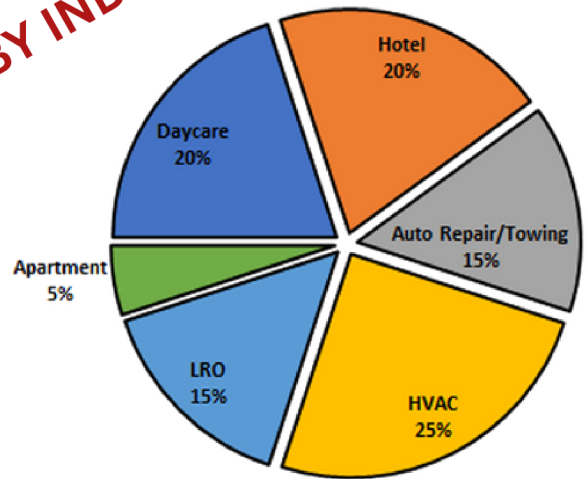
PRODUCTION

	As of 01/01/2024	Projected 2024	Projected Gain
West Bend Insurance Company	\$147,547.00	\$300,000.00	\$152,453.00
Frankenmuth Insurance Company	\$41,478.00	\$200,000.00	\$158,522.00
Berkshire Hathaway GUARD	\$26,263.00	\$50,000.00	\$23,737.00
Citizens Insurance Company	\$0.00	\$100,000.00	\$100,000.00
Total	\$215,288.00	\$650,000.00	\$434,712.00

LOSS RATIO

West Bend	<30%
Frankenmuth	<30%
Berkshire Hathaway GUARD	<30%
Citizens	<30%

COMMERCIAL BY INDUSTRY



ONLINE PRESENCE

	As of 01/01/2024	Projected 2024	Projected Gain
5 Star Google Reviews	11	30	19
"Perrysburg insurance"	14th	Top 10	4+ Spots
Google Rank			
Website Blogs Posts	5	15	10