8.2.2.1 SECTION I – TITLE PAGE

STATE OF NEVADA

October 25, 2017

Part IA – Technical SOQ

RFQ Title:	***Property and Casualty Brokers***
RFQ:	***3495***
Vendor Name:	***Alliant Insurance Services, Inc.***
Address:	***1301 Dove Street, Suite 200, Newport Beach, CA 92660***
Opening Date:	***October 25, 2017***
Opening Time:	***2:00 PM***

PRESENTED BY

ALLIANT INSURANCE SERVICES, INC. | 1301 Dove Street, Suite 200, Newport Beach, CA 92660 | (949) 756-0271
ORGILL SINGER INSURANCE | 8360 W. Sahara, Suite 110, Las Vegas, NV 89117 | (702) 796-9100

October 25, 2017

State of Nevada, Purchasing Division
Attn: Gail Burchett
515 E. Musser Street, Suite 300
Carson City, NV 89701

Response to Request for Qualifications (RFQ) 3495 for Property and Casualty Broker

Dear Ms. Gail Burchett,

We at Alliant Insurance Services, Inc. (Alliant) would like to express our appreciation for the opportunity to respond to the Request for Qualifications (RFQ) for Property and Casualty Broker for the State of Nevada (the State). We are excited to demonstrate the value that we can bring to your entire Risk Management Program. We believe our response will highlight both the depth of our experience, as well as our desire to expand upon our partnership with the State.

Alliant is the leading public entity broker in the country. We continue to add expert resources and creative program alternatives, garnering recognition as a premier public entity brokerage firm. We work with over 10,000 public agencies across the U.S. including ten state governments. We are proud of our history as a specialty broker and our reputation as an aggressive, innovative public agency resource as we work daily to meet our clients' needs. We have made the strategic decision to continue our partnership with a local Nevada brokerage firm, Orgill Singer, who will be provide local, specialized support out of the Las Vegas, Nevada office.

We believe that we have drafted a comprehensive and thorough response to your proposal request. Alliant accepts all of the terms and conditions proposed within the RFP and agrees to be bound by the representations in our proposal during the term of the agreement. We hope our response shows that we are prepared to meet the State's needs. We, Mary Wells and Justin Swarbrick, will serve as the primary contacts for the State and our team stands ready to answer any questions that may arise as you perform your review. Our clients are our best measures of success and we encourage the State to reach out to all listed client references.

Best Regards,

Mary Wells
Senior Vice President
(949) 660-8125
mwells@alliant.com

Justin Swarbrick
First Vice President
(248) 205-2931
jjswarbrick@alliant.com

8.2.2.2 SECTION II – TABLE OF CONTENTS

8.2.2.1 Section I – Title Page ***01***

8.2.2.2 Section II – Table of Contents ***03***

8.2.2.3 Section III – Vendor Information Sheet ***04***

8.2.2.4 Section IV – State Documents ***06***

8.2.2.5 Section V – Section 2.2 – General Minimum Qualifications ***13***

8.2.2.6 Section VI – Section 2.3 – Technical Minimum Qualifications ***19***

8.2.2.7 Section VII – Section 3 – Company Background and References ***50***

8.2.2.8 Section VIII – Attachment F – Proposed Staff Resume ***58***

8.2.2.9 Section IX – Other Informational Material ***79***

Appendix ***86***

- ***A. Nevada Licenses***
- ***B. Litigation Disclosure***
- ***C. Audited Financial Statements***
- ***D. Nevada-based Business Letter – Orgill Singer Insurance***

8.2.2.3 SECTION III – VENDOR INFORMATION SHEET

The vendor information sheet shall be completed and signed by an individual authorized to bind the organization.

Please refer to the following page for the completed vendor information sheet.

VENDOR INFORMATION SHEET FOR RFQ 3495

Vendor Shall:

A) Provide all requested information in the space provided next to each numbered question. The information provided in Sections V1 through V6 shall be used for development of the contract;

B) Type or print responses; and

C) Include this Vendor Information Sheet in Section III of the Technical SOQ proposal.

V1	Company Name	Alliant Insurance Services, Inc.

V2	Street Address	1301 Dove Street, Suite 200

V3	City, State, ZIP	Newport Beach, CA 92660

V4	Telephone Number		
	Area Code: 949	Number: 756-0271	Extension: N/A

V5	Facsimile Number		
	Area Code: 949	Number: 756-2713	Extension: N/A

V6	Toll Free Number		
	Area Code: N/A	Number: N/A	Extension: N/A

V7	***Contact Person for Questions / Contract Negotiations, including address if different than above***
	Name: Mary Wells
	Title: Senior Vice President
	Address:1301 Dove Street, Suite 200, Newport Beach, CA 92660
	Email Address: mwells@alliant.com

V8	Telephone Number for Contact Person		
	Area Code: 949	Number: 660-8125	Extension: N/A

V9	Facsimile Number for Contact Person		
	Area Code: 949	Number: 756-2713	Extension: N/A

V10	***Name of Individual Authorized to Bind the Organization***	
	Name: Mary Wells	Title: Senior Vice President

V11	Signature ***(Individual shall be legally authorized to bind the vendor per NRS 333.337)***	
	Signature: Mary M. Wells	Date: October 23, 2017

8.2.2.4 SECTION IV – STATE DOCUMENTS

The State documents section shall include the following:

A. The signature page from all amendments signed by an individual authorized to bind the organization.

Please refer to the following pages for all signed amendments.

B. Attachment A – Confidentiality and Certification of Indemnification signed by an individual authorized to bind the organization.

Please refer to the following pages for the completed Attachment A – Confidentiality and Certification of Indemnification.

C. Attachment B – Vendor Certifications signed by an individual authorized to bind the organization.

Please refer to the following pages for the completed Attachment B – Vendor Certifications.

D. Copies of any vendor licensing agreements and/or hardware and software maintenance agreements.

We have no additional agreements to include as part of our response to the State's RFP.

E. Copies of applicable certifications and/or licenses.

Please refer to Appendix A for certifications and licenses for the proposed lead members.

State of Nevada
Department of Administration
Purchasing Division
515 E. Musser Street, Suite 300
Carson City, NV 89701

Brian Sandoval
Governor

Jeffrey Haag
Administrator

SUBJECT:	Amendment 01 to Request for Qualification 3495
DATE OF AMENDMENT:	October 11, 2017
DATE OF RFQ RELEASE:	September 28, 2017
DATE AND TIME OF OPENING:	October 25, 2017 @ 2:00 PM
AGENCY CONTACT:	Gail Burchett, Purchasing Officer II

The following shall be a part of RFQ ***3495 for Property and Casualty Brokers***. If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

---

1. Section 2.2 General Minimum Qualifications, 2.2.8 Brokers engaged in cyber assessments and cyber liability policy placement will be required to meet additional background check requirements and/or will required to provide the State letters of attestation from employer certificating that serving broker has no criminal convictions that would preclude them from marketing that particular line of coverage.

   a. Does the State require that the broker selected to market and place cyber coverage also provide cyber assessment services?

      Those two services can be provided independently of each other.

   b. Has the State had any cyber assessments performed by a broker or other outside vendor in the past 5 years?

      State had a cyber-liability insurance assessment completed during our fiscal year 2016.

   c. If the scope of a requested cyber assessment is outside the available services of a broker, would that disqualify the broker/firm from being able to market and place the cyber coverage?

      Not necessarily, but background check requirement would remain in place as we consider any underwriting data provided to outside parties for cyber liability to be confidential as it pertains to sensitive information about the State's computer networks and/or systems.

2. Section 8.1 General Submission Requirements, 8.2.2.4 Section IV – State Documents

   a. Part D. Copies of any vendor licensing agreements and/or hardware and software maintenance agreements.

      1. Does the State require any particular vendor licensing agreements from responding brokers?

         No, not at this current time.

      2. Does the State require any particular hardware or software maintenance agreements from responding brokers?

         No, not at this current time.

   b. Copies of applicable certifications and/or licenses.

      1. Does the State require copies of professional certifications of individual team members (i.e. ARM, CPCU or other)?

         Copies not required but desirable if used to further demonstrate individual broker's qualifications.

      2. Does the State require copies of insurance licenses of individual team members in addition to our corporate license(s)?

         Yes, copies of insurance licenses required.

3. Would you please provide additional clarification for 2.4 Optional Services item 2.4.9 Document issuance and verification? What type of documents and verifications do you consider an optional service?

   Document issuance and verification includes contracts and other documents (I assume we are not talking about insurance policies as that would not be optional but be required) used in conjunction with providing the optional services as noted within paragraph 2.4., including and not limited development of service agreements and/or subcontractor agreements along with verification of insurance provided as required under those agreements.

   Please see additional clarifying response under question 10 which pertain to document issuance as part of the required services.

4. Regarding Section 3.1.1-3.1.3: Please confirm the responding must only be licensed to do business in the State of Nevada and is not required to have a service office in the state.

   Brokers must be licensed to do business in Nevada. We expect that if Office is located outside the State, that Service Team would be available during the State's normal business hours from 8 a.m. – 5 p.m. PST to answer questions and provide services as needed.

5. Please provide a detailed schedule of insurance coverage including the following for each policy/line of coverage:

   a. type of coverage (i.e. property, aircraft, boiler and machinery, etc.);
   b. current carrier(s);
   c. name of current broker, intermediary, and/or managing general agent (MGA);
   d. all compensation paid to incumbent broker, intermediary, and/or MGA including retail and/or wholesale commissions, fees, etc.;
   e. policy effective dates;
   f. premium;
   g. limits;
   h. deductible/self-insured retention; and provide a complete copy of the current policy including all endorsements.

   The State of Nevada is not able to provide a detailed policy schedule at this time; however, we can provide the following:

   Policies issued to the State of Nevada include those lines of coverage referenced in revised Section 1, Paragraph 2 (see question nine). Current legislatively approved budget for policy premiums and their associated fees and/or commissions for Fiscal Year 2018, total approximately 2.6 Million dollars.

6. Regarding Section 2.3.7, respondents are asked to "List the top five (5) insurance companies, ranked by premium volume, you place commercial all risk property insurance within Nevada and in other States and your premium volume with each of them for the past two (2) years." Please confirm this request is for both the firm overall and separately for Nevada.

   Yes, please provide information showing business placed within the State of Nevada vs. the amount of business placed outside the State of Nevada.

7. Will the State be willing to consider any exceptions to the proposed contract terms?

   The State is not willing to consider exceptions to the contract.

8. Will the State consider adding limitation of liability language to any final contract?

   The State is not willing to consider exceptions to the contract.

9. The following is a change to the RFQ document.

   Section 1, Paragraph 2 shall be changed as follows. "The primary insurance coverages that the Risk Management Division obtains at this time are aviation, commercial property, boiler and machinery, crime (employee dishonesty), <u>cyber liability</u>, excess liability, fine arts and various agency specific liability policies."

10. The following is a change to the RFQ document.

    Under section 2.2 General Minimum Qualifications, the following requirement has been added.

    2.2.10 - For those insurance programs and insurance policies procured on behalf of the State of Nevada, broker will be responsible for document issuance and verification including the timely review and delivery of all policy documents from the insurance carriers including but not limited to binders, policies and any associated policy endorsements/amendments.

11. Attachment D, Insurance Schedule shall be replaced by the attachment below.

RFQ 3495
Attachment D Insurar

ALL ELSE REMAINS THE SAME FOR RFQ 3495.

Vendor shall sign and return this amendment with proposal submitted.

NAME OF VENDOR	Alliant Insurance Services, Inc.		
AUTHORIZED SIGNATURE	Mary M. Wells		
TITLE	Senior Vice President	**DATE**	October 23, 2017

RFQ 3495 Amendment 01

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal

ATTACHMENT A – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Submitted proposals, which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "confidential" **shall not** be accepted by the State of Nevada. Pursuant to NRS 333.333, only specific parts of the proposal may be labeled a "trade secret" as defined in NRS 600A.030(5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful vendors' technical and cost proposals become public information.

In accordance with the submittal instructions of this RFQ, vendors are requested to submit confidential information in separate files marked "**Part IB Confidential Technical SOQ**" and "**Part III Confidential Financial**".

The State shall not be responsible for any information contained within the proposal. If vendors do not comply with the labeling and packing requirements, proposals shall be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposals that shall be in an open meeting format, the proposals shall remain confidential.

By signing below, I understand it is my responsibility as the vendor to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act shall constitute a complete waiver and all submitted information shall become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains Confidential Information, Trade Secrets and/or Proprietary information.

Please initial the appropriate response in the boxes below and provide the justification for confidential status.

Part IB – Confidential Technical SOQ Information			
YES		NO	X
Justification for Confidential Status			

Part III – Confidential Financial Information			
YES		NO	X
Justification for Confidential Status			

Alliant Insurance Services, Inc.

Company Name

Mary M. Wells

Signature

Mary Wells, Senior Vice President

Print Name

October 23, 2017

Date

This document must be submitted in Section IV of vendor's technical proposal

ATTACHMENT B – VENDOR CERTIFICATIONS

Vendor agrees and will comply with the following:

(1) Any and all prices that may be charged under the terms of the contract do not and will not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The vendor agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.

(2) All proposed capabilities can be demonstrated by the vendor.

(3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or potential vendor.

(4) All proposal terms, including prices, will remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded vendor, all proposal terms, including prices, will remain in effect throughout the contract negotiation process.

(5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals shall be made in good faith and without collusion.

(6) All conditions and provisions of this RFQ are deemed to be accepted by the vendor and incorporated by reference in the proposal, except such conditions and provisions that the vendor expressly excludes in the proposal. Any exclusion shall be in writing and included in the proposal at the time of submission.

(7) Each vendor shall disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFQ. Any such relationship that might be perceived or represented as a conflict shall be disclosed. By submitting a proposal in response to this RFQ, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a vendor's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.

(8) All employees assigned to the project are authorized to work in this country.

(9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or handicap.

(10) The company has a written policy regarding compliance for maintaining a drug-free workplace.

(11) Vendor understands and acknowledges that the representations within their proposal are material and important, and will be relied on by the State in evaluation of the proposal. Any vendor misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.

(12) Vendor shall certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.

(13) The proposal shall be signed by the individual(s) legally authorized to bind the vendor per NRS 333.337.

Alliant Insurance Services, Inc.

Vendor Company Name

Mary M. Wells

Vendor Signature

Mary Wells, Senior Vice President — October 23, 2017

Print Name — Date

This document must be submitted in Section IV of vendor's technical proposal

8.2.2.5 SECTION V – GENERAL MINIMUM QUALIFICATIONS

*Vendors shall place their written response(s) to **Section 2.2, General Minimum Qualifications** in **bold/italics** immediately following the applicable RFQ question, statement and/or section.*

2.2. GENERAL MINIMUM QUALIFICATIONS

2.2.1 Brokers/firms must demonstrate experience in structuring and obtaining property and liability insurance programs for at least one (1) State government, a university system, a large public or governmental entity (3,000 + employees/$2 billion property value) or a large public entity pool with similar risks, within the past two (2) years.

We currently work with over 10,000 public entities across the country and are the current broker of record for the State of Nevada for both Property and Cyber Liability. We are ranked as the 12th largest insurance brokerage firm according to Business Insurance Top 100 Brokers 2016 publication. We have the experience working with the worldwide marketplace to help our client's obtain property and liability insurance programs and have created a number of EXCLUSIVE programs that give additional leverage to help us deliver superior results in our marketing efforts. In fact, we represent the largest single property placement in the world, the Alliant Property Insurance Program (APIP), which consists of over $507 billion in total insurable values (TIV) across 44 different states and the State of Nevada is a participant of this program. Working with state governments, university systems and large public entity pools is amongst one of our larger practice groups and we have included a sampling of our clients that fall within the parameters set for in Question 2.2.1:

Entity	*TIV*
CSAC Excess Insurance Authority	*$57,000,000,000*
University of California System	*$46,000,000,000*
TASB Risk Management Fund	*$32,000,000,000*
Arizona Schools Risk Retention Trust, Inc.	*$21,000,000,000*
Virginia Municipal Liability Pool	*$20,000,000,000*
California State University Risk Management Authority	*$18,000,000,000*
State of Washington	*$13,000,000,000*
Maryland Association of Boards of Education Group Insurance Pool	*$12,000,000,000*
State of California	*$12,000,000,000*
Rhode Island Interlocal Trust	*$6,000,000,000*
Utah Local Governments Trust	*$6,000,000,000*

8.2.2.5 SECTION V – GENERAL MINIMUM QUALIFICATIONS

Entity	*TIV*
State of Montana	***$5,000,000,000***
State of Wyoming	***$2,000,000,000***
State of Michigan	***$2,000,000,000***

The service team listed within this proposal also makes up Alliant's segment team that specializes working with State governments and large public entity pools. Each individual will pull from their experience and market relationships to help better serve the State in all facets of brokerage services including the placement of insurance.

2.2.2 Brokers/firms must demonstrate experience in negotiation and managing large deductible or other alternative risk financing plans for a large public entity or private employer with the past two (2) years.

The State's team has a tremendous amount of experience working with large deductible plans and alternative risk transfer plans for large public entities and we will utilize this experience as your broker partner. We have included several examples:

- ***Alliant places the property for a large pool client in Texas whose property values exceed 30 billion. Since we have been working with the pool, the retentions have ranged from $1,000,000 to $5,000,000 and we have successfully managed to include aggregate stop limits to help better protect the integrity of the pool. We have placed their property for 10 years including the "named windstorm". Recently, the pool decided not to offer "named windstorm" coverage to their members which created a gap in coverage for the members who needed it. Alliant stepped up to the plate and designed a tiered approach for wind coverage only for the members that needed it. This allowed those members to continue to participate in the pool for the All Risk portion of their property coverage.***
- ***Local Government Insurance Trust (LGIT) has been a client since 2010. They carry a $100,000 deductible for their property insurance and have more than $6 Billion in Total Insurable Value. When we began working with LGIT, we were able to save them more than $1,100,000 by placing them into our EXCLUSIVE property program, APIP. As part of this program, we include auto physical damage which results in a high frequency for losses which led us to implement a $1,500,000 aggregate stop limit.***

If the State is interested in additional examples of our experience with large deductible programs or alternative risk transfer placements, we would be happy to share those upon request.

8.2.2.5 SECTION V – GENERAL MINIMUM QUALIFICATIONS

2.2.3 Brokers/firm and key staff must be available to the Risk Management Division during regular business hours (8:00 a.m. – 5:00 p.m., Pacific Time, Monday-Friday, excluding State holidays) and must agree to allow the Risk Manager or her designee to communicate directly with the insurer and underwriters upon request.

The service team dedicated to the State will be available 24/7 via phone and/or email and the administrative service support staff will be available during regular business hours (8:00 a.m. – 5:00 p.m., Pacific Time, Monday-Friday) We encourage the interaction between our insured's and their insurance carrier partners and agree to allow the Risk Management staff for the State to communicate directly with them.

2.2.4 Brokers/firms or brokers assigned to work on the State's account must not have been issued a "Cease and Desist Order" from the Insurance Commissioner in the State of Nevada for any reason within the past two (2) years.

Alliant and the service team assigned to work on the State's account have not been issued a "Cease and Desist Order" from the Insurance Commissioner in the State of Nevada for any reason within the past two years.

2.2.5 Broker/firms must be licensed with the Insurance Division and the Secretary of State to do business in the State of Nevada.

Please refer to Appendix A for Alliant's and our service team member's Nevada insurance licenses. All members of the service team are licensed in the State of Nevada or are currently obtaining their non-resident license for the State of Nevada.

