



BETTER EVERY DAY

COTTINGHAM & BUTLER 2014 ANNUAL REPORT





DAVID BECKER
President & Chief Executive Officer
Cottingham & Butler, Inc.

JOHN BUTLER
Executive Chairman
Cottingham & Butler, Inc.

ANDREW BUTLER
Vice Chairman, Cottingham & Butler, Inc.
President, SISCO & HealthCorp

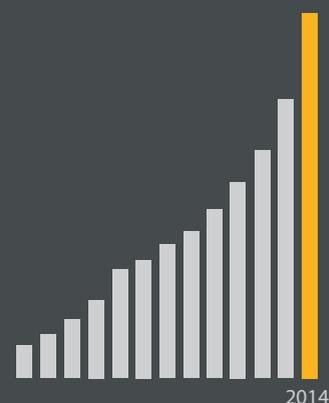


Cottingham & Butler

Better Every Day. That's our promise to our clients. We deliver better advice, better service, and better ideas than our competitors. Every Day. It's a commitment to challenging conventional wisdom, innovating, improving how we serve our clients and growing as industry professionals. This approach has produced superior results for our clients, and a growth track record that has propelled us to the 37th largest broker in the nation.

Better Every Day also defines our company, our culture and our people. It is a relentless focus on getting better, rather than being satisfied with the success of our past. Our 2014 annual report shares some of the ways that the 600+ employees of the Cottingham & Butler family of businesses are making themselves, our clients and our company Better Every Day.

“It is a relentless focus on getting better, rather than being satisfied with the success of our past.”



16%
Organic Growth in 2014

37th
Largest Broker in the Nation

Risk Management

Insurance isn't the most exciting subject and is often an undervalued business expense – until the big claim happens. Our Risk Management Practice helps our clients cost-effectively manage their risk. We use our proprietary Risk Management Assessment to ensure that they have the right coverage, program structure, and supporting safety and claims processes. As a result, our clients get better coverage, at lower costs and experience fewer claims.

Better Every Day:

- Expanded offices in Minneapolis, Wisconsin and Chicago
- Implemented the Cottingham & Butler Risk Management Center – a client safety and compliance management portal
- Added 4 companies to our Security Insurance Captive in 2014

11%

Organic Growth in 2014



DEAN FAIR
Senior Vice President, Risk Management



BRAD PLUMMER
Senior Vice President, Employee Benefits

Employee Benefits

13%

Organic Growth in 2014

“consistently outperforms
national trends”

The Cottingham & Butler Employee Benefits Practice serves as an extension of our client’s business. We understand that creating a benefits program that consistently outperforms national trends requires digging deep into the details, staying current with changing regulations and challenging convention. Our client-centric approach has us continuously improving our service offerings and making our clients better every day.

Better Every Day:

- Expanded employee communication resources and capabilities to enhance the employee experience and offer employers more value for the money they spend
- Launched ThinkHR, a professionally staffed HR advice line and online training and compliance library
- Presented 13 webinars and 48 updates on key compliance and regulatory requirements in 2014

Transportation Group

Cottingham & Butler Transportation Group provides first-class insurance solutions for over 2,500 trucking companies across the U.S. Our service extends beyond insurance to helping our clients with safety, claims and compliance challenges. We provide better solutions and create more value than any other transportation broker in the industry.

Better Every Day:

- More than 200 employees dedicated to the transportation industry
- Our proprietary Owner Operator Insurance Assessment has helped more than 100 companies identify their compliance risk
- Our 2014 safety webinar series attracted more than 1,200 participants



Over 200 trucking professionals attended the Fourth Annual Cottingham & Butler Transportation Summit in 2014



19%

Organic Growth in 2014

First-class insurance
solutions for over 2,500
trucking companies
across the U.S.



CHRIS VOGEL
Senior Vice President, Transportation Group



MARK ROLING
Senior Vice President, Transportation Group



STEVE SCHILL
Senior Vice President, NSTD



CHRIS PATRICK
Senior Vice President, Transportation Group

Corporate Expansion

Over the past 10 years, Cottingham & Butler has aggressively expanded its presence beyond its Dubuque, Iowa headquarters. Our geographic expansion combines the best in local talent with the support and resources from our corporate office. With offices in 14 locations, we are able to deliver better service, better value and better results to clients that are looking for professional insurance advice from a privately held, service-oriented company.

