

## AMERICAN SPECIALTY SERVICE AND COMPENSATION DISCLOSURE

In order to provide a clear understanding of our services and potential sources of compensation, we are pleased to provide the following information.

American Specialty is dedicated to providing specialized insurance and risk management services for the sports and entertainment industry. We work with clients and/or their designated brokers or agents. When we work with an insured's designated broker or agent, we enter into a formal Broker/Agent Agreement that outlines our respective responsibilities.

The services we provide are outlined below. Such services are negotiated with each individual client and/or such client's designated broker or agent.

**INSURANCE SERVICES** - As an Underwriting Manager, we work for certain insurers and provide underwriting, policy service, claims management, and risk management services as authorized by such insurers. For these services, we receive a commission and may participate in underwriting profit. When we act in a brokerage capacity, we place business with select insurers and receive a commission from these insurers.

**CLAIMS MANAGEMENT SERVICES** - We act as Third Party Administrator for certain insurers as per agreed guidelines and receive compensation for services rendered. For self-insured retention or self-funded retention programs, our services and compensation are outlined in a Claims Services Agreement which we execute with clients. Any other claims services we provide, such as on-site claims management or claims audits for insurers or clients, are negotiated on an individual basis and memorialized in individual agreements.

**RISK MANAGEMENT SERVICES** - We provide specialized risk management services. Our services and compensation are outlined in individual agreements with our clients.

**CRISIS MANAGEMENT SERVICES** - We provide specialized crisis management services to assist our clients in assessing, developing, and testing their crisis plans. We also offer crisis phone services which provide our clients with the outsourced capability to manage communication demands in the aftermath of a crisis. Our services and compensation are outlined in individual agreements with our clients.

**PREMIUM FINANCE** - In the event that we arrange the financing of your insurance premium, we may also receive a fee from the premium finance company.

American Specialty and other parties also owned in whole or in part by Brown & Brown, Inc. (such as retail agents/brokers, excess and surplus lines brokers, wholesale brokers and reinsurance intermediaries), may receive compensation for their role in providing insurance products or services to American Specialty or our clients. This compensation may include payments which are not client-specific, such as payments based upon the performance and/or amount of business placed with an insurer. Whether such payments will be made by a particular insurer, or, if made, what the amount of any such payments will be, is generally not known until after the close of each underwriting year. Additionally, we and our affiliated companies may earn investment income on monies held in premium and/or claims accounts.