2.2.6 Broker/firms must agree to all conditions outlined in Section 1, Overview and Scope of Project.

Alliant agrees to all conditions outlined in Section 1, Overview and Scope of Project.

2.2.7 Brokers must be able to demonstrate favorable insurance market relationships for the type of coverages/programs needed by the State.

One of our most important tools as a broker are the markets we have available to our clients. As a result, we have worked very hard to foster relationships at the highest level with the major insurance carriers

8.2.2.5 SECTION V – GENERAL MINIMUM QUALIFICATIONS

worldwide and amongst these relationships are a variety of carriers that provide the type of coverage/programs needed by the state.

With access to over 350 markets worldwide, we understand how public entities are perceived within the insurance marketplace, and how the operating environment shapes the risk transfer attitudes and needs of the public sector. We know which markets have a risk appetite for public entities and more importantly which individual underwriters are equipped to handle State Government exposures. The continual growth of our Public Entity Division over the past 40 years demonstrates our commitment and skill in both hard and soft markets and proves we can successfully operate in both.

In addition, our EXCLUSIVE programs are amongst the largest in the world and just the sheer premium volume grabs the attention of underwriters worldwide. As the State's broker we will leverage our EXCLUSIVE programs and call upon our high level relationships to help deliver the best program available in the marketplace.

2.2.8 Brokers engaged in cyber assessments and cyber liability policy placement will be required to meet additional background check requirements and/or will required to provide the State letters of attestation from employer certificating that serving broker has no criminal convictions that would preclude them from marketing that particular line of coverage.

We are intimately familiar with this requirement and agree to produce the additional background checks required to facilitate a cyber assessment and/or policy placement. We experienced this first-hand when we were tasked to procure a cyber liability policy for the State. In 2016, Alliant was offered the opportunity to quote Excess Cyber Liability for the State of Nevada as part of a procurement process and we were assigned a specific set of markets. As part of the application process, the State required each broker and carrier to provide a "letter of attestation" which required background checks if an actual application was required to be completed for underwriting. Alliant was able to facilitate the necessary background checks for the brokers, however, it was very difficult for the carrier to accommodate this request as it was not part of their normal practice and required intimate involvement from the executive level. But as a result of our relationship with the carrier and their executives, we were able to underwrite the risk without an actual application (this is the same approach we take with our APIP cyber program). For this reason, the letter of attestation requirement was waived and we were successful in procuring a full first and 3rd party cyber liability policy for the State at a very competitive cost.

2.2.9 Broker/firm must agree to have stewardship meeting with State at least once a year.

Alliant agrees to host a stewardship meeting with the State at least once a year and this is common practice for our public entity clients. In fact, we have formalized a servicing methodology called our

8.2.2.5 SECTION V – GENERAL MINIMUM QUALIFICATIONS

"Defined Client Service Marketing Process" which concludes with a Stewardship Meeting. The Stewardship Report and Strategic Planning Meeting is designed to help us:

- ***Evaluate our performance***
- ***Review the results of your renewal***
- ***Discuss any new State operations or acquisitions you are contemplating***
- ***Identify new and emerging risks***
- ***Update you on recent market conditions/trends***
- ***Plan our next renewal strategy meeting***

We have provided additional detail about Alliant's Defined Client Service and Marketing Process in Section VI of the RFP for your reference.

2.2.10 For those insurance programs and insurance policies procured on behalf of the State of Nevada, broker will be responsible for document issuance and verification including the timely review and delivery of all policy documents from the insurance carriers including but not limited to binders, policies and any associated policy endorsements/amendments.

Our account services department is represented by our entire team from the lead broker to the account managers and loss control/claims team members. Our service philosophy is simple – we seek to maintain an organized approach to servicing that fits in line with your core values meets your scope of service. From the onset of our partnership, we will establish a set of deliverables that Alliant will abide by and will formulate a timeline that includes all anticipated tasks for that particular policy year. We understand that projects may come up throughout the year and we will frequently update our timeline to ensure it is accurate and up-to-date. Because we value service, we have established set guidelines company-wide that all staff members and brokers must practice. These guidelines can be easily customized and tailored to fit the need of our various public entity clients. Shown below is an excerpt from our proposed State Service Standards Guidelines that outlines our proposed service delivery commitment for the State.

Customer Service Product	*Customer Service Delivery Benchmark*
Phone calls returned	***Phone calls received in the morning returned in the morning. Calls received in the afternoon returned in the afternoon.***
E-mails returned	***Review regularly (morning and afternoon) and respond within 24 hours to acknowledge receipt.***
Summons and complaint	***Upon receipt or prior to end of business day.***
Claim first report to carrier	***Immediate or no later than prior to end of business, even if complete data is not available.***

8.2.2.5 SECTION V – GENERAL MINIMUM QUALIFICATIONS

Customer Service Product	*Customer Service Delivery Benchmark*
Claim follow up with carrier and client	***Within 24 hours of first report of loss.***
Open activities/suspense	***Daily.***
Pre-renewal letters to client	***100 days prior to expiration.***
Renewal business applications to market	***90 days prior to expiration.***
Binders	***Same day coverage is bound. If wholesale broker issued, advise client written confirmation of coverage is on its way.***
Agency bill binder billing	***No later than the inception date of coverage.***
Certificates	***Within 24 hours of receipt into the agency.***
Policy reviewed for accuracy	***Within 10 days from receipt.***
Policy delivered to client	***Within 10 days from receipt.***
Agency bill additional and return premium endorsements	***Within 5 days of receipt into the agency.***
Claims review with client	***45 days prior to expiration.***
Audit review and processing	***Within 48 hours of receipt.***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

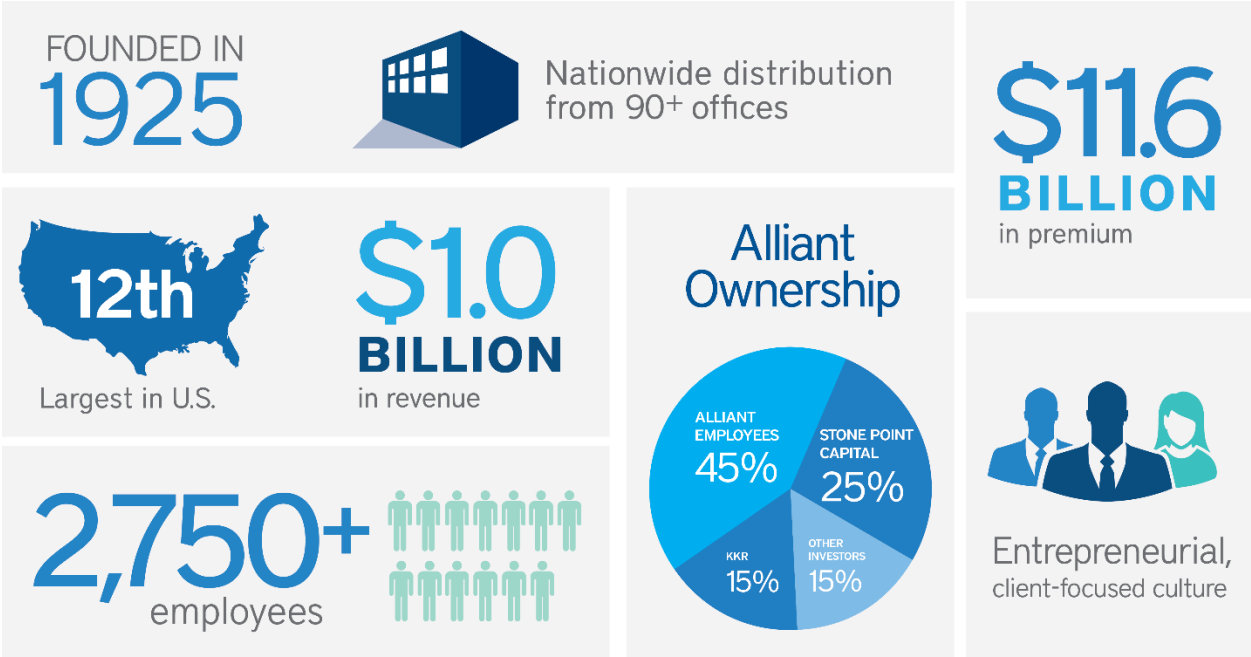
*Vendors shall place their written response(s) to **Section 2.3, Technical Minimum Qualifications** in **bold/italics** immediately following the applicable RFQ question, statement and/or section.*

2.3 TECHNICAL MINIMUM QUALIFICATIONS

It is mandatory that each component listed below in the Technical Minimum Qualifications be addressed. Failure to address each component shall result in disqualification of the RFQ response.
Vendors proposing to receive an award through this RFQ shall provide a detailed description of their SOQ, which shall include, at a minimum, the following information.
Please respond to the following items. Please keep your answers concise and number your responses to correspond with each question.

2.3.1 Provide a brief history and description of your firm. The description should include the number of employees who specialize in property and liability insurance and ancillary fields. Provide the same information and the physical location of offices in Nevada. Please provide copies of appropriate licenses.

Alliant was established in 1925 in San Diego, California as the Robert F. Driver Company. Today, it is a privately held corporation headquartered in Newport Beach, California. As a firm, we are the largest specialty broker in the country, with our entire focus on selected industry segments including public entity, education, construction, real estate, healthcare, tribal nations, hospitality, non-profits, and legal professionals. Business Insurance ranks Alliant as the second largest privately held broker.



8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Public Entity and State Government Experience

As previously mentioned, Alliant has successfully worked in the public entity space since the early 1970's. We represent a diverse book of business and have learned tremendously from working with over 10,000 public entity clients. Our clients include universities, cities, counties, special districts, and 10 State Authorities. We have listed our State Authority clients below:

- ***State of California***
- ***State of Nevada***
- ***State of South Carolina***
- ***State of Wyoming***
- ***State of Michigan***
- ***State of New Jersey***
- ***State of Tennessee***
- ***State of Washington***
- ***State of Montana***
- ***State Office of Risk Management, Texas***

We believe our clients are our best advocates and we hope you will take the time to contact our references which we have included in our response.

Office Locations

Alliant currently has an office in the City of Las Vegas located at:

2300 West Sahara Suite 800
Las Vegas, NV 89102

Although we would continue to service the State from our headquartered Newport Beach, California office as well as our Troy, Michigan office, we will provide local support through our partnered firm Orgill Singer located in Las Vegas, Nevada as well as claims management support from Alliant's San Francisco, California office.

2.3.2 Describe the special expertise your firm has in marketing property and liability insurance and related services to states, universities, large public entities and/or public entity pools.

With over $500 Million in public entity premium and premium equivalents placed, our Public Entity Division is a leader in providing specialty brokerage services to the public sector. As a result, the individuals who work within the National Public Entity practice are extremely experienced and qualified to market property and liability insurance for large public entities as well as provide related services that we believe would exceed the State's expectations. As the State's broker, we would not be "learning on the job" but rather drawing from our experience with other large public entities. To illustrate our experience with the Public Sector and non-profit organizations similar in size and complexity as the State, we have included examples that are specific to State governments and large public entities where we have used our expertise to assist our clients in improving their programs.

State of California – Finding Simpler Solutions to a Complex Government Placement

The State of California has been an Alliant client for almost 14 years. When the Alliant service team first became involved with the State of California program, there were over 400 policies in force. Our

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

experience as specialists in both programs and public entity insurance allowed Alliant to work with the State to completely redesign the program. There are now approximately 58 policies covering substantially the same exposures.

Some of the unique placements Alliant provides the State of California include:

- ***Department of Corrections property with special coverage for prison construction requirements***
- ***Department of Corrections liability for bond funded compliance***
- ***Business Enterprise Program-for disabled vendors at State facilities***
- ***Equipment Maintenance Management Program***

We also write an Earthquake placement for multiple State courthouses, an Earthquake placement for numerous property owners funded via the California Housing Finance Agency (CalHFA), Out of State Workers' Compensation, Fiduciary Liability, Crime, Watercraft, and many other miscellaneous placements.

State of Montana –Enterprise Risk Model Application and Cyber Resolution

Alliant has been proud to serve as the Property Insurance Broker for the State of Montana since 2005. During this time, the program has evolved through major changes in values, increases in exposure, and frequency and severity of property claims.

In 2012 Alliant became the broker for all lines of coverage for the State including Blanket Accident, Forced Placed Property, Foreign Package, Kidnap & Ransom, Volunteers, Excess Cyber, and Professional Liability.

Currently, the State of Montana is in Alliant's proprietary Property Insurance Program (APIP); however, we have modified the placement to conform to the unique needs of the State. For example, the State benefits from the leverage of the program in the marketplace, the significant catastrophe limits available to the State ($400 million in EQ limits) and the unique coverage options (Cyber Liability and Business Interruption related to a large dam). The State also benefits by Alliant placing the State separately from other members while still getting all the advantages offered by the program.

Claims frequency for the State of Montana has been significantly above average compared to other public entities. In this difficult environment, Alliant has been a strong partner in helping to resolve difficult and large claims. Alliant was successful in assisting the State of Montana with a cyber incident that impacted almost 1.7 million lives. Alliant was able to secure the proper coverage to deal with the complex Privacy and Security incident and was successful in providing the necessary breach response services required to properly mitigate the situation. It should be noted that despite the Cyber incident that cost approximately several million dollars, at the next renewal, we were able to secure virtually flat renewal terms for the State.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

State of Washington – Premium Savings Over $1,000,000

Alliant became the broker of record for the State of Washington in 2014. We have brought a number of changes to the State's Insurance and Risk Management program. We have been charged with the responsibility of looking for opportunities to consolidate placements, streamline administration, reduce costs and improve coverage. The following are some of our accomplishments to date:

- ***Property: The State had three major property placements. Alliant combined two policies (SR 520 Bridge and the Master Property program) into one placement into APIP. The third placement is for the Tacoma Narrows Bridge. Due to the large amount of earthquake coverage the State purchases for that exposure ($500M), the placement was marketed on a stand-alone basis outside of APIP. In all placements we achieved dramatic savings, more than 20% over expiring (in excess of $1,000,000 premium combined), and vastly improved coverage.***
- ***Inland Marine/Contractors Equipment/Automobile Physical Damage: Prior to our involvement, the State had several administratively burdensome policies which covered exposures such as vehicles, contractor's equipment, and other machinery. Pieces of equipment were rolling on and off weekly, as directed by the various departments around the State, requiring constant billing and change endorsements to be issued by the carrier. We were able to add coverage for these properties to our APIP program, thereby consolidating billing. This eliminated mid-term transactions saving the State money, time and effort.***
- ***Excess Liability Program: Alliant introduced new capacity into the placement and stabilized rates.***
- ***Marine Placements: Alliant worked closely with the State on the addition of two new ferries to the fleet. In addition, we helped resolve an old claim ($1,000,000+) which dated back prior to our involvement in the account.***
- ***Aviation/Airports: We have consolidated the markets and brought coverage options to the State that has allowed for increased limits and coverage with no additional premium costs.***
- ***Cyber Liability: Similar to the State of Nevada, we were able to provide the State, through APIP, with first and third party coverage. In 2016, we helped the State procure excess cyber liability coverage that follows Beazley's form for a competitive price through our exclusive Alliant Cyber Excess Solutions program.***

The State of Washington is a good example of Alliant's approach to a large, complex existing Enterprise Risk Management account. Our role is to present all options both traditional and non-traditional and dovetail our brokerage functions to the State's ERM Program.

State of Wyoming – Successful Integration of Property Program with 25% Savings

Alliant has placed the property and boiler and machinery reinsurance program for the State of Wyoming since 2005. When we initially became the broker, we were able to provide much improved coverage's and reduced the State's premium over 25%. Since 2005 we have increased the State's limits as well as Flood and Quake limits and enhanced their overall program significantly with broader terms. The State has had less than favorable loss history in some years yet we have been able to retain all limits and coverages.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Their previous placement was a very traditional policy with low sub-limits and less than favorable terms and conditions. We were able to include course of construction coverage, fine arts and auto physical damage on a replacement cost basis. Alliant stepped up to design a property program that fit the needs of the State agencies and gave protection to the risk management fund and saved significant money.

Texas Group Purchasing – Negotiated Better Structure

As previously mentioned, Alliant places the property reinsurance program for the Texas group purchase whose property values exceed $30 Billion. Since we have been working with the pool, the retentions have ranged from $1,000,000 to $5,000,000 and we have successfully managed to include aggregate stop limits to help better protect the integrity of the pool. We have placed their property program for 17 years including coverage for the Named Windstorm peril. A few years ago the pool decided not to offer named windstorm coverage to their members which created a gap in coverage. Alliant designed a tiered approach for named windstorm coverage only for the members that required it. This allowed those members to continue to participate in the pool for the All Risk portion of their property coverage. Since that period, the pool now retains a primary layer for named windstorm to allow them to offer wind direct through their pool.

Texas State University System-Saved over $2,000,000 in Premium

The Texas State University system encompasses eight colleges and universities located throughout Texas. Their property values are approximately $3,200,000,000 and estimated annual premium is $3,200,000. Three of the colleges and one of the universities fall under Tier 1 Wind and Flood exposure. In our first year as their broker we achieved a premium reduction of $2 million over their expiring program by restructuring their program as follows:

1. ***Analyzed primary and secondary data for Windstorm modeling for accuracy and omissions.***
2. ***Approached the London market directly (not through a wholesale broker).***
3. ***Structured a quota share placement for their primary $50,000,000 limits including named windstorm and flood.***
4. ***Placed Excess limits excluding named windstorm and flood.***
5. ***Restructured Flood deductible for SFHA properties to apply excess of NFIP coverage.***

Virginia Group Purchasing – Saved Over $2,500,000

As previously mentioned, we work with a large group purchase organization in Virginia and they have been a client since 2005. They currently have over $20,000,000,000 in TIV. When we first served as their broker, we placed their property and saved them $1,000,000+ utilizing our leverage in the marketplace. We also implemented a $4,000,000 aggregate stop loss on the program to help them hedge against catastrophic loss frequency. Based on our performance, we were also given opportunities to quote their Workers' Compensation and excess casualty lines. As a result, we saved an additional $1,500,000 on these placements.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Arkansas Municipal League – Saved over $1,000,000 in premium

ARML has participated in our APIP program since 2011. Historically, the pool has not collected complete COPE data from its members. Since we began working with the pool we appraised all properties valued greater than $1,000,000 to obtain complete COPE data and accurate values. By having this COPE data we were able to further negotiate with APIP to save them an additional $200,000. This was on top of initial premium savings. The pool has grown largely due to the enhanced APIP coverage offering for its members.

CSAC-EIA – Developed largest earthquake placement in the country

In 1983, we were selected by CSAC-EIA to design and implement a statewide property insurance program for all counties in the State of California, including the largest earthquake placement in the country. Under our jurisdiction, program membership has expanded from 16 to 54 California counties representing all but three counties in California and covering more than $20,000,000,000 in insurable values. Subsequently, we have implemented additional programs for medical malpractice, excess general liability, primary general liability, and primary workers' compensation. These programs have historically featured varying combinations of self-funded layers and reinsurance.

Unique Process – Creating Exclusive Programs

As part of our expertise working with public entities, one of the things that we do very well is creating advantaged programs to meet the needs of our clients. We are not satisfied with an "off the shelf" insurance policy and we strive to meet the needs of our clients by creating EXCLUSIVE programs for them tailored to their unique exposures. Once we have created a program, we utilize the leverage of our entire book of business to benefit each individual client in additional savings and coverage enhancements. These EXCLUSIVE programs have grown to be some of the largest in the world and a driver in our 98% client retention. These programs are further described in section 2.3.13.