Over 600 Insurance Professionals
Across the United States



- 1. Dubuque, IA
(Corporate Headquarters)
- 2. Appleton, WI
- 3. Chicago, IL
- 4. Columbus, OH
- 5. Davenport, IA
- 6. Franklin, TN
- 7. Madison, WI
- 8. Minneapolis, MN
- 9. Orlando, FL
- 10. Pittsburgh, PA
- 11. Rochester, MN
- 12. San Antonio, TX
- 13. San Diego, CA
- 14. Wausau, WI



WADE MCANELLY, Regional Director

Minneapolis, MN



MIKE SALADINO, VP, Managing Director, Illinois Operations

Chicago, IL



20%

Organic Growth in 2014

DEAN VANDER PLAS, Senior Vice President, Wisconsin Operations

Wisconsin (Madison, Appleton, Wausau)

Cottingham & Butler's Wisconsin operations represent our largest brokerage footprint outside of Dubuque. They are pioneers in building an extension of our company's high performing culture while serving the unique needs of their regional clients. They are staffed with industry experts across our entire business that deliver the service and solutions our clients need.

Better Every Day:

- 98% client retention in the last 2 years
- 50% increase in staff serving the Wisconsin market over the last 2 years
- Our practice grew 20% organically in 2014

A portrait of Mark Fitzjerrells, a middle-aged man with short grey hair, wearing a dark blue suit, white shirt, and patterned tie. He is smiling and sitting in a brown leather chair. The background is a blurred office setting with a window showing a grid pattern.

MARK FITZJERRELLS
Senior Vice President, Captives & Programs

Captives & Programs

13%

Organic Growth in 2014

Our Captives & Programs department provides insurance products that allow mid-sized companies the ability to buy insurance like the largest companies in the country, without being exposed to catastrophic financial risk that could put them out of business. Our programs combine strategic risk transfer mechanisms with a proactive focus on improving safety and aggressively managing claims.

Better Every Day:

- Nearly \$100 million in dividends returned to clients over the past 20 years
- Our captive clients pay 35% less per workers' compensation indemnity claim than the industry average
- Our newest captive program has grown to serve 21 clients in just 5 years

Nearly \$100 million
in dividends returned to
clients over the past 20 years



Cottingham & Butler Captives:



CBCS (Claims Services)

CBCS is a leading third-party claims administrator that is redefining the way claims are managed. Unlike many of our competitors, we don't profit from hidden fees or thoughtlessly process claims at your expense. Our highly skilled professionals partner with our clients to provide transparent, timely and effective communication that delivers significant savings and a better claims experience.

Better Every Day:

- In 2014, we reduced our clients workers' compensation medical bills by an average of 48.5% (over \$31 million in savings)
- Our adjuster turnover was less than 2% in 2014
- In 2014, our subrogation and collection efforts saved clients \$5.5 million

18%
Organic Growth in 2014

DAVE FRANSON
Senior Vice President, CBCS & Safety Management

Safety Management

At Cottingham & Butler, we believe that the success of your safety program lies in leadership. Unlike some safety providers, we don't just talk safety, our Safety Management Services team works hand-in-hand with you to drive change from the top down, ultimately keeping your people safe and reducing losses.

Better Every Day:

- In 2014, our safety consultants identified over 5,500 worksite hazards
- Our training efforts resulted in over 400 transportation clients becoming certified safety directors
- Reduced workers' compensation claim frequency for our Safe Truck captive by 50% since 2007
- Our safety consultants negotiated over 60% in savings for our clients following an OSHA inspection

13%
Organic Growth in 2014

Our safety consultants negotiated over 60% in savings for our clients following an OSHA inspection



DALE SABERS
Director of Risk Management Safety

CHAD HOPPENJAN
Director of Transportation Safety



18%

Organic Growth in 2014

DICK SIGWARTH, Chief Operating Officer, SISCO

SISCO

Saved self-funded clients
34.7% off of billed amount
through network discounts,
reducing total spend by 49.9%

SISCO is a leading third-party benefits administrator dedicated to helping our clients and their employees maximize the value of their employee benefits. As a business that is focused on high-touch and first-class customer service, we strive to provide our clients a seamless experience in everything we do.

