

Why we do this:

At Arrowhead, we're building a world where the fear of risk does not inhibit the courage to dream.

How we behave:

- Demonstrate loyalty by cultivating long-term relationships
- Embrace uncertainty as opportunity
- Be dedicated to doing the *next* right thing
- Create new ways to win together
- Humbly display generosity

What we do:

Arrowhead is a Programs Administrator with experts that address your specific insurance needs, building trust by reducing uncertainty and minimizing loss with the broadest range of innovative program solutions in the industry.

Who our customers are, and what drives them:

Carriers: Presidents & Program Directors:

- Trust/Confidante
- Security/Risk management
- Growth
- Respect/Status

Agents & Brokers:

- Compensation/Wealth
- Big fish/Recognition
- Speed/Instant gratification/Solutions
- Hunter/The Win/Deal-driven/Competitive
- Quid pro quo/Relationship-driven/Territorial
- Reputation w/customers & community

Policyholders:

- Specialized/Trusted advisor/Stability of carrier
- Price/Economy/Thrift
- Simplicity/Ease of doing business/Efficiency
- Options/Customization
- Coverage/Security/Protection

What's most important right now:

1. Use tech to improve products
2. Internal start-up programs
3. PA partner for carriers
4. Create one brand across divisions
5. Expand Arrowhead Exchange
6. Improve internal org structure
7. Strengthen new hiring

What makes our brand superior and trustworthy:

1. 20+ top rated carriers across multiple programs
2. 20+ products in Personal, Commercial, Specialty, Professional Liability and Public Entity segments
3. 6,000 + Agency relationships
4. 700+ employees in 13 offices nationwide
5. \$1B+ direct written premium
6. Market leader for Commercial Earthquake in N. America
7. Market leader for Automotive Aftermarket in N. America
8. 1st program dedicated to sovereign nations market
9. "Lift-out" pioneer (Zurich & Everest deals)
10. Senior Leadership Team shares management of Brown & Brown National Programs for combined 60+ programs, 100+ products and \$2.6B premium

The image we project:

- **Trustworthy:** Deliver what you say, with the best interests of the client always in mind
- **Innovative/Optimistic:** Future-forward focus with a can-do attitude
- **Even-keeled:** Calm under pressure, level-headed, and predictable
- **Intelligent/Thoughtful:** Sharing our professional knowledge of our products and industry
- **Authentic:** Transparent, candid, and genuine

Our story:

Arrowhead was founded in California in 1983 as a nonstandard auto program administrator. The founder, Robert Hoyer, was an avid hiker who loved taking his son on off-the-beaten-path expeditions to marvel at the Native American artifacts in the western deserts. It was on one of these hikes that he was inspired to name the agency "Arrowhead." That spirit of exploration and discovery has become the DNA of Arrowhead.

- 2nd generation leadership stayed true to this heritage by seeking out insurance entrepreneurs who were building unusual, specialized programs to join the Arrowhead team.
- Agency grew with unusual geographic and product diversification, allowing it to weather a number of business cycles.
- Used market disruptions as opportunities for product innovations, allowing us to write while other agencies were in exodus.
- Built a highly scalable infrastructure with the caliber of IT, claims, underwriting and back office support of a national carrier.
- Unlike the carriers, Arrowhead did not assume any risk so had the resources to continually hone the quality of its underwriting, distribution, customer service, and carrier relationships.
- The acquisition of Arrowhead by Brown & Brown has brought a greater depth of resources and newfound economies of scale to the agency, so it has become even more efficient, stable, and effective on behalf of its customers.



So, tell me, what do you do?

I work at Arrowhead, an insurance solutions provider that's been innovating the programs industry for nearly four decades through our focus on technology. We write \$1 billion in premium a year across more than 20 specialized programs – the broadest range in the business. Our true success, however, has really come from forging deep, long-lasting relationships with global, top-rated carriers, as well as with our agents, brokers, and clients – because we believe genuine, personal connections are what really set Arrowhead apart. Personally, I'm just proud to be with a company that's working to build a world where the fear of risk doesn't inhibit the courage to dream.

For people who might not know about Arrowhead—In a broad sense, what does the company do?

From a purely rational standpoint Arrowhead is a Programs Administrator whose experts address specific insurance needs, minimizing loss with the broadest range of innovative program solutions in the industry. But from a more emotional point of view, what we’re doing is building trust with our stakeholders by reducing uncertainty.

Interesting...How did the company get started?