We also understand that the placement of insurance is just one aspect of an entire risk management program that if properly implemented will help drive down the State's overall cost of risk. As the states broker we will look at your account in its entirety to implement a tailored risk management plan to include things such as loss prevention, claims advocacy, contract review, loss analysis and much more. As a specialty broker, we afford a full range of services that will be made available to the State. Additional information about the services we offer to our clients is referenced throughout our response.

2.3.3 Describe the largest alternative risk financing program that individuals, who would be designated to work on this account, have placed within the past two (2) years.

When it comes to alternative Risk Financing, our philosophy is to find the best possible means to transfer risk which sometimes is by utilizing unconventional methods. Often times, these alternatives are very complex. It is important to be creative in your approach and have the expertise and industry knowledge to understand or even know what options are available. Gordon DesCombes, specializes in these types of

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

programs and is a key member of the State's service team. We have included examples where we utilized an alternative risk financing approach for our clients:

- ***On October 1, 2107 Alliant as tasked to produce an alternative risk transfer program and provide an non-traditional approach to the insured's earthquake insurance program. Alliant successfully leveraged our relationship with a key carrier in this industry, SwissRe, to provide the CSURMA with a parametric policy for earthquake at a competitive cost. CSU is the largest four-year public university system in the United States with a total of 446,530 students and 44,000 faculty members and staff. Their property values are in excess of $25 billion and their estimated annual insurance and self-insurance spend exceeds $90 million.***
- ***Alliant has significant experience in developing alternative risk solutions for fine arts exposures for various public agencies, universities, museums, and other institutions to protect both the owned/permanent collections and the special exhibitions. Alliant has created large scale Fine Arts Programs to insure both the permanent collections and exhibitions for the University of California and the California State University Systems. A prime example is the work we have done helping to implement the Federal Government's free insurance program through the National Endowment for the Arts (NEA). Alliant played a significant role in the creation of the "Domestic Indemnity" program, resulting in $5 billion of capacity now available to museums across the country at NO COST beyond the effort of completing an application. This has dramatically helped to reduce the cost of hosting special exhibitions for museums, while at the same time increasing capacity in the commercial fine arts insurance market. In addition to the insurance placements, our Fine Arts team consults and assists in writing the insurance requirements in Lender Agreements. We can negotiate lender agreements, on behalf of your clients, with private lenders and large institutions such as the Louvre, Muse d'Orsay, the NY Met, and many more.***
- ***We were able to take advantage of the favorable workers compensation market for the California State Association of Counties (CSAC) when we conducted a Loss Portfolio Transfer for a specific set of years on behalf of the CSAC Primary Workers' Compensation Program. We "sold off" claims valued at over $90M and in so doing helped create a dividend pool of over $35M for the program members. The structure included a number of unique features, including the continuing control of the claims process by the CSAC EIA and a "trust fund" approach that protects the premiums paid to the carrier in the event of financial decline of the carrier involved in the transaction.***

As your broker, we will look for opportunities similar to this and have regular discussions with State personnel to determine the feasibility of any alternate risk financing approach.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

2.3.4 Provide the State with the names and a summary of the experience of each individual who would be assigned to work on the State account. This should include account executives, marketing personnel, loss control and claims consulting personnel and others who would actively work on the State account. A resume for each individual must be provided. Identify the individual within your firm who would have overall responsibility for the State account and the office in which each account team member is located.

Due to our partnership with Orgill Singer, the State will be able to enjoy the convenience of having a local presence matched with a national base of resources. This strategic partnership was created with the State's best interest in mind and we believe it will allow for the State to achieve superior results through the marketing process as well as improve the overall servicing of your account.

We have included the responsibilities and experience of everyone who will be intimately involved with the State's account. As you will see, most of the individuals not only have experience with public entities but even more specifically they have experience working with state governments. The advantage of this is the State can be confident we are not "learning on the job" and we will have experience with any scenario the State encounters. The day to day servicing will be primarily handled by our Newport Beach, California office (corporate headquarters) with assistance from our strategic partner Orgill Singer and both Mary Wells and Justin Swarbrick will continue to serve as leader brokers.

Alliant's Service Team – Roles and Responsibilities

Mary Wells, Senior Vice President | Team Lead | Newport Beach, CA

Mary will continue to serve as the Team Lead for the State. Mary will lead the service team and will have overall responsibility for all services delivered, including establishing budget projections, program design, maintaining marketing relationships, and developing competitive markets. Mary is responsible for placing large and complex property risks for many of our public entity clients in negotiating the best insurance coverage terms and pricing. Her extensive relationships with international property markets such as London, Bermuda and elsewhere will provide the platform for achieving the most competitive program that is available. Mary leads the property placement for the State of Montana and the Texas State Association Board of Education RMF. Mary also provides reinsurance consulting, placement, strategic consulting advice, risk retention/optimization strategy development and other unique public entity brokerage services.

Justin Swarbrick, First Vice President | Co-Team Lead | Troy, MI

Justin's will continue to co-lead with Mary Wells and will offer support on the property and casualty policies including schedule of values maintenance, policy review and issuance. Having a team member on the east coast allows for urgent time sensitive projects to be completed prior to the open of business the following day on the west coast. Justin will continue to be in attendance at all meetings and will serve as a primary contact for the State. Justin currently is the Leader on the State of Michigan,

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Michigan State University, State of Texas (SORM), Detroit Regional Convention Facility Authority and the Arkansas Municipal League.

Erin Bullard | Senior Account Representative | Newport Beach, CA

Erin's responsibilities will be to continue to provide day-to-day quality administrative services, including such items as certificate processing, endorsement requests, policy reviews, policy summaries, invoicing and monthly bordereaux processing. Erin has worked on large public entity accounts and currently serves in this position for the State.

Felipe Garcia, Vice President | Cyber Liability Specialist | Lake Mary, FL

Felipe will be responsible for overseeing and maintaining an effective risk transfer program for the State's risk to privacy and security. Felipe manages Alliant's cyber liability platform for public entity and personally manages several of Alliant's exclusive cyber programs to include the APIP Cyber Program as well as the Alliant Cyber Excess Solutions. Felipe acts in a similar role with various other public agencies to include the State of Montana, State of Washington and the Utah Local Governments Trust.

Doug Wozniak, Senior Vice President | Casualty Specialist | Newport Beach, CA

Doug will serve as the casualty and professional liability specialist for the State and will lead the team's efforts to market and place the State's liability insurance programs. Doug will work in close concert with Mary and Justin to develop the overall marketing strategy for the State's casualty programs. His extensive background with large complex casualty placements for governmental entities will be of great value to the State and currently has experience working with a number of public entity pools across the county as well as the State of Wyoming, State of Montana and the State of Michigan.

Eamon Springall, Chief Operating Officer, Orgill Singer | Local Support to Alliant Personnel

Eamon Springall became a second-generation shareholder and Chief Operating Officer of Orgill/Singer in 2008. He will be the "boots on the ground" for the team offering local knowledge to help better serve the State. He will attend meetings with the State as necessary and help if there are any situations that arise that require his expertise of working with clients in Nevada. His participation on the State's account will give you the comfort of having a broker with a local office but still being able to utilize the strength of Alliant's expertise and clout in the marketplace.

Thomas Bryson, Senior Vice President | Peer Review, Property Specialist | Thousand Oaks, CA

Tom will serve as peer review and will provide specialized support on the State's property placement. He currently manages the Alliant Property Insurance Program (APIP) which is the largest single property placement in the world. His primary responsibilities at Alliant include service in all facets of public entity brokerage and alternative risk management consulting. He serves in a similar position to various sizeable public agencies to include the State of Montana, State of Wyoming, and the California State Association of Counties Excess Insurance Authority which is the largest public entity pool in the nation.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Gordon DesCombes, Executive VP | Peer Review, Alternative Risk Finance | Newport Beach, CA

Gordon will be the State's contact as respects to alternative risk financing and finite risk solutions. Gordon is one of a number of Alliant resources that has worked with organizations exploring solutions in these areas and is happy to explore them with the State. One unique alternative risk finance solution that Gordon helped implement for the California State Association of Counties allowed the organization to reduce the reserve funds that were required to be set aside for payment of future workers compensation losses thereby freeing up cash for other endeavors.

Technical and Specialty Support Team

Tim Leech, First Vice President | Loss Control Consulting | Newport Beach, CA

Tim Leech is responsible for ensuring excellence in all aspects of service delivery to clients of Alliant Loss Control Services. In his role as First Vice President, Tim provides leadership and direction to the company's team of loss control and safety professionals. Tim is available to assist in developing a tailored loss control program with the direction of the State. Tim and Alliant's loss control team will supplement those services not provided by the State, including but not limited to property appraisals, foreseeable and maximum probable loss studies, jurisdictional boiler inspections, and other suggested services. It is important to note that the majority of the work performed by Tim and his team is for public entity clients and the unique exposures (correctional facilities, hospitals, office buildings, athletic venues, transportation systems, etc.) that accompany them.

Robert Frey, Senior Vice President | Claims Consulting | San Francisco, CA

As head of the Public Entity Brokerage Claims department in Alliant's San Francisco office, Bob will be the State's primary contact for reporting claims and working with carriers on all State claims. His most valuable role will be to act solely as the State claim consultant and advocate on difficult and severe claims. Bob's role will be to complement and supplement your efforts in obtaining quick and equitable claims resolutions while acting as a claims resource. His responsibilities include ensuring through the assistance of his dedicated claims staff, the initial reporting of claims to both primary and excess carriers, tracking the status of large open claims, and coordinating carrier claims meetings. Where necessary, Bob will be supported by senior professionals within our office who have substantial experience in helping our public entity clients negotiate settlements on large, complex property and liability claims.

The team described above will be assigned on a permanent basis. We know it is frustrating for our clients when there is new team members introduced replacing individuals who you have already built a strong relationship with. We agree that we will obtain approval from the State for any newly proposed key personnel on the State service team but do not expect many changes to take place. This team is committed to Alliant and has no expectations of pursuing their insurance careers elsewhere.

Please refer to Tab IX – Attachment G for service team resumes.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

2.3.5 Provide the names and telephone numbers of at least three (3) references (Refer to Section 3.3.1). These references must include a state government, large governmental or public entity or other large organization clients within the last three (3) years. For each reference also show coverages placed, dates of service (i.e., starting and ending) and any additional services that were provided.

Reference Name	Contact Information
State of Montana ***1625 11th Avenue, Middle Floor*** ***Helena, MT 59620***	***Brett Dahl, Risk Management & Tort Division*** ***(406) 444-3687*** ***bdahl@mt.gov*** ***All lines of coverage | 2005-Current***
State of Washington ***P.O. Box 41466*** ***Olympia, WA 98504***	***Jason Siems, State Risk Manager*** ***(360) 407-8729*** ***jason.siems@des.wa.gov*** ***All lines of coverage | 2013-Current***
State of California ***707 3rd Street, 1st Floor*** ***West Sacramento, CA 95798***	***Carrie Willson, Staff Risk Manager – Insurance*** ***(916) 376-5278*** ***carrie.willson@dgs.ca.gov*** ***Broker services to assist with the marketing placement and servicing of current and potential policies*** ***1999-Current***
State of Michigan ***525 West Allegan Street*** ***Lansing, MI 48909***	***Stephen Davis, Risk & Analytics Manager*** ***(517) 242-9464*** ***daviss1@michigan.gov*** ***All stand-alone placements | 2010-Current***
California State University System ***401 Golden Shore, 5th Floor*** ***Long Beach, CA 90802***	***Zachary Gifford, Director, System wide Risk Management*** ***(562) 951-4580*** ***zgifford@calstate.edu*** ***Current property & casualty program placement, marketing and servicing*** ***2001-Current***
Utah Local Governments Trust ***55 South Highway 89*** ***North Salt Lake, UT 84054***	***Steven A. Hansen CEO*** ***steve@utahtrust.gov*** ***(801) 808-2137*** ***All lines of coverage | 2016-Current***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

2.3.6 Describe your firm's policy in regard to direct client-insurer relations and the availability of staff.

We are in full support of client-insurer relationships. We believe you are your own best advocate and we typically find that carriers are in favor of these types of relationships since no one understands the unique exposures of your entity as well as your staff.

Throughout the marketing process and beyond, Alliant will assist the State in facilitating any underwriter meeting or correspondence requested by your staff. In addition, we will also work with the State's staff to prepare for these meetings including but not limited to: document preparation, policy form clarification, premium summaries, rating worksheets, etc.

Client-insurer relationships also support our important philosophy of having as few layers between the client and insurer throughout the marketing process. As a result, we find this relationship is especially valuable during renewal negotiations.

2.3.7 List the top five (5) insurance companies, ranked by premium volume, you place commercial all risk property insurance within Nevada and in other States and your premium volume with each of them for the past two (2) years.

We have included the top 5 largest carriers we work with in terms of premium volume placed with them. However, it is important to note that these carriers are all in ADDITION to our EXCLUSIVE programs we have available to our clients.

Property	
Market	***Premium Volume***
AIG	***$474,000,000***
Chubb	***$400,000,000***
Zurich	***$315,000,000***
Travelers	***$234,000,000***
Liberty Mutual	***$195,000,000***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

2.3.8 List the top five (5) insurance companies, ranked by premium volume; you place commercial liability insurance within Nevada and in other States and your premium volume with each of them for the past two (2) years.

Liability	
Market	***Premium Volume***
Markel	***$16,000,000***
Munich	***$10,000,000***
Genesis	***$5,000,000***
Brit	***$2,000,000***
Chubb	***$400,000,000***

2.3.9 List the top five (5) insurance companies, ranked by premium volume; you place aviation insurance within Nevada and in other States and your premium volume with each of them for the past two (2) years.

Aviation	
Market	***Premium Volume***
Old Republic	***$115,000,000***
Great American	***$40,000,000***
Chubb	***$400,000,000***
AIG	***$474,000,000***
Starr Aviation	***$60,000,000***

2.3.10 List the top five (5) insurance companies, ranked by premium volume; you place cyber liability insurance within Nevada and in other States and your premium volume with each of them for the past two (2) years.

Cyber	
Market	***Premium Volume***
Beazley	***$11,000,000***
AIG	***$474,000,000***
Great American	***$40,000,000***
Axis	***$32,000,000***
XL	***$25,000,000***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

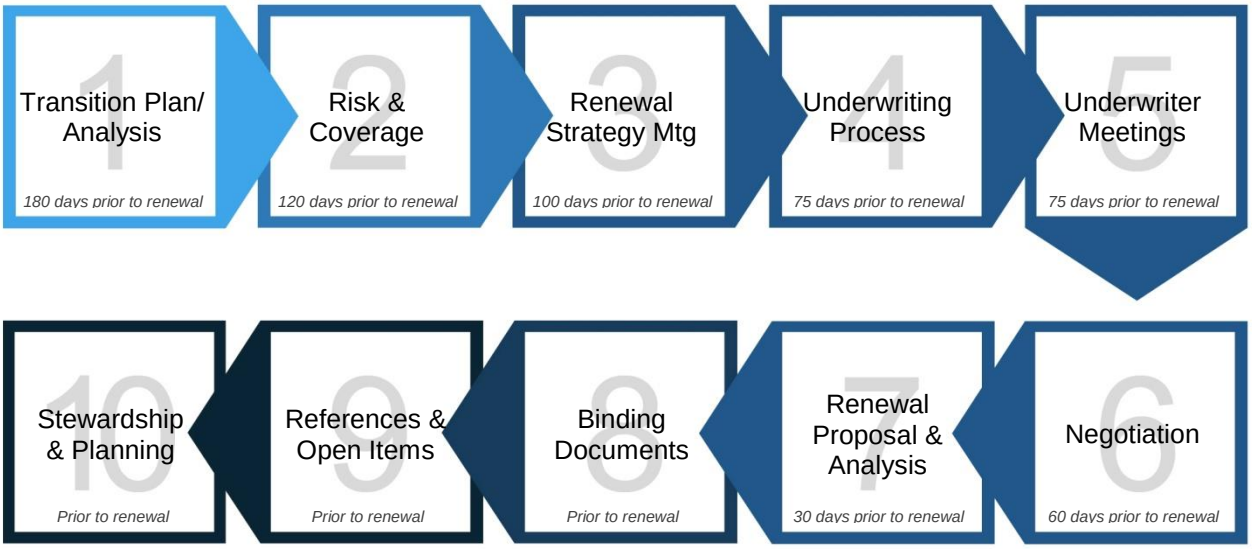
2.3.11 List the top five (5) insurance companies, ranked by premium volume; you place stand-alone terrorism insurance within Nevada and in other States and your premium volume with each of them for the past two (2) years.

Terrorism	
Market	***Premium Volume***
Hiscox	***$8,000,000***
Ascot	***$500,000***
Brit	***$500,000***
XL	***$$20,000,000***
Lancashire Insurance Company	***$200,000***

2.3.12 Describe how you will participate in the continuing development and enhancement of the State's insurance programs, including recommendations on coverage changes and program adjustments.

As the State's broker partner, we will be fully engaged with your personnel from day one because it is of the utmost importance to us that we fully understand your exposures so that we can improve upon your current risk management program wherever possible. As part of this, we will provide a full policy analysis so that we can determine and recommend where enhancements could be made. In fact, this is an ongoing process and part of our overall Defined Client Service and Marketing Process we utilize with all of our clients. This process includes the transition, service and marketing activities illustrated below. Throughout the implementation of the Defined Client Service and Marketing Process we continue to monitor market conditions including our experiences with similar entities to make sure the State has the most up to date information available and is considering all of your options. We look at alternative risk financing options, program structure alternatives including limits and deductibles as well emerging carriers that may have an appetite for the State's risk.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS



1 *TRANSITION PLAN/ANALYTICS & DIAGNOSTICS (180 days prior to renewal)*

Once appointed as the State's Broker of Record, we will begin to transition the work flow from your current broker(s) to Alliant on any programs we are currently not named as the broker of record. Given the absolute importance of a successful transition for each new Alliant client, we will employ the following steps during the implementation of the program to make the transition as seamless as possible for the State.

Step 1: Identify Appropriate Personnel and Discuss the Defined Service and Marketing Process

- ***Identify individuals who will be involved in the transition from Alliant and the State.***
- ***Discuss Defined Service and Marketing Process and tailor it to the State's unique needs.***
- ***Facilitate dialogue between key personnel at Alliant and the State; including claims, loss prevention, accounting, board members, etc.***

Step 2: Notify Carriers

- ***Alliant will prepare Broker of Record Letters (BORs) for the State programs we currently do not handle and then file with the appropriate carriers.***
- ***Confirm acceptance of all BORs filed.***

Step 3: Information Gathering/Data Acquisition

- ***Financial Statements***
- ***Audits***
- ***Exposure data***
- ***Draft submissions***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

- ***Actuarial studies***
- ***Bylaws***
- ***Claims data***
- ***Corporate information***
- ***Exposure data***
- ***Historical Policy Digest***
- ***Policies/Summaries***
- ***Schedules or other data elements***

Step 4: Administrative

- ***Create Open Items Report.***
- ***Further develop annual work plan to include all key stewardship tasks/dates/milestones.***
- ***Develop protocol for execution of all key deliverables.***
- ***Identify and plan for any other key administrative tasks as defined by the State.***
- ***Provide laminated team charts/contact cards.***
- ***Execute service agreement.***

Step 5: Risk Identification

- ***Review all data accumulated from the information gathering/data acquisition process.***
- ***Discuss with key operational personnel (operations, finance, legal, quality, risk, claims).***
- ***Strategic discussions regarding mission, key State initiatives, financial goals, short- and long-term operational and financial goals, unique financial issues, and risk philosophy.***
- ***Discuss unique claims or risk issues as defined by the State.***

Step 6: Documentation and Implementation

- ***Prepare a summary report detailing the process, observations, and key findings.***
- ***Review summary document and confirm findings.***
- ***Develop renewal timeline in conjunction with the Annual Work Plan.***

Our service team will coordinate these activities to help ease the administrative burden on the State. Although we are intimately familiar with your current Property and Cyber Liability placements, we want to take a fresh approach to your risk. Our priority is to become intimately familiar with your overall insurance program and unique loss exposures. Therefore, we will get to know the State through a thorough review of your website, financial statements, and loss runs; an analysis of your policy language and coverage to determine the exact coverage being provided; personal discussions; and on-site visits. We will use our unique enterprise risk model to identify and analyze your unique loss exposures.