Better Every Day:

- Our eligibility audits identified over 1,300 ineligible participants – saving clients nearly \$5 million in 2014
- Reviewed and processed over \$625 million in self-funded and insured medical claims in 2014
- Acquired Benefit Coordinators Corporation, significantly enhancing our online enrollment and consolidated billing capabilities



DR. ANGELA RILEY
Medical Director, HealthCorp

CHRIS LAMBERT
Director of Nursing

14%
Organic Growth in 2014

HealthCorp

**Averaged over
\$7,000 in savings per
case management
incident**

HealthCorp, Cottingham & Butler’s in-house medical management team, focuses on improving their client’s medical outcomes through quality care and patient accountability. Our team is staffed with full-time physicians and nurses that effectively guide our clients through the healthcare system, resulting in greater savings for our clients and better outcomes for their employees.

Better Every Day:

- Incentivized condition management program achieved 90% compliance with care
- Decreased readmission rates by 15% with discharge follow-up program
- Averaged over \$7,000 in savings per case management incident



JIM WACHTEL
Vice President of Sales, HealthCheck360°

KEVIN FELDERMAN
Director of Operations, HealthCheck360°

MICHAEL KELLY
Vice President, HealthCheck360°

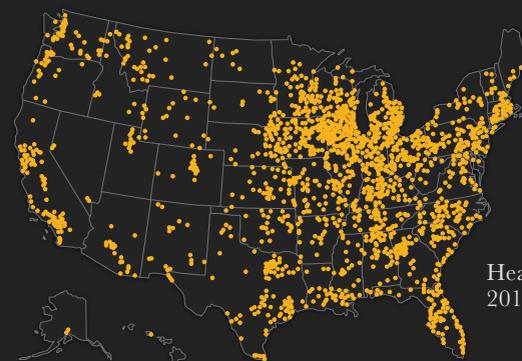
TRENT TANGEN
Health Coach Supervisor, HealthCheck360°

HealthCheck360°

HealthCheck360° is a leading performance-based wellness provider that drives better health outcomes. Our model focuses on long-term health improvement through awareness, data-driven engagement and employee accountability, resulting in substantial bottom-line savings for our clients.

Better Every Day:

- 67% of high risk participants improved and maintained better health over the past 4 years
- Launched new employer and participant reporting tools
- Engaged over 15,000 employees through new activity initiatives
- Our Health Coaches engaged over 20,000 employees and improved their results 30% more than participants without coaching



HealthCheck360°
2014 client screenings

26%

Organic Growth in 2014

67% of high risk participants improved
and maintained better health over the past 4 years

A Culture of Support and Challenge

At Cottingham & Butler, we embrace the challenge of getting Better Every Day. Our culture is relentless at identifying ways we can improve our business by increasing the value of what we do for our clients. We have an exceptional team that is passionate about driving bold, new initiatives that make us and our clients **Better Every Day**.



FINANCE

Tim Berns, Chief Financial Officer | Sandy Stelken, Vice President, Accounting



Cottingham & Butler Corporate Headquarters
Dubuque, Iowa



**HUMAN
RESOURCES**

Kirsten Williams, Assistant Vice President, Human Resources



**INFORMATION
SYSTEMS**

Chris Hueneke, Chief Information Officer



STRATEGIC INITIATIVES

Angie Long, Vice President, Strategic Initiatives



ANALYTICS

Craig Herbst, Assistant Vice President, Consulting



MARKETING

Brian Davis, Creative Director | Kassy Herrig, Marketing Manager



**LEGAL &
COMPLIANCE**

Chris Williams, Director of Legal & Compliance



**RECRUITING
& DEVELOPMENT**

Tony Noel, Director of Sales Dev. | Nikki Goldsmith, Talent Acquisition Spec.



Cottingham & Butler

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