Arrowhead was founded in California in 1983 as a nonstandard auto program administrator. The founder, Robert Hoye, was an avid hiker who loved taking his son on expeditions to marvel at the Native American artifacts in the western deserts. It was on one of these hikes that he was inspired to name the agency “Arrowhead.” That spirit of exploration and discovery became part of the DNA of Arrowhead, and 2nd generation leadership stayed true to this heritage by seeking out insurance entrepreneurs who were building unusual, specialized programs, recruiting them to join the Arrowhead team.

In the first 20 years, the agency grew with an unusual geographic and product diversification that contributed to the resiliency of the firm, which weathered a number of business cycles only to come out stronger. Much of that growth sprang from Arrowhead’s approach to market disruptions, which the company would use as opportunities for the development of product innovations that would allow it to write policies while other agencies were in exodus.

What drives the company...To what do you attribute its success?

First and foremost, it’s our people. We always try to demonstrate loyalty by cultivating long-term relationships. And in our business, you’ve got to embrace uncertainty as opportunity – you can’t be afraid of it. It also is important to be dedicated to doing the next right thing; in other words, cultivating a culture of innovation. That way, we create new ways to win together with all of our partners – carriers, agents, brokers – and, of course, policyholders. To do that we find it very helpful to be humble and openly generous. We find that when our people make decisions based on these kinds of values, they usually come up with the right answer.

You talk about how valuable your people are – what type of employee is a good fit for Arrowhead?

We are picky about our people. Clearly, trust is paramount. Beyond that baseline, we’re seeking someone who is innovative and optimistic and at the same time even-keeled. In the end, a good match is folks who are thoughtful, intelligent and authentic in their dealings with our business partners. Especially if they can embody the level of confidence we have in our business. We think we provide a great option for people who want a dynamic workplace that offers professional growth near the kind of communities they want to live in and raise their families. We’ve made a real commitment to pursue technology upgrades that will streamline work processes, so our employees can focus more on partnerships and personal client service.

We’re also dedicated to creating open communication and opportunities for input and collaboration, which we

think fosters teamwork. We encourage our employees to “own their role,” recognizing that every single person in Arrowhead plays an important part in our success, and we empower them to do whatever it takes to resolve issues and keep our business partners satisfied.

The insurance programs space is crowded. How do you differentiate Arrowhead?

You know, what we’re doing is clearly working because today we earn some \$1 billion in programs premium. That comes from having the largest collection of top-rated carriers, including 20 of the largest, most stable and highest-rated global companies. Plus we have the most programs – 20 of them — that stretch across some 6,000 agency relationships. That’s part of what makes us one of the top Program Administrators by volume.

Beyond size, we’re unique in a lot of ways. We’re the largest writer of commercial earthquake and auto aftermarket in North America. And I think people look to us for innovation – we pioneered the first “lift-out” arrangement with Zurich and Everest. We were the first program to address the sovereign market.

Arrowhead also maintains close ties to the industry, with several association relationships. But in the end, our people make the difference. We have over 700 employees in programs in offices nationwide, and they have forged deep relationships with agents, brokers, and clients.

What’s the working relationship between Arrowhead and its parent company, Brown & Brown — doesn’t this present a conflict between you and your retail producers?

It actually benefits the retail producer: By sharing resources and standardizing operations such as admin, IT, and accounting, we have a more efficient operation that provides the retail producer with an opportunity for higher margins and a greater number of products to offer. Plus, when we go to the large carriers, our relationship gives us greater leverage because of the combined premium Arrowhead and Brown & Brown write with them. And the fact is, Brown & Brown represents less than 5% of our retail business, so it’s largely a cultural connection — both companies share an entrepreneurial streak and believe in decentralized management — and that works in favor of the retail producer as well.

So what are some of the challenges facing your industry?

There are always challenges such as loss-leader pricing that competitors use to try and gain market share, and quite frankly this industry doesn’t engage in product innovation the way we’d like them to. But we don’t like to dwell on threats, since you can’t entirely eliminate them. We prefer to focus on all the opportunities before us such as strengthening carrier relationships, practicing greater discipline in our underwriting, and developing even more specialized industry expertise. We noticed a long time ago that Arrowhead got farther faster by looking for opportunities while everyone else was hiding under a rock than by crawling under as well.

That’s a pretty optimistic outlook. Sounds like a bright future for Arrowhead?

The world is never going to be 100% safe. But the reason we come to work here is that we envision a world where the fear of risk does not inhibit the courage to dream. I think we can all agree on that.