2 *RISK & COVERAGE PROFILE (120 days prior to renewal)*

For coverage assigned to us, we will develop a Risk Profile unique to the State. We will compare this Risk Profile to your current insurance coverage to:

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

- ***Determine any serious or unanticipated gaps that exist.***
- ***Review the retentions and insurance limits.***
- ***Provide you with a written report outlining our observations and recommendations.***

3 *RENEWAL STRATEGY MEETING (100 days prior to renewal)*

At least 100 days before your major renewal date(s), we will coordinate a Renewal Strategy Meeting to:

- ***Review our Risk and Coverage Analysis, the resultant Risk Profile and the adequacy of your current insurance portfolio.***
- ***Update the State on the current insurance market.***
- ***Discuss recent renewal results for similar clients.***
- ***Provide an analysis of viable underwriter alternatives, their capacity, and deductible preferences.***
- ***Obtain your thoughts on the desirability of any particular market, i.e., your past history with that carrier, the carrier's financial rating, etc.***
- ***Provide renewal pricing ranges.***
- ***Suggest a renewal timeline and renewal options.***

Our goal is to provide you with a concise report outlining our mutually agreed upon game plan.

4 *UNDERWRITING SUBMISSION & PRESENTATION (75 days prior to renewal)*

The underwriting submissions we prepare are unrivaled in our industry. Our responsibility is to portray, with integrity, your unique Risk Profile for each line of coverage. Your underwriters will know that our submission will portray your unique risks and operations correctly, succinctly and in a clear and easily understandable format. We encourage meetings between you and the underwriters.

Our goal is to distinguish you from your peers by creating first-class underwriting presentations that demonstrate your unique risk characteristics. We will help you structure the material and provide input and guidance on the graphic representation of your unique results, risks and operations.

The underwriting submission and the underwriter presentation will be available to the market at least 75 days prior to your renewal date.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

5 *UNDERWRITER MEETINGS (75 days prior to renewal)*

We will coordinate all underwriter meetings benefiting the State and our renewal strategy. Where possible, we will attempt to schedule these at your office.

6 *NEGOTIATION (60 days prior to renewal)*

To execute a successful renewal, we must focus on two key areas – market canvassing and the exploration of options. At our Renewal Strategy Meeting, we will have reviewed the listing of all possible market alternatives, solicited your input and agreed to those we want to approach. We will review alternative limits, retentions and coverage structures. We will provide you with weekly renewal updates to keep you informed and obtain your feedback and thoughts on the underwriters' responses.

7 *RENEWAL PROPOSAL & ANALYSIS (30 days prior to renewal)*

We are aware that while our clients want to have a bottom line comparison of all renewal alternatives, they also want to know the intricate details of each quotation. Therefore, our renewal proposals feature both an Executive Summary and a detailed Coverage Analysis section. Our analysis will help you make a more educated renewal decision.

8 *BINDING DOCUMENTS (Prior to renewal)*

Once you have reviewed your renewal options and have selected an alternative, we will immediately process the following documents, all designed to be completed before your renewal date:

- ***Confirmations of Coverage***
- ***Certificates of Insurance***
- ***Premium Finance Agreements (if applicable)***
- ***Claims Reporting Instructions***
- ***Program Limits Charts***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

9 *DESK REFERENCE & OPEN ITEMS REPORTS (Prior to renewal)*

We will create a Desk Reference that will include insurance summaries of the coverages bound, claims reporting instructions and contact information for your dedicated service team.

Our Monthly Open Items Reports and meetings are formalized events helping both of us and your underwriters to stay focused on unresolved items as well as, to discuss new risks or operational issues.

10 *STEWARDSHIP REPORT/STRATEGIC PLANNING MEETING (Prior to renewal)*

The Stewardship Report and Strategic Planning Meeting are designed to evaluate our performance, review the results of your renewal, discuss any new State operations or acquisitions you are contemplating, identify new and emerging risks, update you on recent market conditions/trends, and plan our next renewal strategy meeting.

We plan to continue this process on an on-going basis with the State and below we have highlighted some enhancements we have made for the State during our partnership. As participants in our APIP program, the State received increased limits and sub-limits, broader terms and conditions as well as significant savings.

- ***Fine Arts: We were able to add blanket fine arts coverage without a detailed schedule of values. The savings we were able to receive afforded the State the opportunity to put in place a primary fine arts policy.***
- ***Property: Provided auto physical damage coverage at a lower deductible then the previous carrier***
- ***Cyber Liability: Cyber Liability is a coverage few States purchase. Through our APIP platform we are able to provide Nevada with first and third party coverage. In 2016, we helped the State procure excess cyber liability coverage that follows Beazley's form for a competitive price through our exclusive Alliant Cyber Excess Solutions program.***
- ***Appraisals: As part of the APIP Program, the State receives appraisals on all locations that are valued $5,000,000 and over every 5 years. This is a great benefit to the State as it will assist them in getting all their agencies values to current replacement cost.***
- ***We recently were able to get approval to pay for $35,000 of fine arts appraisals to assist the State in getting a better handle on the fine arts inventory***

We value this partnership with the State and appreciate the opportunity to express our desire to further expand upon our current agreement.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

2.3.13 Describe any other factors, enhanced or unique qualifications that the State may want to consider in determining the benefits of selecting your company for this broker pool.

Not only does Alliant have unmatched expertise working with public entities but Alliant also has a variety of EXCLUSIVE programs other brokers simply do not have access too. As noted throughout this RFP these programs are in addition to what is traditionally available in the insurance marketplace and will be a driving force to saving the State money and improving upon your current coverages. Our programs are what differentiate us from our competitors and a key component in why we have earned the trust to be the brokerage partner for many other public entities including many other State governments.

Our largest and most successful program, the Alliant Property Insurance Program (APIP), has grown into the largest single property placement in the world and is exclusively available to Alliant Clients. The program's success is accomplished using the strategy of joint purchase. Alliant takes every APIP participant simultaneously to the marketplace giving each participant, regardless of size, substantial market clout. This approach is similar to Costco leveraging their buying power to benefit the consumer with higher quality products for a lower cost. It is this unique approach that has provided tremendous coverage terms and reduced pricing to public entities across the country and has allowed APIP to grow in each of the past 17 years. APIP is not a shared risk pool, but is simply a joint purchase program with guaranteed cost coverage and no participant is assessable. We have included some of the coverage enhancements and services that are not easily available in the open market including coverages that we have never seen included on a property form other than APIP's:

- ***Up to $ 1 B per occurrence limit available***
- ***Flood Automatically Included with options for zones A and V***
- ***Cyber Liability (first and third party coverage for liability associated with cyber related claims) both on a primary and excess basis***
- ***Automatic acquisition of new locations up to $100 M for no additional premium***
- ***Course of construction coverage, including delay in start-up, up to $50 million for no additional premium.***
- ***Pollution Coverage***
- ***Miscellaneous Unnamed Locations up to $25 Million for no additional premium***
- ***Limited On-Site Loss Control Included for no additional charge***

If the State chooses to continue in APIP, it would provide the State with the following benefits:

- ***Be a part of the largest single property placement in the world.***
- ***Stability in pricing***
- ***Maintain separate, dedicated limits.***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

- ***Coverage Integration: The boiler & machinery coverage, property, and auto physical damage (comp/collision) are covered on one form consolidating purchasing and reducing potential gaps in coverage.***
- ***Improved Property Valuation: The program includes no-cost appraisal services for buildings with values greater than $5,000,000, reduced cost appraisals for locations less than $5,000,000 ensuring the State adequately insures its property exposures.***
- ***Builder's risk coverage is included for no additional cost for projects up to $25,000,000 and offers greatly reduced pricing for projects up to $50,000,000. We have found this to be an enhancement that has resulted in significant savings for our clients.***
- ***No coverage restrictions for vacant buildings.***

In addition to this program, we have a number of supporting programs that will be available to the State. These programs utilize the same joint purchase strategy taking advantage of economies of scale. We have created these programs for our clients because we understand the unique needs of public entities. Although our proprietary programs are often the most cost effective solution for our clients in the public sector, we are brokers first and foremost. We place business on a stand-alone basis every day. Whether the insurance solutions for the State are in a program or on a stand-alone basis, we are uniquely positioned to provide both options and leverage one against the other when negotiating on your behalf.

ANML (Alliant National Municipal Liability program)

Alliant has also developed an innovative liability group purchase program called the Alliant National Municipal Liability Program (ANML). Launched in 2006 this joint purchase program provides general liability, auto liability, employment practice, public officials' errors & omissions, and police professional liability on a very broad municipal form. The standard program limit is $10 million per occurrence with no aggregate limits except completed operations. Coverage can be written on an excess insurance or reinsurance basis. The program is competitively priced and has boasted substantial growth each program year.

APIP Cyber

Over five years ago, Alliant implemented a Cyber Liability component to our standard APIP program. We wanted to ensure that the Cyber solution we provided in the program would contend with standalone options in premium, coverage and breach response services. As Beazley was one of the initial carriers to enter the Cyber Liability market we were confident in our decision to partner with them. Their experience, renowned breach response services and claims handling made them the obvious choice. Due to the large volume of Total Insurable Values within our APIP Program, Alliant was able to negotiate what is now a very comprehensive APIP Cyber Program which includes coverage highlights such as:

- ***Full 1st party and 3rd party cost***
- ***Notification cost***
- ***Extortion Coverage***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

- ***Liability Coverage***
- ***Sustained and Regulatory fines and penalties***

Year over year we have found the program to be competitively priced and have not seen any stand-alone placements able to beat it. The program is rated exclusively on total insurable values which allows our clients freedom from additional applications, audits and other stressors that contribute to placing an additional line of coverage.

Alliant Cyber Excess Solutions (ACES)

On July 2017, Alliant launched an excess cyber program called ACES to meet the needs of our public entity clients. We have strategically developed our excess platform with several carriers, including XL, with the goal of providing our clients with higher limits of liability which follow Beazley form at a competitive price. We have ample capacity and have provided limits up to $30,000,000 in coverage (and can go higher if desired) and we can secure such quotes at a competitive premium through the program. This program was initially developed to provide excess coverage for our clients that whom participate in the APIP Beazley program. Through this program, we offer a drop down endorsement which allows the coverage to be dedicated to that member. Additionally, there is no application requirement for these members, and because of this, we are able to provide solutions to large (including the State of Nevada) and small organizations regardless of the centralization of their IT departments. We have, however, provided this program to entities outside of our property program. We are happy to continue to provide this as an option for the State should we be selected to continue as your partnered broker.

Crime Program

Alliant has developed an exclusive crime program for our public entity clients. Like APIP, this program provides coverage to members on a group purchase basis. Therefore, there is no sharing of risk with any other members. The form offers broad insurance terms including faithful performance, unintentional errors and omissions, includes students and volunteers as employees, includes specified non-compensated officers as employees and there is not an exclusion for bonded employees.

Some of the coverage enhancements for our program are listed below. In addition to the coverage enhancements, we find that we can normally produce a premium savings of 15% - 30%.

Alliant Crime Insurance Program Coverage Enhancements Compared to Standard Forms (ACIP):

- ***Discovery form: Discovery coverage trigger provides coverage for claims occurring under prior policies and discovered under the current policy, regardless of whether there was coverage in place at the time the loss occurred and based on current policy coverage, limits, deductibles, etc. This is different from a loss sustained policy which will cover a loss that occurred prior to the inception of the policy based on the policy that was in effect at the time of the loss. So if a loss occurred 10 years ago and was discovered today, it would be covered under discovery form based on the terms of the current policy in force, but under a loss sustained policy it would be covered***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

based on whatever coverage was in place during the period the loss occurred which could potentially mean no coverage or less coverage.

- ***No bonded employees exclusion.***
- ***Subrogation of faithful performance of duty claims: With respect to losses resulting from the failure of any employee to faithfully perform his or her duties as prescribed by law, the company may subrogate only due to actual fraud, corruption, actual malice, or where the employee or a person or entity was unjustly enriched.***
- ***Prior theft or dishonesty $25,000 sub-limit: Coverage for employees automatically canceled only if prior theft/dishonesty exceeds $25,000.The standard policy wording says if the insured knows of any dishonest act committed by an employee, that employee is not covered under the policy.***
- ***Omnibus named insured: Coverage extended to all Agencies, Authorities, and Districts including Special Districts which are governed directly by the governing body of the Named Insured.***
- ***Include treasurers or tax collectors as employees.***
- ***$75,000 sublimit for expenses incurred to establish amount of covered loss.***
- ***Broad definition of "employee" includes volunteers, leased workers, non-compensated officers, member of any committees, director of trustees, and elected or appointed officials.***
- ***Knowledge of occurrence is designated to the Risk Manager or other person who handles insurance.***
- ***Vendor fraud: $1,000,000 limit excess of vendor insurance policy required by contract. Provides $1 million limit excess of a vendor's coverage for losses to the insured's money, securities, etc. which result from theft by the vendor. Coverage only applies if the entity required the vendor to have crime insurance in place covering loss to the entity.***
- ***Third Party Coverage - $250,000 sublimit subject to $25,000 deductible – covers theft of:***
  - ***Third party property employees***
  - ***Inland marine***

<u>Special Events Liability Program</u>

Alliant created the special events program to cover a wide array of events, providing public entities with broad protection and peace of mind. The program provides the following coverage options:

- ***Tenant/User Liability Insurance Program (TULIP) — Provides coverage for events held or sponsored by companies, organizations, or individuals that have been permitted to use a public entity's meeting rooms or other facilities. Liability insurance protects the public entity and the user of the facilities. The public entity determines the premium for the event and provides a certificate of insurance to the user. Events are reported quarterly, and reports, copies of certificates, and a check for the premium for all events are held within the quarter are remitted to Alliant. We also offer an intuitive and convenient online system that will generate your certificate, place it on the quarterly report, and process credit card payments***
- ***Instructor/recreation class program — Provides coverage for events that are instructional to participants. Also covered are instructors who are not employed by the public entity but who***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

provide instructional services for a fee. The events are reported quarterly to Alliant, premiums are determined, and certificates are provided to the instructor by the public entity. Participant coverage requires signed waivers and prior approval from the underwriter.

- ***Nominee event program — Coverage is offered for events held or sponsored by the public entity itself or by any of its departments or divisions. Coverage can be expanded to cover co-sponsors if desired. This is not a self-rated program and events must be approved by Alliant, which issues insurance certificates.***

SLIP – Special Authority Liability Insurance Program
<u>SPIP – Special Authority Property Insurance Program</u>

Our clients faced an increasing problem with responsibility for numerous small Authorities and specialty operations. As a result, SLIP and SPIP was created to aid in the financial constraints associated with the proposition. Our clients were called upon to include these entities under their "corporate" authority, but at terms and conditions that did not meet their larger insurance program designs. This led to an administrative and financial burden for our customers. Alliant responded with the SLIP and SPIP Programs. These joint purchase property, auto, and general liability programs provide first dollar coverage at very competitive terms. Insurance companies traditionally were placing minimum premiums on these special risks with no concern for actually underwriting the individual risk. Today, SPIP and SLIP boast 840 members.

<u>Aircraft Liability and Hull/ Airport Liability Insurance Programs</u>

Since 1988, Alliant has been serving the aviation insurance needs of public agencies. We have developed two programs that are available to our clients on a national basis, one for airport liability operations and one for aircraft/hull liability exposures. Our programs offer sublimits that are significantly greater than any standard form found in the commercial marketplace. We have over 50 airport clients that benefit from these programs. If the State chooses to participate in our aircraft/airport liability programs, you will see the enhancements in coverage to include:

Airport Liability:

- ***Fire damage limit – $1 million per occurrence***
- ***Non-owned physical damage – $1 million per occurrence***
- ***War and TRIA coverage included at no additional premium***

Aircraft Liability

- ***Non-owned physical damage limit – $4 million per occurrence (20 seats)***
- ***Mechanics tools limit – $100,000 per occurrence***
- ***Emergency landing – 100%***
- ***Passenger voluntary settlement limit – $500,000 per occurrence***
- ***Extra expense temporary aircraft coverage – $5,000/$600,000 with no waiting***
- ***War and TRIA included for all members at no premium***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

FLIP – Fiduciary Liability Insurance Program

The Fiduciary Liability Program (FLIP) was launched by Alliant in 2005 to bring the cost advantages of group purchase coverage to retirement systems seeking individualized liability coverage at a cost significantly less than could be purchased as a single public entity. Participant savings have averaged 25% below market for standalone policies.

Other Alliant Programs

In addition to Alliant's larger proprietary programs (APIP and ACIP), we have taken the same "group purchase" approach with smaller programs to help drive down the overall cost of risks for our clients. These programs include:

- ***ANML – Alliant National Municipal Liability Program***
- ***FLIP – Fiduciary Liability Insurance Program***
- ***CLIP – Catastrophic Liability Insurance Program***
- ***SPIP – Special Authority Property Insurance Program***
- ***Vendors/Contractors Program and Vendors Professional Liability Program***

Leverage in the Worldwide Marketplace

No other brokerage firm brings the depth of public entity brokerage experience, as well as the volume of public entity premium placements to bear in the service of our clientele. Alliant places hundreds of millions of premium dollars into the insurance marketplace and, as a result, our relationships with underwriters working on public entity risks are second to none. Although we do have our exclusive programs as an additional option for the State to consider, please note the existence of our proprietary programs will not affect our marketing of the State's insurance program to all potential carriers. First and foremost, we are your broker, and will always achieve your goals and objectives. Whether or not the State decides to participate in one of our exclusive programs, the mere consideration of its availability by the market will drive down the price and enhance coverage terms.

Over the years we have developed a reputation for being tenacious advocates for our clients when negotiating renewals with underwriters. Our approach of consolidating business into joint purchase programs provide us with the specific premium volume that allows the negotiations to take place with top level insurance company executives – the people who are able to make the hard decisions. This also affords tremendous leverage due to the combined premium volume, which works to the benefit of those who participate in our programs as well as to those who buy insurance on a standalone basis.

The following example will further demonstrate how our programs have allowed Alliant to leverage our position in the marketplace:

The State of Michigan selected Alliant as their broker of record in 2009. The State has many of the same policies as the County including a property policy for their more than $1 billion of total insurable value. The State's property was placed with Affiliated FM when we took over as the Broker of Record and the

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

client had a desire to stay with Affiliate FM rather than joining one of our programs. In this instance, we were still able to save the State money on their renewal, enhance the coverage and get Affiliated FM to pay for property appraisals on a select number of the State owned property. The major contributing factor in our success was the leverage we had with Affiliated FM because the underwriter understood that if they were not willing to negotiate, we had the ability to move the State into our EXCLUSIVE property program, APIP. Without the leverage our EXCLUSIVE programs created, the savings, coverage enhancements and additional services may not have been possible. Recently, we marketed the State's program and the State made the decision to move into the Alliant Property Insurance Program. This resulted in significant savings, and coverage enhancements including cyber liability which the State had not been able to procure previously.

Although the State of MI ultimately decided to participate in our program, it was the availability of the program that allowed us to deliver reductions on almost every renewal when they were with Affiliated FM.

<u>Specialization in Parametric Coverage</u>
We have partnerships with various carriers, including Swiss Re, that specialize in this type of exposure. Parametric insurance is structure to pay out based on the intensity of an event whether it be Quake or Storm. If the natural disaster exceeds a set severity threshold, the parametric product assumes incurred loss and offers a quick pay out.

For example: Parametric coverage for Earthquake is trigged when the ground shaking exceeds the threshold at the insured zip codes. The type of data to measure this is provided by third party entities like ShakeMap which determines ground shaking intensity at each zip code. The pay-out for this type of event would be:

- ***Calculated based on intensity of event at each zip code***
- ***Adjusted based on percentage of limit at each covered zip code***
- ***Distributed within 30 days to be spent at insureds discretion***

How can a Parametric Insurance be used?

- ***Cover loss of revenue and payroll shortfalls***
- ***Use to address any gaps in FEMA funding***
- ***Stabilize critical industries to the regional economy (e.g. agriculture, tourism)***
- ***Prioritize resources on critical services such as first responders and debris clean up***

What Alliant's relationships can bring to the table is:

- ***Large capacity from insurance and capital markets-up to $200,000,000 for Earthquake and $50,000,000 for Hurricanes***
- ***Timely loss payment without loss adjustment***
- ***Transparency of 3rd party data validation***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

- ***Flexibility in how proceeds are used by insured***
- ***Stabilize budget impacts***

We will work closely with the State and engage risk management to determine whether parametric coverage should be something to consider.

<u>Claims Advocacy</u>

Alliant fully understands that the true value of any insurance contract can only be determined by its response to loss. We have developed an effective in-house claims department run by some of the most talented personnel in the public entity industry. Our Brokerage Claims Department is located in San Francisco, California and is led by Robert "Bob" Frey. Bob leads a team of seven senior claims professionals including three forensic accountants. Unlike other firms, Alliant does not separate the claims function from the placement function. The senior brokers assigned to the State all have large claims experience. Our national claims resources will support these local efforts.

Bob's most valuable role will be to act solely as your claim consultant and advocate on difficult and severe claims to achieve prompt and equitable claims settlements. Our goal will be to complement and supplement the State's pre and post loss efforts to obtain quick and equitable claims resolutions.

<u>Claims Management Procedures</u>

Our team's responsibilities will include:

- ***Serve as your claims advocate with insurance carriers, alternative financing markets, and applicable federal and State agencies.***
- ***Report claims to the carrier or administrator.***
- ***Monitor claims activity on a pre-agreed schedule.***
- ***Provide claims reports on a schedule and in the required format.***
- ***Provide periodic file reviews, claim audits, and claim surveys with reports to the carrier and the State per requested schedule.***
- ***Obtain periodic carrier loss runs, including electronic data feeds (if available), as requested.***
- ***Attend on-site claims meetings as requested.***
- ***Confirm deductible billings for accuracy.***
- ***Be available on a 24/7 basis.***
- ***Facilitate the deployment of vendors to handle a catastrophic event.***
- ***Conduct pre-loss planning sessions and arrange discussions with vendors to ensure a prompt response to catastrophic events.***
- ***Review claims notifications and abstracts to assure appropriate reporting to insurers.***
- ***Assist in the procurement of Proof of Loss documentation, as necessary.***
- ***Track the status of large or difficult open claims.***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

- ***Coordinate insurer claims meetings.***
- ***Facilitate a dialogue between the State and assigned adjusters.***
- ***Respond to coverage questions.***
- ***Review open claim reserves for appropriateness and accuracy.***
- ***Work with your insurers to correct loss reserves that are inappropriate for the specific loss.***
- ***Advocate on difficult or disputed coverage issues.***
- ***Assist in settlement negotiations.***
- ***Travel and meet with loss team for large loss events.***

We often assist our clients in gathering facts, information, and knowledge that is used in the discussion and negotiation of disputed claims. In addition, our Public Entity Claims Advocacy Group has the ability to call upon the Chairman and the President of Alliant when intervention with a carrier's executive management is necessary. While this step is not one often utilized, our executives stand ready to assist the State whenever needed.

Excellent communication helps build success and we make the commitment to effectively communicate with the State throughout the claims adjustment and settlement process. This will come in the form of onsite meetings, telephone discussions, e-mails, and written communication. As the claim develops, we will be in close contact with the State. It is our belief that nobody knows our client's business better than the client and accordingly, it is critical that we work closely with our clients to learn, gather information, and build an appropriate plan for successful resolution.

<u>Claims Success</u>

Nothing speaks more to claims advocacy than specific case studies. In the last few years, our claims team has successfully handled several large property losses with claim values ranging between $10 million and $41 million. The following are claims that have been negotiated and settled by the Alliant Claims Department and/or by key members of the Service Team on behalf of the client during the adjustment process.

Case Study #1

One of our State clients owns a historic mining town. The historic structures were damaged by a major storm resulting in major flooding that caused damage to all the town structures, including one building that was washed away. Alliant assisted the State in developing a relationship with a well-known property restoration firm that went into action immediately working to restore the town to its pre-loss historic condition. This location is of significant importance to the State because of the historical value, and the State was pleased with the outcome. A coverage dispute has developed regarding a storm diversion system, but Alliant advocated on behalf of the insured and the arguments made resulted in a favorable result for the insured.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Case Study #2

The capitol building for one of our State clients sustained significant roof damage from a major hail storm. The dome roof portion of the structure was made from copper that was heavily dented from the hail. The damages to the roof building were in excess of $1.5 million. Alliant helped facilitate this claim, yielding favorable outcomes to the insured.

Case Study #3

A State prison facility sustained major damage as a result of a prisoner riot. Approximately eight buildings sustained damage. There was a coverage dispute regarding the property that was to be insured under the policy. Alliant argued that the policy was constructed by the carrier and as such was responsible for the loss. Alliant assisted the State with successful negotiation and resolution of this multi-million dollar loss.

<u>More Examples of Alliant's Unique Expertise</u>

Although our programs are one of Alliant's key differentiators from our competitors, we have many examples where we have used our experience and expertise to assist our clients in improving other areas of their programs. We have highlighted a few examples below:

- ***For one of our higher education clients, we developed a pre-designated emergency response team that is on-call to serve the campuses following a property loss. This team has saved our client administrative headaches and millions of dollars while speeding recovery. As an example, following some heavy windstorms, one of clients' campus lost the roof at a major campus facility. We had a team on site within 5 hours of damage discovery, carrier approval to begin replacement work within 8 hours and a temporary crane on site within 12 hours. As a result the entire roof was replaced within 72 hours and just prior to a rainstorm that would have caused substantial damage and delayed reopening. We are prepared to build on this experience to help the State.***
- ***Our loss control division, at the direction of the APIP underwriters, has begun a campaign to perform infrared testing of key location power panels to identify potential problems. This effort ensures underwriters that potential problems are being identified and thereby reduces premium cost and loss costs for both parties. One of our members utilized Alliant's infrared ultrasonic non-destructive testing services to identify and deter electrical equipment "hot-spot" well before problems occurred. Our client found that our infrared inspections became a key element of a thorough electrical preventative maintenance program. Our infrared testing team tested each facility in this group over approximately 2.5 years to search for hot-spots on electrical equipment, uncover potential trouble sites, and provide a complete report on the condition of equipment. The purpose of these surveys was to detect problems within their facilities electrical equipment so these problems can be corrected before they cause an unscheduled outage, equipment damage, or a fire. In discussions with our client, it was determined that over $5 million in potential claims costs were saved.***

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

2.3.14 Has your firm or any of the brokers who will be assigned to work on the State's account been issued a "Cease and Desist" order from the Insurance Commissioner in the State of Nevada within the past two (2) years?

Alliant and the service team assigned to work on the State's account have not been issued a "Cease and Desist Order" from the Insurance Commissioner in the State of Nevada for any reason within the past two years.

2.3.15 Describe the philosophy and strategy that you would recommend to the State in its consideration of obtaining insurance coverage under current market conditions.

The insurance market is constantly changing along with underwriters risk appetite and their willingness to offer coverage enhancements, manuscript language, pricing reductions, alternative risk financing options, etc. However, the one thing that remains constant is regardless of the marketplace, the State's Risk Management department has a responsibility to the Tax Payers to negotiate and procure the most competitive option available in the market at any given time. That responsibility makes your decision regarding how to obtain insurance coverage ever more important and one to be taken very seriously as the market begins to stabilize and harden after what has been a very soft market in recent years.

With the recent series of catastrophic events including Hurricane Harvey and Irma, the Earthquakes in Mexico and Fires in Northern California, the future of the insurance market remains unknown. As a result, now more than ever does the State need to partner with a firm that has the experience and clout to navigate a changing marketplace. As part of this, you need a broker involved in your marketing process that has the ability to offer you more than just what is available on the open market. In our case, we would be able to deliver options in our EXLUSIVE programs that whether the State utilizes or not will give you additional negotiating leverage that will help reduce your overall cost and enhance your current coverage.

Whether one firm or multiple are involved with the marketing of the State's program it is important that you are confident in the assigned team's ability to deliver superior results. A broker's strength is much more than the premium they have placed with a particular carrier. Therefore, the State needs to take careful consideration of the experience with similar entities that respondents have to be sure they are getting a qualified team to participate in the placement your insurance.

In terms of strategy, we suggest a three-prong approach to renewing the State's insurance program. We would suggest pursuing all of these options in tandem to secure the best possible value for the State.

8.2.2.6 SECTION VI – TECHNICAL MINIMUM QUALIFICATIONS

Option 1 – Market and Negotiate Terms with your Incumbent Carriers

Alliant has very strong and long-standing relationships with the major carriers within the State Government industry. While many of our clients enjoy the benefits of Alliant's proprietary programs referenced throughout our response, often times they are simply used like a market itself to leverage the best available terms out of your current carrier relationships. The key is finding the best results for our clients. With our strong trading relationship with each of your carriers, we are confident we can deliver outstanding results to the Board.

Option 2 – Market and Negotiate terms with Markets beyond the Incumbent Carriers

Alliant would also suggest marketing the State's insurance program to the global insurance marketplace, leveraging current soft market conditions to achieve competitive pricing and terms. We have considerable clout in the public entity marketplace considering our work with over 10,000 clients. We understand the markets and can identify those which are good fits based on the unique needs of a particular client. In addition, we have successfully negotiated several coverage enhancements over the years from many of these markets to benefit our clients. We will identify those markets that are best matched with the State and work with them to provide favorable terms.

Option 3 – Evaluate Alliant's Proprietary Insurance Program

Over the years, Alliant has developed an array of group purchase insurance programs to benefit our public entity clients. These programs are exclusive to Alliant as well our clients, and they leverage the economies of scale to bring forth pricing that is significantly beneath the standard marketplace while offering broader coverage. The secret to our success is having the power to transfer our client's risk to a program that leverage's size, loss experience, and spread of risk. We recommend that the State continue to consider the Alliant Property Insurance Program (APIP) which you are a participant of as well consider the Alliant National Municipal Liability (ANML) among many other casualty programs.

As the pressure on budgets continues to increase, the State needs to partner with brokers that can help deliver the lowest cost options without foregoing the integrity of the overall program. It is our opinion that our experience and availability of EXCLUSIVE programs makes us uniquely positions to offer this to the State.

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

*Vendors shall place their written response(s) to **Section 3, Company Background and References** in **bold/italics** immediately following the applicable RFQ question, statement and/or section. This section shall also include the requested information in **Section 3.2, Subcontractor Information**, if applicable.*

3. COMPANY BACKGROUND AND REFERENCES

3.1 VENDOR INFORMATION

3.1.1 Vendors shall provide a company profile in the table format below.

Question	*Response*
Company name:	***Alliant Insurance Services, Inc.***
Ownership (sole proprietor, partnership, etc.):	***Corporation***
State of incorporation:	***Delaware***
Date of incorporation:	***November 12, 1997***
# of years in business:	***92 years***
List of top officers:	***Thomas W. Corbett – Chief Executive Officer*** ***Gregory Zimmer – President*** ***Peter Carpenter – Chief Operating Officer***
Location of company headquarters, to include City and State:	***Newport Beach, California***
Location(s) of the office that shall provide the services described in this RFP:	***Newport Beach, California***
Number of employees locally with the expertise to support the requirements identified in this RFP:	***200 employees dedicated to public entity in the Newport Beach office (Orgill Singer has 63 employees). Alliant has a total of 8 employees in the State of Nevada.***
Number of employees nationally with the expertise to support the requirements in this RFP:	***Over 2,750***
Location(s) from which employees shall be assigned for this project:	***Newport Beach, California***

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

3.1.1 A Nevada-based business may apply for a five percent (5%) preference on its proposal. This preference may apply if a business has its principal place of business within Nevada. This preference cannot be combined with any other preference, granted for the award of a contract using federal funds, or granted for the award of a contract procured on a multi-state basis. To claim this preference a business must submit a letter with its proposal showing that it qualifies for the preference.

We have partnered with Orgill Singer Insurance as the local contact. They are located in Nevada and we have included a letter which includes their address in Appendix D.

*3.1.2 **Please be advised**, pursuant to NRS 80.010, a corporation organized pursuant to the laws of another state shall register with the State of Nevada, Secretary of State's Office as a foreign corporation before a contract can be executed between the State of Nevada and the awarded vendor, unless specifically exempted by NRS 80.015.*

Alliant Insurance Services, Inc. has registered with the State of Nevada, Secretary of State's Office as a foreign corporation.

3.1.3 The selected vendor, prior to doing business in the State of Nevada, shall be appropriately licensed by the State of Nevada, Secretary of State's Office pursuant to NRS76. Information regarding the Nevada Business License can be located at http://nvsos.gov.

Question	***Response***
Nevada Business License Number:	***NV20001224678***
Legal Entity Name:	***Alliant Insurance Services, Inc.***

Is "Legal Entity Name" the same name as vendor is doing business as?

Yes	***X***	***No***	

If "No", provide explanation.

3.1.4 Has the vendor ever been engaged under contract by any State of Nevada agency?

Yes	***X***	***No***	

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

If "Yes", complete the following table for each State agency for whom the work was performed. Table can be duplicated for each contract being identified.

Question	***Response***
Name of State agency:	***Nevada Department of Administration***
State agency contact name:	***Ana M. Andrews***
Dates when services were performed:	***2014 - Present***
Type of duties performed:	***Insurance Brokerage Services for Property and Cyber Liability***
Total dollar value of the contract:	***$76,000***

3.1.5 Are you now or have you been within the last two (2) years an employee of the State of Nevada, or any of its agencies, departments, or divisions?

Yes		***No***	***X***

If "Yes", please explain when the employee is planning to render services, while on annual leave, compensatory time, or on their own time?

If you employ (a) any person who is a current employee of an agency of the State of Nevada, or (b) any person who has been an employee of an agency of the State of Nevada within the past two (2) years, and if such person shall be performing or producing the services which you shall be contracted to provide under this contract, you shall disclose the identity of each such person in your response to this RFQ, and specify the services that each person shall be expected to perform.

3.1.6 Disclosure of any significant prior or ongoing contract failures, contract breaches, civil or criminal litigation in which the vendor has been alleged to be liable or held liable in a matter involving a contract with the State of Nevada or any other governmental entity. Any pending claim or litigation occurring within the past six (6) years which may adversely affect the vendor's ability to perform or fulfill its obligations if a contract is awarded as a result of this RFQ shall also be disclosed.

Does any of the above apply to your company?

Yes		***No***	***X***

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

Alliant does not have any pending claim or litigation occurring within the past six years which may adversely affect Alliant Insurance Services, Inc.'s ability to perform or fulfill its obligations if a contract is awarded as a result of this RFQ.

If "Yes", please provide the following information. Table can be duplicated for each issue being identified.

Question	***Response***	
Date of alleged contract failure or breach:	***N/A***	
Parties involved:	***N/A***	
Description of the contract failure, contract breach, or litigation, including the products or services involved:	***N/A***	
Amount in controversy:	***N/A***	
Resolution or current status of the dispute:	***N/A***	
If the matter has resulted in a court case:	***Court***	***Case Number***
	N/A	***N/A***
Status of the litigation:	***N/A***	

Please see Appendix B for a litigation disclosure.

*3.1.7 Vendors shall review and provide if awarded a contract the insurance requirements as specified in **Attachment D, Insurance Schedule for RFQ 3495**.*

We have reviewed Attachment D and confirm we can provide the insurance requirements set forth in the contract if awarded as the broker of record.

3.1.8 Company background/history and why vendor is qualified to provide the services described in this RFQ. Limit response to no more than five (5) pages.

As previously mentioned, Alliant is a full service insurance brokerage and risk advisory firm with the ability, resources, and desire to partner with the State to meet your insurance and risk management objectives. Alliant has grown to become one of the nation's leading brokers for public entities, providing services to over 10,000 clients in 48 states. This provides Alliant with the expertise and marketing leverage that enables us to provide the highest level of service and value to our clients.

Partnering with Alliant will bring the most value to the State financially and will also ensure the best risk management program is in place.

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

Public Entity and State Government Experience

Alliant has successfully worked in the public entity space since the early 1970's. We represent a diverse book of business and have gained a wealth of knowledge and experience working with our public entity clients. Our clientele includes universities, cities, counties, special districts, and 10 State authorities. We have listed our State Authority clients below:

- ***State of California***
- ***State of Nevada***
- ***State of South Carolina***
- ***State of Wyoming***
- ***State of Michigan***
- ***State of New Jersey***
- ***State of Tennessee***
- ***State of Washington***
- ***State of Montana***
- ***State Office of Risk Management, Texas***

Alliant understands the unique exposures faced by organizations such as the State's on a daily basis. Because of our extensive knowledge and experience with State exposures as well as Alliant's dedication to providing outside-the-box solutions, our team is uniquely qualified to exceed your scope of work.

Local Experience, National Resources

The proposed service team includes individuals with substantial experience working with public entities all across the country including Nevada. In fact, we already service a number of public entity clients in Nevada from the Corporate Office in Newport Beach, California, including the State, various construction and commercial real estate entities. The Alliant team is not governed by any geographical silos or profit centers; instead, we select team members based on their area of expertise. Each member of your team was hand-picked due to their areas of specialization and all have Alliant's national resources available to them. We believe we have provided the State with the team who is most qualified to service the State and develop a risk transfer program that exceeds your scope of work. Additionally, our partnership with Orgill Singer gives us added local expertise.

Proprietary Programs and Access to the Worldwide Market Place

Alliant's specialty focus allows its highly skilled brokers to develop proprietary group purchasing programs not available through other brokerage firms. The clout provided by the volume in our programs enables Alliant to negotiate pricing and broad coverage terms on behalf of our insureds that cannot be matched by our competitors.

One example of this is our Alliant Property Insurance Program (APIP). APIP is the largest single property placement in the world and provides unrivaled coverage and pricing when compared to the open marketplace. In fact, it is not uncommon for APIP to provide a 20-30% savings in premium compared to options provided in the standard marketplace. Although property is the driving coverage in APIP, we have been successful in incorporating coverage for Pollution Liability and Cyber Liability within the program.

Although we do consider our programs as an option, we are your broker first and foremost and will entertain the worldwide marketplace with our access to over 350 domestic and overseas carriers. Our

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

knowledge of State risks and the relationships we have established with key underwriters ensures that Alliant will provide the best possible outcome in both coverage and price.

Service Oriented Broker with a Focus on Risk Management

Alliant also has the capacity to provide a full spectrum of risk management, consulting, and insurance brokerage services that are used to identify and evaluate the specific risks associated with the exposures faced by the State. These services include but are not limited to: implementing an exposure identification process, consideration of alternative risk financing, providing educational resources regarding emerging trends, loss control and claims handling services.

Additionally, Alliant is an active supporter and member of the State Risk and Insurance Management Association (STRIMA). We also have a significant presence at other public agency risk management functions throughout the year including the Public Risk Management Association (PRIMA). Active participation allows us to stay abreast of emerging risks and trends, information we can then pass on to our clients.

Commitment to Technology

In todays fast-paced, technology driven environment, the capability to save our client's time and improve operational efficiency is no longer a value-added benefit – it is a critical requirement. At Alliant, we are committed to delivering truly integrated solutions to our State clients – solutions that are designed to work together to provide our clients with essential information and decision-making capabilities they require.

In Summary

Alliant is prepared to be held to the highest standards of integrity and professionalism. We understand that both insurance buyers and sellers have long memories, and we know that our reputation is our most valuable corporate and personal asset. As such we recognize the significance of our role in representing the State to the insurance underwriting community.

3.1.9 Provide a brief description of the length of time vendor has been providing services described in this RFQ to the public and/or private sector.

Alliant Insurance Services was founded in 1925 and entered the public entity space in 1977. In the last 40 years, we have grown to be the largest public entity broker in the country servicing over 10,000 public agencies across the country.

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

3.1.10 Financial information and documentation to be included in accordance with Section 8.5, Part III – Confidential Financial Information.

3.1.10.1 Dun and Bradstreet Number: 07-335-7766
3.1.10.2 Federal Tax Identification Number: 33-0785439
3.1.10.3 The last two (2) years and current year interim: See below

A. Profit and Loss Statement
B. Balance Statement

Please refer to Appendix C for Alliant's audited financial statements from the past two (2) years.

3.2. SUBCONTRACTOR INFORMATION

Subcontractors are defined as a third party, not directly employed by the contractor, who shall provide services identified in this RFQ. This does not include third parties who provide support or incidental services to the contractor.

3.2.1 Does this proposal include the use of subcontractors?

Yes		***No***	***X***

If "Yes", vendor shall:

3.2.1.1 Identify specific subcontractors and the specific requirements of this RFQ for which each proposed subcontractor shall perform services.
3.2.1.2 If any tasks are to be completed by subcontractor(s), vendors shall:
A. Describe how the work of any subcontractor(s) shall be supervised, channels of communication shall be maintained and compliance with contract terms assured; and
B. Describe your previous experience with subcontractor(s).
*3.2.1.3 Provide the same information for any proposed subcontractors as requested in **Section 3.1, Vendor Information**.*
3.2.1.4 Vendor shall not allow any subcontractor to commence work until all insurance required of the subcontractor is provided to the vendor.
*3.2.1.5 Vendor shall notify the using agency of the intended use of any subcontractors not identified within their original proposal and provide the information originally requested in the RFQ in **Section 3.2, Subcontractor Information**. The vendor shall receive agency approval prior to subcontractor commencing work.*

Not Applicable

8.2.2.7 SECTION VII – COMPANY BACKGROUND/REFERENCES

3.3. BUSINESS REFERENCES

3.3.1 Vendors shall provide a minimum of three (3) business references from similar projects performed for private and/or public sector clients within the last five (5) years.
3.3.2 Vendors shall submit Attachment E, Reference Questionnaire to their business references.

Our clients have sent in Reference Questionnaires on our behalf.

*3.3.3 It is the vendor's responsibility to ensure that completed forms are received by the Purchasing Division on or before the deadline as specified in **Section 7, RFQ Timeline** for inclusion in the evaluation process. Reference Questionnaires not received, or not complete, may adversely affect the vendor's score in the evaluation process.*
3.3.4 The State reserves the right to contact and verify any and all references listed regarding the quality and degree of satisfaction for such performance.

We have reviewed and understand this provision.

3.4 VENDOR STAFF RESUMES

*A resume shall be completed for each proposed key personnel responsible for performance under any contract resulting from this RFQ per **Attachment F, Proposed Staff Resume**.*

Please refer to Section VIII – Attachment F.

8.2.2.8 SECTION VIII – PROPOSED STAFF RESUME

*A. Vendors shall include all proposed staff resumes per **Section 3.4, Vendor Staff Resumes** in this section.*
B. This section shall also include any subcontractor proposed staff resumes, if applicable.

Please refer to the following pages for the completed Proposed Staff Resume (Attachment F) for each of service team members.

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Mary Wells***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Senior Vice President***		
# of Years in Classification:	***11***	**# of Years with Firm:**	***19***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Mary currently services and assists in the growth and development of several national joint powers authorities. She is resourceful when placing complex property and casualty, excess, and reinsurance programs. Since joining the Alliant team, Mary served as a vital member on the brokerage team for many complex clients including several States. She provides broker services for the State of Wyoming, Montana, Michigan, and Nevada. She also provides brokerage services for the Metropolitan Airport Commission (MAC), the Wyoming Association of Risk Management (WARM), and the TASB Risk Management Fund to name a few. Her expertise extends to a broad spectrum of public entity programs for property, liability, and workers' compensation. Mary chose a career in the insurance industry in 1987 and enjoyed early success in the area of workers' compensation. She started her workers' compensation career with the Industrial Indemnity Insurance Company and advanced into many roles including claims management, claims supervision, sales, marketing, and as a subrogation specialist.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Mary brings a wealth of industry expertise following over a decade of success in the workers' compensation arena. She is a major factor in the growth of Alliant's largest program and has helped expand it nationwide into 48 states. Mary utilizes her placement expertise through her responsibilities for placing the property and casualty insurance programs for several large joint power authorities. Mary understands the complexities and unique insurance issues facing public entities and is frequently consulted for assistance with these issues. In addition, she continues to serve as a key sales leader for the Alliant Specialty Group from the Newport Beach, California Alliant office.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Mary holds a Bachelor of Science degree from California Polytechnic State University, in Pomona, California.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Licensed by the California Department of Insurance as a Fire & Casualty Broker Agent, Mary has completed many hours of continuing education. In addition, Mary holds insurance licenses in 28 states. She also holds certification in workers' compensation from the Insurance Education Association.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Texas Association of School Boards (TASB)
Contact: Dubravka Romano, Assistant Executive Director
Phone: (512) 467-3699 | Fax: (512) 467-3619 | Email: dubravka.romano@tasb.org

Maryland Association of Boards of Education (MABE)
Contact: Steven P. James, Assistant Executive Director
Phone: (410) 841-5414 | Fax: (410) 841-5424 | Email: sjames@mabe.org

State of Michigan
Contact: Steve Davis, Risk Manager
Phone: (517) 242-9464 | Fax: N/A| Email: daviss1@michigan.gov

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Justin Swarbrick***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***First Vice President***		
# of Years in Classification:	***6***	**# of Years with Firm:**	***9***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Justin chose to specialize with public entity clientele and is an integral member on the team that successfully expanded the Alliant public entity presence in the Midwest and throughout the country. His areas of expertise include working with large self-insured entities, risk purchasing groups, and group purchase programs. Justin is resourceful at developing unique solutions that contribute to reducing his clients overall cost of risk and he expertly places all lines of coverage.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Currently serving as a lead broker from Alliant's Troy, Michigan office, Justin is responsible for the placement of complex property and casualty insurance coverage for a number of municipal clients across the county. Some of his clients include the State of Michigan, the Detroit Regional Convention Facility Authority, the Arkansas Municipal League, and Wayne County. In addition, Justin plays a vital role assisting Michigan State University on all of their casualty placements. Prior to joining Alliant, Justin started his insurance carrier at the Liberty Mutual Insurance Company. While at Liberty, Justin had a great training year as a sales associate and learned how to design and implement property and casualty insurance programs.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Justin holds a Bachelor of Arts degree in Finance from Hillsdale College, located in Hillsdale, Michigan.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

He is licensed as a Fire and Casualty Insurance Agent in the State of Michigan and fifteen additional states. Justin attends numerous professional insurance classes and seminars and is very involved with a number of industry trade groups including PRIMA, STRIMA, AGRIP, and ACI.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

State of Michigan
Contact: Steve Davis, Risk Manager
Phone: (517) 242-9464 | Fax: N/A | Email: daviss1@michigan.gov

Utah Local Governments Trust (ULGT)
Contact: Steven A. Hansen, CEO
Phone: (801) 808-2137 | Fax: N/A | Email: steve@utahtrust.gov

Rhode Island Interlocal Trust
Contact: Ian Ridlon, Executive Director
Phone: (401) 438-6511 | Fax: (401) 438-6990 | Email: iridlon@ritrust.com

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Erin Bullard***	**Key Personnel: (Yes/No)**	***No***
Individual's Title	***Account Manager***		
# of Years in Classification:	***10***	**# of Years with Firm:**	***2***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Erin has been in the insurance industry for 10 years. Before joining Alliant, Erin's tenure began at a full service agency that catered to small and mid-size businesses where she worked on all lines of Property and Casualty as well as Employee Benefits. Erin's particular areas of expertise are workers' compensation, liability, and property insurance.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Erin has a varied book of business that she services which spans all lines of coverages including the APIP Policy for the State of Nevada.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Erin graduated from California State Polytechnic University, Pomona with a B.A. in English, as well as going on to complete her M.A. in English: Rhetoric and Composition.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Erin is a licensed Property and Casualty agent in the State of California and is working towards her California Accident and Health License.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

State of Montana
Contact: Brett E. Dahl, Risk Manager
Phone: (406) 444-3687 | Fax: (406) 444-2592 | Email: bdahl@mt.gov

City of Las Cruces, NM
Carl D. Conley, Risk Management Administrator/Administration/Risk Management
Direct: (575) 528-3665 | Main: 575-541-2200 | cconley@las-cruces.org

Arkansas Municipal League
Contact: Don Zimmerman, Executive Director
Phone: (501) 374-3484 | Fax: N/A | Email: daz@arml.org

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Felipe Garcia***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Vice President***		
# of Years in Classification:	***5***	**# of Years with Firm:**	***5***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Felipe's experience and specialty is in the public entity practice. He collaborates with various entities in the public entity sector including municipalities, counties, airports, hospitals, and higher education systems. He is involved in the managing and marketing of accounts including contract reviews/audits, claims handling, and loss control. He is familiar with market appetite and is an active participant in several risk management conferences such as STRIMA, PRIMA, and ACI NA to stay abreast of the ever changing insurance industry and emerging risks.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Felipe has a history of effectively managing accounts and providing instrumental services for industries such as public entity, healthcare, and real estate. He is currently the servicing broker for various organizations such as the South Dakota Public Assurance Alliance, the San Diego Housing Commission, Tunica County Airport Commission, and Compass Acquisitions. Felipe takes an innovative and creative approach for servicing his clients' coverage needs and strives to find the most resourceful and efficient solution.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Felipe graduated from the University of Southern California (USC) with a Bachelor of Science in Health Administration and an emphasis in Pre-Medicine.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Felipe has attended numerous hours of insurance industry related classes and is currently working towards his CIC and ARM designation.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Utah Local Governments Trust (ULGT)
Contact: Steven A. Hansen, CEO
Phone: (801) 808-2137 | Fax: N/A | Email: steve@utahtrust.gov

Rhode Island Interlocal Trust
Contact: Ian Ridlon, Executive Director
Phone: (401) 438-6511 | Fax: (401) 438-6990 | Email: iridlon@ritrust.com

South Dakota Public Assurance Alliance
Judy Payne, Executive Director
Phone: (605) 275-5261 | Fax: N/A | Email: jpayne.sdpaa@sdmunicipalleague.org

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Doug Wozniak***	**Key Personnel: (Yes/No)**	***Yes***
Individual's Title	***Senior Vice President***		
# of Years in Classification:	***11***	**# of Years with Firm:**	***20***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Doug joined the Alliant Insurance Services team in 1997 as a generalist in the commercial insurance division. Three years later, Doug elected to transfer to the public entity division to focus and specialize in the public sector business. Since then, he has dedicated his time and efforts working with Joint Powers Authorities (JPAs), risk retention groups, insurance pools, and individual public entity risks across the nation. Doug offers an expansive range of expertise that incorporates risk transfers, the development and management of property and casualty insurance and reinsurance programs. Working with over twenty risk sharing groups in fifteen different states, Doug understands the complex insurance issues affecting public entities today.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Currently serving as the lead broker from the Alliant Newport Beach, California office, Doug is responsible for the placement of property and casualty solutions for many Joint Power Authorities across the nation. Some of his clients include the Alaska Municipal League Joint Insurance Association, the Virginia Municipal League Insurance Program, the Local Government Insurance Trust in Maryland, the South Carolina Counties Property and Liability Trust, the Montana Schools Group Insurance Authority, the Minnesota Association of Townships Insurance Trust, the Special District Risk Management Authority, the Arkansas Municipal League Pool, the South Dakota Public Assurance Alliance, the Oklahoma Municipal Assurance Group, the League Association of Risk Management in Nebraska, and the California Association of Park and Recreation Indemnity. He also serves as a vital member of the brokerage team for the State of Montana and the State of Michigan. Doug is regarded as highly resourceful and creative when placing complex property, excess workers' compensation, and excess casualty and reinsurance programs.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Doug holds a Bachelor of Arts degree in Business Administration from Point Loma Nazarene University in San Diego, California.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Licensed by the California Department of Insurance as a Fire & Casualty Broker and Agent, he has completed over 250 hours of continuing education. Doug also holds insurance licenses in twenty-five additional states. Doug holds the professional Accredited Advisor in Insurance (AAI) designation. Doug was recently awarded the Power Broker of the Year, a prestigious award that is highly respected in the public entity insurance world.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Utah Local Governments Trust (ULGT)
Contact: Steven A. Hansen, CEO
Phone: (801) 808-2137 | Fax: N/A | Email: steve@utahtrust.gov

Local Government Insurance Trust (LGIT)
Contact: Tim Ailsworth, Executive Director
Phone: (443) 561-1700 | Fax: (443) 561-1701 | Email: tailsworth@lgit.org

State of Michigan
Contact: Steve Davis, Risk Manager
Phone: (517) 242-9464 | Fax: N/A | Email: daviss1@michigan.gov

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Orgill Singer Insurance***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	***X***

The following information requested pertains to the individual being proposed for this project.			
Name:	***Eamon Springall***	**Key Personnel: (Yes/No)**	***No***
Individual's Title			
# of Years in Classification:	***9***	**# of Years with Firm:**	***25***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Eamon became a second generation shareholder and Chief Operating Officer of Orgill/Singer in 2008. After working summer jobs in the agency during high school and college, he joined the agency as a licensed commercial insurance broker in 2000. Since becoming a broker, Springall has distinguished himself as one of the top brokers in the Las Vegas insurance community and has developed a distinguished group of commercial insurance clients, which he continues to manage in addition to his executive responsibilities for the agency in the areas of marketing, community development, industry relationships, and operations. He was selected in 2007 as one of Greenspun Media's "Top 40 Executives Under 40," and by SpyOnVegas and Light Group as one of their "Top 30 Under 30."

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Springall earned a Bachelor of Science degree in Management from the University of Nevada Las Vegas in 2002.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Springall furthered his education in insurance and risk management when he successfully completed all three professional designations offered by the National Alliance of Insurance Education and Research. The three professional designations are, Certified Insurance Counselor (CIC), Certified Risk Manager (CRM), and Certified Insurance Service Representative (CISR). The National Alliance has recognized Springall as one of the youngest recipients of all 3 designations; also know as The Triple Crown.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Nevada System of Higher Education
Lisa Schaller, Director of Insurance & Loss Control
Phone: (775) 784-3472 | Fax: (775) 784-1127 | Email: lisa_schaller@nshe.nevada.edu

University of Nevada Las Vegas
Michael Means, Risk Management & Safety
Phone: (702) 895-5735 | Fax: (702) 895-4690 | E-mail: michael.means@unlv.edu

Risk Management Division, State of NV
Ana M. Andrews, Deputy Risk Manager
Phone: (775) 687-3191 | Fax:(775) 687-3195 | Email: amandrews@risk.state.nv.us

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Thomas Bryson***	**Key Personnel: (Yes/No)**	***No***
Individual's Title	***Senior Vice President***		
# of Years in Classification:	***12***	**# of Years with Firm:**	***14***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Tom joined the Alliant Insurance Services team in 2003 following over 15 years with FM Global, Marsh, and Johnson & Higgins. He brings his vast expertise including the development, implementation, and management of property, cyber, and pollution insurance programs. Well-versed regarding issues for entities with complex insurance placements, Tom handles property, boiler and machinery, builder's risk, cyber liability, and terrorism. Currently, he manages the Alliant Property Insurance Program (APIP), which is the largest property placement worldwide. In addition, he is a co-manager for the Hospital All Risk Property Program (HARPP), this being the largest group placement for hospitals nationwide.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Tom is currently a Senior Producer in the Public Entity Group from the Alliant Thousand Oaks, California office. In addition to his program management responsibilities, Tom served as the lead broker for the State of Montana, the State of Wyoming, the Metropolitan Airport Commission (MAC), CSAC Excess Insurance Authority, and San Diego Unified School District. While his focus is property insurance, Tom is adept handling casualty placements and management responsibilities for many of his clients. His expertise is vast and covers ports and airports, states and counties, public utilities, and healthcare.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Tom holds a BS in Mechanical Engineering from California State Polytechnic University, located in Pomona, California.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Tom has designations in good standing as a Professional Fire Protection Engineer in the State of California and as an Associate in Risk Management (ARM). Tom is a licensed Property & Casualty retail broker in California and has non-resident licenses in many other states.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

State of Montana
Contact: Brett E. Dahl, Risk Manager
Phone: (406) 444-3687 | Fax: (406) 444-2592 | Email: bdahl@mt.gov

State of Wyoming
Contact: Tammy Hooper, Risk Manager
Phone: (307) 777-6796 | Fax: N/A | Email: tammy.hooper@wyo.gov

Metropolitan Airports Commission (MAC)
Contact: Bill Hoyt, Risk Management Manager
Phone: (612) 726-8162 | Fax: (612) 725-6359 | Email: bill.hoyt@mspmac.org

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Gordon DesCombes***	**Key Personnel: (Yes/No)**	***No***
Individual's Title	***Executive Vice President***		
# of Years in Classification:	***15***	**# of Years with Firm:**	***30***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Gordon's expertise extends to all lines of casualty coverages, including workers' compensation and professional liability coverages. He offers his specialized knowledge and significant experience when launching and operating joint purchase programs. His talents extend to placing a number of key property accounts. Comprehending the complexities and unique insurance needs of public entities, Gordon is frequently called upon to consult on these issues.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Gordon created the first liability joint purchase program for public entities. Gordon initially set up this specialized program in Newport Beach, California and has since expanded it across the country. His expertise allowed him to structure the first medical malpractice program for California public entities. This program has flourished and now serves over 40 counties and several other public agencies in the state. More recently, Gordon helped to launch the first joint purchase program for public entity pools across the country. In addition, Gordon continues to serve as the lead broker for the country's largest public entity pool, the CSAC Excess Insurance Authority.

Gordon's entry into the profession goes back to his high school days when he worked holidays and summers at his father's small brokerage firm. While in college, Gordon then furthered his training at a small Managing General Agency. Upon college graduation, he broadened his knowledge and experience working for a large London broker placing U.S. casualty business in the London marketplace.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Gordon graduated from the University of California, Berkeley, with a Bachelor of Arts degree in Political Economies of Industrial Societies.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Licensed by the California Department of Insurance as a Fire and Casualty Broker-Agent, he has completed many hours of continuing education. In addition, Gordon holds insurance licenses in numerous other states.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

CSAC Excess Insurance Authority (CSAC EIA)
Contact: Mike Fleming, Chief Executive Officer
Phone: (916) 850-7300 | Fax: (916) 850-7800 | Email: mfleming@csac-eia.org

Golden State Risk Management Authority (GSRMA)
Scott Schimke, Risk Manager
Phone: (530) 934-5633 | Fax: (530) 934-8133 | Email:sschimke@gsrma.org

Park District Risk Management Agency (PDRMA)
Brett Davis, Chief Executive Officer
Phone: (630) 435-8909 | Fax: (630) 435-8959 | Email: bdavis@pdrma.org

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Tim Leech***	**Key Personnel: (Yes/No)**	***No***
Individual's Title			
# of Years in Classification:	***7***	**# of Years with Firm:**	***7***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Considered an industry generalist, Tim is well qualified in property and casualty risk control consulting. He brings significant expertise in the following industries: Public Entity, Education, Hospitality, Healthcare, Manufacturing, Waste & Trash Haulers, and General Industry.

Prior to choosing Alliant, Tim worked for a retail brokerage as a Director in their Global Risk consulting practice. During this time, he acted a consultant for global and large risk management clients, managed a regional claims and risk control staff, and strategized total cost of risk reduction projects. His broad range of industry experience also includes working as a pipe fitter, engineer/designer of fire protection systems, insurance loss control consultant, and industry environmental, health and safety engineer.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Tim leads the Alliant National Risk Control Consulting practice from Alliant's Newport Beach, California office. Tim's experience and expertise includes over 25 years working in the environmental, health and safety field as a leader of staff, project management, and consulting. In his current capacity, Tim works closely with Alliant underwriters and broker teams to ensure staff deliverables are a value added and contribute to client proactive loss mitigation strategies.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Tim holds a Bachelor of Science degree in Fire Protection and Safety Engineering from Oklahoma State University (1986).

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

Tim has obtained two Associate of Science degrees in engineering related disciplines. Tim is a certified Safety Professional and a licensed Property and Casualty Insurance Broker. In Addition, Tim is a member in good standing with an Associate in Risk Management (ARM) designation.

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

Southern California Schools Risk Management (CSRM)
Contact: Karla Rhay, Chief Executive Officer
Phone: (909) 763-4900 | Fax: (916) 376-5275 | Email: karla_rhay@sbcss.k12.us

Cambridge
Contact: Maria Sanchez, Safety and Loss Control
Phone: (714) 735-5373 | Fax: N/A | Email: msanchez@chms.us

City of Glendale, AZ
Contact: Dianne Shoemake, Risk Manager
Phone: (623) 930-2856 | Fax: N/A| Email: ashoemake@glendaleaz.com

PROPOSED STAFF RESUME FOR RFP 3495

A resume must be completed for all proposed prime contractor staff and proposed subcontractor staff.

Company Name Submitting Proposal:	***Alliant Insurance Services, Inc.***

Check the appropriate box if the proposed individual is prime contractor staff or subcontractor staff.			
Contractor:	***X***	**Subcontractor:**	

The following information requested pertains to the individual being proposed for this project.			
Name:	***Robert Frey***	**Key Personnel: (Yes/No)**	***No***
Individual's Title	***Senior Vice President***		
# of Years in Classification:	***18***	**# of Years with Firm:**	***15***

BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE

Information should include a brief summary of the proposed individual's professional experience.

Robert offers almost four decades of extensive experience handling property and casualty claims. His insurance career began with Bayly, Martin, & Fay. He then moved on to an advanced position with Morris & Associates, and then to a Claims Executive at Marsh Risk Services. Robert began leading the Claims Advocacy Practice team at Alliant's San Francisco, California office over ten years ago. He is an in-demand speaker and frequently addresses audiences at risk management conferences including PARMA, the Building Owners Managers Association (BOMA), and the International Council of Shopping Centers (ICSC). He has been a guest speaker for the California State University Risk Management Authority (CSURMA) on multiple occasions. In addition, Robert was an instructor at the College of Alameda where he taught classes on personal insurance coverage, claims handling, and adjusting.

RELEVANT EXPERIENCE

Information required should include: timeframe, company name, company location, position title held during the term of the contract/project and details of contract/project.

Robert created the Alliant Brokerage Claims Advocacy practice in 2002. He manages a team of highly trained professionals who provide technical claim service to various Alliant practice groups. Some of these groups include Public Entity, Healthcare, Commercial, and Real Estate. In addition, he takes the lead handling large losses, complex losses, and losses with coverage disputes. His expertise also covers real estate development and management and includes high-rise office risks, industrial office/manufacturing risks, hospitality industry, regional shopping centers, and strip mall shopping centers. Robert is well versed in claims handling for construction risks including OCIP, high tech, biotech, and higher education clients. Currently, he serves as the Alliant client advocate for all aspects of the insurance claims process.

EDUCATION

Information required should include: institution name, city, state, degree and/or Achievement and date completed/received.

Skyline High School, Oakland, California.

CERTIFICATIONS

Information required should include: type of certification and date completed/received.

He is a charter member of the Registered Professional Adjusters Program as a Registered Professional Adjuster (RPA) (1996) and is a former faculty member of the International Council of Shopping Centers (ICSC).

REFERENCES

A minimum of three (3) references are required, including name, title, organization, phone number, fax number and email address.

California State University Risk Management Authority (CSURMA)
Contact: Zachary Gifford, Director of System-wide Risk Management
Phone: 562-951-4580 | Fax: (562) 951-4859 | Email: zgifford@calstate.edu

County of Napa, CA
Contact: Kerry Whitney, Risk Manager
Phone: (707) 253-4821 | Fax: N/A | Email: kerry.whitney@countyofnapa.org

Wyoming Association of Risk Management
Contact: Joe Constantino, Executive Director
Phone: (307) 433-9400 | Fax: N/A| Email: joe@warmpool.org

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

Vendors shall include any other applicable reference material in this section clearly cross referenced with the proposal.

As part of the RFP instructions, Section 2.4 requested information about additional services we can provide and we are taking the opportunity in this section to address those questions. We have spelled out the response following the order in which the questions were asked in their numerical order.

2.4. If your firm can provide any of the following services, please elaborate briefly. Identify the current source of the service and at least one (1) client whom you currently offer the service.

Our goal is to provide as many services that we can to our clients pertaining to their overall risk management program. As part of this, it is our job to foster strategic relationships with other insurance and risk service providers so that if there is ever a time when we do not have a particular specialized expertise in-house we can make sure that our clients have access to companies that have already been pre-screened and are capable to meet or exceed their expectations. Alliant Business Services (ABS), a division within Alliant, is responsible to seek out and perform due diligence on these types of risk service providers. Additionally, ABS is able to negotiate below market rates available exclusively to Alliant clients by leveraging our entire large National Public Entity practice. We will also rely heavily on our broker partner, Orgill Singer as the local expertise in helping us seek out any third party service providers that the State may be interested in utilizing their services.

2.4.1 Market Condition Analysis.

As part of our services offered to the State we will provide them with ongoing Market Condition Analysis. We provide this service to all of our clients and is an area that we pay very close attention to so that we can accurately help our clients budget for upcoming renewals. We are constantly placing business in the market and having dialogue with carriers worldwide so that we have the latest "state of the market" information. As part of an annual process, Alliant Risk Control Consulting develops power point presentations on a wide array of topics that clients may request free of charge such as our "State of the Market" presentation. We provide these types of analysis to nearly every one of our public entity clients.

2.4.2 Risk Management Consulting/Program Development Services.

Our expertise is helping our clients develop complete risk management programs and placing the insurance behind it. If the State is interested in our expertise for recommendations and program development but does not wish for us to participate in any insurance placements, we would be open to

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

that type of relationship for an agreed upon fee. We do not enter in to many of these types of relationships because our clients realize that part of the value they receive from partnering with us is access to our carrier relationships and EXCLUSIVE programs to help leverage the rest of the marketplace.

2.4.3 Claims adjusting services for property claims that fall within commercial policy deductibles.

Claims that fall within the commercial policy deductibles can be handled a variety of ways. Obviously, for the more serious claims that could potentially pierce that deductible we believe it is very important for our Claims Advocacy Team to be involved from the time of the loss to increase the likelihood of having a favorable settlement. For less severe claims, we leave it up to the State how involved they want their service team to be. We do not have a designated Third Party Administration division to adjust claims but have a network of well qualified firms we have negotiated favorable pricing with for our clients. One of the firms we work with is McLaren's Young International who currently adjusts all of the claims that occur in our APIP program and another one is CCMSI who adjusts claims in our SLIP program. We will also work with Orgill Singer to make recommendations for these types of services with local firms in Nevada.

Our client, the Detroit Regional Convention Facility Authority currently works with a third party we recommended to adjust all of the liability claims that fall within their self-insured retention.

2.4.4 The Risk Management Division, with one (1) person adjusting all claims, desires to have property claims investigation and adjusting services, especially in the Las Vegas area, which would allow for immediate dispatch to the scene of the event.

This would be another example of where we could extend our preferred pricing with Third Party Administrators and adjustors including both CCMSI and McLaren's Young International so that the State would be able to supplement their current efforts adjusting property claims. In addition, Orgill Singer's corporate headquarters is located in Las Vegas and we will use their knowledge of the local vendors to better support your effort as well.

2.4.5 Property & Contents Appraisal Services.

We have partnered with appraisal firms and negotiated below market rates for our clients to take advantage of when having appraisals performed on their properties. Duff & Phelps does all of the appraisals for our APIP program and is one of the companies we recommend that our clients utilize for this service.

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

If the State continues to participate in our EXCLUSIVE property program, APIP, all buildings valued over $5 million will be appraised as a participant in the program every five years.

We also have access to Marshall and Swift which is an online application that helps our clients create accurate valuations of their buildings and contents.

2.4.6 Actuarial Analysis/Budget Projections.

As a firm we do not have any in-house actuaries that will be available to assist the State for Analysis and Budget Projections. However, specializing in the public sector we have created a large network of third party firms including actuaries that would be able to assist the state in this type of work. Some of the firms that we work with are Pricewaterhouse Coopers, Bickmore Risk Services and SG Risk, LLC. If desired, we will identify with the State specific actuarial products that may provide helpful analysis such as:

- ***Selected Ultimate losses at expected, and higher confidence levels and at discount rates approved by the State.***
- ***Loss Development triangles that show how the State's claims are changing over time and whether reserving accurately reflects pending liabilities.***
- ***Future Year Projection of losses so that the State can budget accordingly and compare actual results with projections.***

Similar to our other third party partnerships we have negotiated favorable pricing available exclusively to our clients and will consult with Orgill Singer to determine if there are any additional resources available locally. Many of our clients depend on our recommendations including the State of Michigan who annually has an actuary review their auto liability loss reserves.

2.4.7 Loss Prevention Services including on site surveys and trainings.

Alliant's risk control consulting practice is led by Tim Leech. Tim's team will work with the State's stakeholders to implement programs that minimize your total cost of risk. Their goal will be to complement and supplement your efforts and will act as an extension of the risk management staff to address property, casualty, workers' compensation and fleet risk.

Alliant's Risk Control Consulting practice responsibilities include:

- ***Developing service plans.***
- ***Providing risk control stewardship reports.***
- ***Conducting risk control surveys.***

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

- ***Coordinating consultants for infrared surveys, fire and life safety plan review and industrial hygiene.***
- ***Overseeing Probable Maximum Loss (PML) studies.***
- ***Conducting risk assessments and gap analyses.***
- ***Creating risk solutions to mitigate third party liability exposures.***
- ***Providing regulatory updates and subject matter expertise.***
- ***Advocate on behalf of the State when carriers are involved in loss control.***
- ***Collaborate with Alliant claims staff on loss drivers, loss trends and risk improvement solutions.***

Also included as part of our Risk Control offerings are the following:

- ***Introduction to Fire Protection Certification – New in the 2011 PEPIP plan year, we will provide a Certificate of Completion for our (5) part Introduction to Fire Protection series. This will be incorporated into our webinar series and designed to target risk managers, facilities and environmental, health and safety managers and staff.***
- ***Webinars – Alliant's webinar series is in high demand and offers our business partners a means of obtaining continued education without ever leaving their place of business. In addition to the webinar series, archives of past webinars are maintained and will be provided in the event that schedules conflict or a desired webinar topic is not going to be offered.***
- ***Newsletter – Quarterly newsletters are distributed geared toward pre and post loss property and casualty risk control and loss mitigation. Articles will offer tools for the reader, white paper topics, fact sheets, best practices and state and federal compliance updates.***
- ***Fact Sheets – Fact sheets are developed monthly and has over 250 topics available. These have served to address an emergent need or client trend and can be replicated or revised to meet your specific needs.***
- ***Safety Training – We have variety of training topics in various formats to include text, power point and video and provide these at no cost to our clients.***
- ***Risk Control Hotline – Need an answer or solutions fast? Our clients have unlimited access to a hotline which promises a call back by the next business day.***
- ***Fire & Life Safety System Impairment – Alliant provides our business partners with impairment services. This is particularly beneficial for those clients located in a remote location and desiring assistance ensuring that fire and life safety systems are active and in service.***
- ***Risk Alerts – There are times when our staff feels it is necessary to communicate a critical topic or message on an unplanned basis. This is accomplished with our Risk Alerts and is sometimes industry specific. Examples of recent risk alerts communicated are California's passing of AB 2774, extreme whether preparation during the recent storms, Federal OSHA I2P2 development and several healthcare initiatives.***

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

Alliant's Loss Control division will be made available to the State and they may choose to utilize them as needed. Our current clients' utilization varies from very limited to full tailored plans that include benchmark studies and monthly reviews of progress. This service has been especially useful for one of our school pools in Maine.

2.4.8 Loss Recovery/Restoration Services.

Due to our firm's strong belief in specialization, we have not extended ourselves into other service areas such as loss recovery or restoration services. However, ABS has a number of national and local firms the State can take advantage of our pre-negotiated pricing. An example of a provider we have utilized in the past is Belfor who is a national firm we have a contract with for preferred pricing. In addition, our partner Orgill Singer has a number of local relationships we would utilize if this service were needed by the State. Below are some examples of recent projects we have assisted with:

A County affected by an earthquake needed assistance. County Risk Management was handling the EOC. Alliant arranged for emergency restoration services at 6:30am on multiple County owned properties including the Administration, Hall of Justice and Courthouse and one other office building.

Alliant has arranged emergency services for multiple university clients involving losses such as flooding, winds, wild fires, arson fires, environmental events.

Alliant has arranged for emergency services to multiple hospital organizations for a variety of losses similar to the university operations.

We do this on a regular basis. Often times clients don't have resources immediately available and we can assist or they are not familiar with what is needed and how best to obtain services. With the vast experience we have in addressing losses directly after they take place, we can assist clients in best steps to secure the property, begin recovery, and protect the public and property.

2.4.9 Document issuance and verification.

As part of the services included in our fee is the issuance of insurance documents and the verification of them for accuracy. We currently do this for all of our clients. The Alliant team members are well versed in policy, lease and contract review. We are able to consult on specific contracts with thorny issues including indemnification provisions in contracts and provide resources such as our Insurance Requirements in Contracts (IRIC) manual. For more complex contractual issues, we utilize Kenneth A. Zak, General Counsel of our Legal Department. Mr. Zak holds his JD, has practiced law since 1987, and most recently received the prestigious First Chair Award, an award that recognizes top general counsels from around the country who have made a significant contribution to the legal community over

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

the past year through hard work and innovation. Although Mr. Zak is not expected to be involved with the State on a daily basis, he can assist with claims management, coverage issues, risk management projects, underwriting submissions, and stewardship.

2.4.10 Support services to follow up with designated state representative in regard to compliance with loss prevention recommendations from insurer or Risk Manager.

As the State's broker, we will develop an ongoing "open items" list that will include loss prevention recommendations from the insurer and/or Risk Manager amongst a number of other action items. This is another example of something we do for all of our clients.

2.4.11 Claims Audits.

We do not offer claims audits but have facilitated these in the past. It is especially useful for our large clients and it is typically done with a third party administrator that we can recommend if the State is interested. We have facilitated this type of audit with our client the South Dakota Public Assurance Alliance.

2.4.12 Training programs for State representatives on various insurance programs, products and options.

As part of our fee we will provide your risk management staff with any training necessary. However, we have found that it is the departments outside of Risk Management that often times find these types of training programs most useful. In the past, we have provided training for purchasing, building development departments, and upper management on a wide variety of topics. As an example, we did a seminar on builders risk for the State of Michigan on what is covered in a builders risk policy and the importance of proper reporting procedures. We have also recently provided trainings on Cyber Liability to various sizeable public agencies including the Rhode Island Interlocal Trust.

We will work with the State's Risk Management department to determine where training programs will be most useful and implement a training schedule accordingly.

2.4.13 Any other services your firm can provide that may be important/beneficial to the State.

<u>Insurance Requirements In Contracts Training</u> – Our "IRIC Manual" is available electronically for all of our clients and details recommended insurance requirements for vendors working with our clients. The manual provides guidance to your staff involved in securing contracts with a variety of contractors and vendors. This manual is offered at no additional cost and Alliant is prepared to offer full or half-

8.2.2.9 SECTION IX – OTHER INFORMATIONAL MATERIAL

day training presentations to the State on the concepts contained in our IRIC Manual. We recently re-vamped the manual to include chapters on Cyber Liability as well Drones.

Technology Resources – Alliant's use of and commitment to technology is evidenced by our success servicing clients throughout the country. This can only be achieved at a high level with proper utilization of technology. Alliant Connect is a proprietary web-based program that allows users to access Alliant's Loss Prevention Library, access/share coverage documents, view renewal documents, update exposure data, communicate with Alliant and post daily announcements. CSR 24 is our certificate management system and is accessed through Alliant connect. This resource allows clients to request and create certificates of insurance, report/track claims on-line and has the ability to be used as a certificate tracking software for vendors. Many of our clients utilize these systems including Michigan State University.

Probable Maximum Loss (PML) Study – Included in our fee will be a PML study that can be used by the State to evaluate its exposure to loss if there were to be an earthquake event and further to determine appropriate limits, attachment points and as a negotiation tool with underwriters.

Human Resources Consulting – Today, companies and public agencies face a myriad of human resources (HR) problems and issues that have the potential to develop into dangerous and costly crises. Alliant understands the legal and financial risks that human resource issues pose for our clients, so we offer an entire spectrum of cost-effective solutions to meet your specialized needs. Delivered through "Strategic HR", an Alliant company, these solutions range from individual human resources services provided on a project basis to a comprehensive suite of services on a retained basis. There is an additional fee for these services and if the State is interested we can provide you with the different options and cost structures.

APPENDIX

A. Nevada Licenses

B. Litigation Disclosure

C. Audited Financial Statements

D. Nevada-based Business Letter – Orgill Singer Insurance

APPENDIX

A. Nevada Licenses

Please refer to the following page(s).

Scott J. Kipper, Commissioner of Insurance

Non-Resident Producer Firm

Casualty, Health, Life, Property, Surety, Variable Annuities/Variable Life

ALLIANT INSURANCE SERVICES INC
PO BOX 120670
SAN DIEGO, CA 92112-0670

is authorized to transact business as described above

License No: 1267 Issue Date: 10-01-2001 Expiration Date: 10-01-2018

Generated by Sircon 118066464

Nevada Division of Insurance

THIS IS TO CERTIFY THAT

ALLIANT INSURANCE SERVICES INC
PO BOX 120670, SAN DIEGO, CA 92112-0670

LICENSE NUMBER: 1267

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:

Non-Resident Producer Firm
Casualty, Health, Life, Property, Surety, Variable Annuities/Variable Life

Issue Date: 10-01-2001 Expiration Date: 10-01-2018

Generated by Sircon 118066464

Scott J. Kipper, Commissioner of Insurance

Non-Resident Producer

Casualty, Property

MARY MARGARET WELLS

1301 DOVE ST STE 200
NEWPORT BEACH, CA 92660

is authorized to transact business as described above

License No: 507097 Issue Date: 10-11-2006 Expiration Date: 11-01-2018

Generated by Sircon 120611217

Nevada Division of Insurance

THIS IS TO CERTIFY THAT

MARY MARGARET WELLS
1301 DOVE ST STE 200, NEWPORT BEACH, CA 92660

LICENSE NUMBER: 507097

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:

Non-Resident Producer
Casualty, Property

Issue Date: 10-11-2006 Expiration Date: 11-01-2018

Generated by Sircon 120611217

Barbara D. Richardson, Commissioner of Insurance

Non-Resident Producer

Casualty, Property

JUSTIN JEFFREY SWARBRICK
2054 BELLE VERNON DR
ROCHESTER HILLS, MI 48309-2125

is authorized to transact business as described above

License No: 804118 Issue Date: 02-16-2012 Expiration Date: 03-01-2018

Generated by Sircon 156190271

Nevada Division of Insurance

THIS IS TO CERTIFY THAT

JUSTIN JEFFREY SWARBRICK
2054 BELLE VERNON DR, ROCHESTER HILLS, MI 48309-2125

LICENSE NUMBER: 804118

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:

Non-Resident Producer
Casualty, Property

Issue Date: 02-16-2012 Expiration Date: 03-01-2018

Generated by Sircon 156190271

Individual Consumer Inquiry for the State of Nevada

Print

WOZNIAK, ERICK DOUGLAS
National Producer Number: 2653990
NEWPORT BEACH, CA 92660-2436

Licenses

License Type	License Number	Original Issue Date	Status	Effective Date	Expiration Date
Non-Resident Producer	723495	10-14-2010	Active	10-14-2010	11-01-2019

Qualifications (Authorized Lines of Insurance)

Qualification Type	Original Issue Date	Status	Effective Date
Surety	10-14-2010	Active	10-14-2010
Property	10-14-2010	Active	10-14-2010
Casualty	10-14-2010	Active	10-14-2010

Affiliations/Appointments

NAIC	Company Name
26832	GREAT AMERICAN ALLIANCE INSURANCE COMPANY

Appointments

Appointment Type	Status	Active Date	Termination Date
Casualty	Active	02-16-2015	
Property	Active	02-16-2015	

26344 GREAT AMERICAN ASSURANCE COMPANY

Appointments

Appointment Type	Status	Active Date	Termination Date
Casualty	Inactive	02-16-2015	08-02-2016
Property	Inactive	02-16-2015	08-02-2016

16691 GREAT AMERICAN INSURANCE COMPANY

Appointments

Appointment Type	Status	Active Date	Termination Date
Casualty	Inactive	02-16-2015	08-02-2016
Property	Inactive	02-16-2015	08-02-2016

22136 GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

Appointments

Appointment Type	Status	Active Date	Termination Date
Casualty	Active	02-16-2015	
Property	Active	02-16-2015	

33723 GREAT AMERICAN SPIRIT INSURANCE COMPANY

Appointments

Appointment Type	Status	Active Date	Termination Date
Casualty	Active	05-07-2015	
Property	Active	05-07-2015	

Revise Inquiry

Copyright © 1998-2016 Sircon Corp. | Email Support | 877-876-4430 | 1500 Abbot Rd Ste.100 | East Lansing, MI 48823

Scott J. Kipper, Commissioner of Insurance

Non-Resident Producer

Casualty, Property

FELIPE ROGELIO GARCIA
29 DE LINO
RANCHO SANTA MARGARITA, CA 92688-1635

is authorized to transact business as described above

License No: 856672 Issue Date: 12-06-2012 Expiration Date: 01-01-2019

Generated by Sircon 123159183

Nevada Division of Insurance

THIS IS TO CERTIFY THAT

FELIPE ROGELIO GARCIA
29 DE LINO, RANCHO SANTA MARGARITA, CA 92688-1635

LICENSE NUMBER: 856672

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:

Non-Resident Producer
Casualty, Property

Issue Date: 12-06-2012 Expiration Date: 01-01-2019

Generated by Sircon 123159183

APPENDIX

B. Litigation Disclosure

Please refer to the following page(s).

3.1.6 Disclosure of any significant prior or ongoing contract failures, contract breaches, civil or criminal litigation in which the vendor has been alleged to be liable or held liable in a matter involving a contract with the State of Nevada or any other governmental entity. Any pending claim or litigation occurring within the past six (6) years which may adversely affect the vendor's ability to perform or fulfill its obligations if a contract is awarded as a result of this RFQ shall also be disclosed.

Below is a disclosure of litigation and legal proceedings involving governmental entities that have been brought against Alliant Insurance Services, Inc. in the last 5 years or that are currently pending.

There are no matters involving the State of Nevada nor do any circumstances exist that would adversely affect Alliant's ability to perform or fuflfill its obligations if a contract is awarded as a result of this RFQ.

Case Name	Venue	Date Filed	Case Number	Case Status	Disposition
Parkview Community Hospital Medical Center v. Lexington Insurance Company; Alliant Insurance Services, Inc., et al	State of California, Riverside County Superior Court	4/25/2017	RIC 1707403	Pending	Pending
The City of Westminster vs Everest National Insurance Company, Zurich American Insurance Company, Am WINS Insurance Brokerage of California, LLC, and Alliant Insurance Services, Inc.	Superior Court of California, County of Orange	11/24/2015	30-2015-00822401-CU-IC-CXC	Closed	Dismissed
Columbus Farmers Market, LLC and Columbus Flea World, LLC vs. Bruce Chris, Inc. t/a R/G Electric, Trinity Heating and Air, Inc. t/a Trinity Solar, E I.B. Partners, LLC, Public Service Electric and Gas, New York Marine & General Insurance Co., Ky Reding, Alliant Insurance Services, and John Doe(s) 1-10, John Doe Corporations 1-10.	Superior Court of New Jersey, Burlington County, Law Division	11/17/2015	BUR-L-2652-15	Pending	Pending
Dr. Andrew Rubin vs. Georgetown University, and Alliant Insurance Services d/b/a Colonial Healthcare, Inc.	United States District Court For The District of Columbia	8/6/2015	1:15-cv-01263	Closed	Settled
Montana Municipal Interlocal Authority vs. City of Bozeman et al	Louis and Clark District Court, Montana	6/29/2015	Cause Number: BDV-2014-958	Closed	Settled
Unites States of America, for the Use of JSC Systems, Inc. flk/a Jacksonville Sound and Communications, Inc. d/b/a Charleston Systems and/or Savannah Systems vs. Alliant Insurance Services, Inc., a Delaware corporation, BRDC, ajoint venture, Burns and Roe Services Corporation, a New Jersey corporation, and DCK North America, LLC, a Delaware limited liability company	U.S. District Court Middle District, Florida	5/13/2014	3:14-cv-553-J-32MCR	Closed	Dismissed

George P. Desjardins, Jr. M.D., Petitioner, v. Michael F. Consedine, in his official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, and the Pennsylvania Insurance Department Medical Care Availability And Reduction Of Error Fund, Respondents, v. TeamHealth, Alliant Insurance Services, Inc., Western Litigation Inc., and Lexington Insurance Company, Additional Defendants.	Commonwealth Court of Pennsylvania	10/10/2012	506:MD 2012	Closed	Dismissed

APPENDIX

C. Audited Financial Statements

Please refer to the following page(s).

Alliant Holdings, L.P.

and Subsidiaries

Consolidated Financial Statements as of December 31, 2016 and 2015 (Successor's Basis), and for the Year Ended December 31, 2016 (Successor's Basis), the Period from August 14, 2015 to December 31, 2015 (Successor's Basis), the Period from January 1, 2015 to August 13, 2015 (Predecessor's Basis) and the Year Ended December 31, 2014 (Predecessor's Basis), and Independent Auditors' Report

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016 AND 2015 (SUCCESSOR'S BASIS), AND FOR THE YEAR ENDED DECEMBER 31, 2016 (SUCCESSOR'S BASIS), THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015 (SUCCESSOR'S BASIS), THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015 (PREDECESSOR'S BASIS), AND THE YEAR ENDED DECEMBER 31, 2014 (PREDECESSOR'S BASIS):	
Balance Sheets	3–4
Statements of Operations and Comprehensive Loss	5
Statements of Equity	6–7
Statements of Cash Flows	8–9
Notes to Consolidated Financial Statements	10–34

Deloitte.

Deloitte & Touche LLP
655 West Broadway
Suite 700
San Diego, CA 92101-8590
USA

Tel:+1 619 232 6500
Fax:+1 619 237 6802
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Alliant Holdings, L.P.
Newport Beach, California

We have audited the accompanying consolidated financial statements of Alliant Holdings, L.P. and its subsidiaries ("Alliant"), which comprise the consolidated balance sheets as of December 31, 2016 and December 31, 2015 (Successor's Basis), and the related consolidated statements of operations and comprehensive loss, equity and cash flows for the year ended December 31, 2016 (Successor's Basis), the period from August 14, 2015 to December 31, 2015 (Successor's Basis), the period from January 1, 2015 to August 13, 2015 (Predecessor's Basis), and the year ended December 31, 2014 (Predecessor's Basis), and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alliant Holdings, L.P. and its subsidiaries as of December 31, 2016 and December 31, 2015, and the results of their operations and their cash flows for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015 (Successor's Basis), the period from January 1, 2015 to August 13, 2015 (Predecessor's Basis), and the year ended December 31, 2014 (Predecessor's Basis), in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 3 to the consolidated financial statements, in 2015, Alliant Holdings I, L.P. and its subsidiaries (predecessor entity) were acquired in a business combination transaction accounted for as an acquisition by Alliant Holdings, L.P. (successor entity). As a result of the acquisition, the consolidated financial statements for the periods subsequent to the acquisition are presented on a different basis of accounting than those for the periods prior to the acquisition and, therefore, are not directly comparable. Our opinion is not modified with respect to this matter.

Deloitte & Touche LLP

April 17, 2017

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2016 AND 2015
(In thousands)

	Successor's Basis December 31, 2016	Successor's Basis December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 170,985	$ 68,647
Fiduciary funds	188,544	138,897
Premiums and commissions receivable — Net	366,153	269,705
Income taxes receivable	15,851	3,959
Deferred tax assets	28,066	36,778
Other	7,096	4,327
Total current assets	776,695	522,313
PROPERTY AND EQUIPMENT — Net	30,679	31,057
GOODWILL	2,051,572	1,831,921
INTANGIBLE ASSETS — Net	1,902,290	1,942,806
OTHER ASSETS	17,158	52,070
TOTAL	$ 4,778,394	$ 4,380,167

(Continued)

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2016 AND 2015
(In thousands, except units)

	Successor's Basis December 31, 2016	Successor's Basis December 31, 2015
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Commissions payable	$ 47,052	$ 42,710
Insurance premiums payable	442,312	329,757
Current portion of long-term debt	16,200	13,400
Accrued expenses and accounts payable	134,237	115,603
Other	8,681	6,152
Total current liabilities	648,482	507,622
LONG-TERM DEBT - net of debt discount and deferred financing costs	2,063,945	1,800,259
OTHER	54,901	59,502
DEFERRED INCOME TAXES	619,115	659,167
Total liabilities	3,386,443	3,026,550
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Class A Units — 334,688,345 (308,693,718 vested) and 314,557,715 (291,551,811 vested) units issued and outstanding	1,576,191	1,462,323
Class B Units — 39,991,684 (0 vested) and 18,586,319 (0 vested) units issued and outstanding	2,352	-
Accumulated deficit	(184,769)	(108,940)
Accumulated other comprehensive income (loss)	(1,823)	234
Noncontrolling interest	-	-
Total equity	1,391,951	1,353,617
TOTAL	$ 4,778,394	$ 4,380,167

See notes to consolidated financial statements.

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2016, THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015,
THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND THE YEAR ENDED DECEMBER 31, 2014
(In thousands)

	Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
REVENUES:				
Commissions and fees	$ 967,710	$ 281,985	$ 546,856	$ 620,787
Interest income	136	30	99	67
Total revenues	967,846	282,015	546,955	620,854
EXPENSES:				
Compensation and employee benefits	510,229	161,266	311,064	394,000
Subbrokerage expense	89,754	30,157	53,367	40,779
Other operating expenses	114,094	53,948	65,782	80,739
Acquisition transaction costs	3,180	2,292	6,114	3,379
Amortization	209,848	79,879	77,646	134,775
Depreciation	13,655	4,589	5,456	6,378
Interest and related fees	122,551	55,882	72,057	73,178
Loss on extinguishment of debt	-	58,700	-	-
Total expenses	1,063,311	446,713	591,486	733,228
LOSS BEFORE INCOME TAXES	(95,465)	(164,698)	(44,531)	(112,374)
INCOME TAX PROVISION (BENEFIT)	(19,636)	(55,758)	2,121	(37,805)
NET LOSS	(75,829)	(108,940)	(46,652)	(74,569)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	-
NET LOSS ATTRIBUTABLE TO ALLIANT HOLDINGS, L.P.	$ (75,829)	$ (108,940)	$ (46,652)	$ (74,569)
COMPREHENSIVE LOSS, Net of taxes:				
Net loss	$ (75,829)	$ (108,940)	$ (46,652)	$ (74,569)
Unrealized gain (loss) on interest rate swaps	(2,057)	234	(1,401)	(4,381)
COMPREHENSIVE LOSS, Net of taxes	$ (77,886)	$ (108,706)	$ (48,053)	$ (78,950)

See notes to consolidated financial statements.

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016, THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015, THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND THE YEAR ENDED DECEMBER 31, 2014
(In thousands, except units)

	Class A		Class B		Class C		Class D		Member Notes	Accumulated	Accumulated Other Comprehensive	Noncontrolling	Total
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Receivable	Deficit	Income (Loss)	Interest	Equity
Predecessor's Basis													
BALANCE — January 1, 2014	131,266,084	658,260	13,432,639	-	3,160,200	-	-	-	-	(77,099)	3,886	(211)	584,836
Issuance of units for acquisitions	4,560,738	33,827	-	-	-	-	-	-	-	-	-	-	33,827
Issuance of units	880,087	5,721	640,000	-	-	-	-	-	-	-	-	-	5,721
Issuance of unvested units	2,874,082	-	4,393,115	-	-	-	1,000	-	-	-	-	-	-
Vesting of units	-	8,599	-	-	-	-	-	-	-	-	-	-	8,599
Repurchase of units	(1,523,428)	(9,902)	-	-	-	-	-	-	-	-	-	-	(9,902)
Forfeiture of unvested units	(11,250)	-	(228,753)	-	-	-	-	-	-	-	-	-	-
Unrealized loss on interest rate hedges, net of tax	-	-	-	-	-	-	-	-	-	-	(4,381)	-	(4,381)
Net loss	-	-	-	-	-	-	-	-	-	(74,569)	-	-	(74,569)
BALANCE — December 31, 2014	138,046,313	696,505	18,237,001	-	3,160,200	-	1,000	-	-	(151,668)	(495)	(211)	544,131
Issuance of units for acquisitions	1,755,237	17,433	-	-	-	-	-	-	-	-	-	-	17,433
Issuance of units	1,233,403	9,251	-	-	-	-	-	-	-	-	-	-	9,251
Issuance of units for notes	941,966	7,065	-	-	-	-	-	-	(7,065)	-	-	-	-
Issuance of unvested units	408,838	-	3,809,058	-	-	-	-	-	-	-	-	-	-
Vesting of units	-	13,099	-	23,906	-	9,227	-	10,500	-	-	-	-	56,732
Repurchase of units	(556,459)	(4,086)	-	-	-	-	-	-	-	-	-	-	(4,086)
Forfeiture of unvested units	-	-	(39,690)	-	-	-	-	-	-	-	-	-	-
Unrealized loss on interest rate hedges, net of tax	-	-	-	-	-	-	-	-	-	-	(1,401)	-	(1,401)
Net loss	-	-	-	-	-	-	-	-	-	(46,652)	-	-	(46,652)
BALANCE — August 13, 2015	141,829,298	$ 739,267	22,006,369	$ 23,906	3,160,200	$ 9,227	1,000	$ 10,500	$ (7,065)	$(198,320)	$ (1,896)	$ (211)	$575,408

(Continued)

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016, THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015, THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND THE YEAR ENDED DECEMBER 31, 2014
(In thousands, except units)

	Class A		Class B		Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
	Units	Amount	Units	Amount				
Successor's Basis								
BALANCE — August 14, 2015	-	$ -	-	$ -	$ -	$ -	$ -	$ -
Issuance of units for acquisitions	300,859	1,504	-	-	-	-	-	1,504
Issuance of units	294,471,347	1,472,608	-	-	-	-	-	1,472,608
Issuance of unvested units	23,487,558	-	18,586,319	-	-	-	-	-
Vesting of units	-	6,721	-	-	-	-	-	6,721
Repurchase of units	(3,702,049)	(18,510)	-	-	-	-	-	(18,510)
Unrealized gain on interest rate hedge, net of tax	-	-	-	-	-	234	-	234
Net loss	-	-	-	-	(108,940)	-	-	(108,940)
BALANCE — December 31, 2015	314,557,715	1,462,323	18,586,319	-	(108,940)	234	-	1,353,617
Issuance of units for acquisitions	8,351,191	46,772	-	-	-	-	-	46,772
Issuance of units	8,801,313	51,046	-	-	-	-	-	51,046
Issuance of unvested units	4,150,762	-	22,064,832	-	-	-	-	-
Vesting of units	-	19,289	-	2,352	-	-	-	21,641
Repurchase of units	(647,500)	(3,239)	-	-	-	-	-	(3,239)
Forfeiture of unvested units	(525,136)		(659,467)					
Unrealized gain on interest rate hedge, net of tax	-	-	-	-	-	(2,057)	-	(2,057)
Net loss	-	-	-	-	(75,829)	-	-	(75,829)
BALANCE — December 31, 2016	334,688,345	$ 1,576,191	39,991,684	$ 2,352	$ (184,769)	$ (1,823)	$ -	$ 1,391,951

See notes to consolidated financial statements.

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016, THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND THE YEAR ENDED DECEMBER 31, 201
(In thousands)

	Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (75,829)	$ (108,940)	$ (46,652)	$ (74,569)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	223,503	84,458	83,101	141,153
Amortization of deferred financing costs	8,004	2,927	4,294	5,710
Amortization of discount on term loan	876	257	793	502
Loss on extinguishment of debt	-	58,700	-	-
Costs related to amendment of credit agreement	-	-	10,178	-
Deferred tax asset and liability	(35,614)	(61,586)	(180)	(39,677)
Share-based compensation	32,796	9,831	57,578	8,998
(Gain) loss on disposal of assets	3,673	-	-	(2,804)
Loss on impairment of assets	19,935			
Other	-	(200)	-	760
Changes in operating assets and liabilities (excluding effect of acquisitions):				
Premiums and commissions receivable	(67,959)	35,705	(71,954)	20,058
Insurance premiums payable — net of fiduciary funds	41,530	(7,983)	24,055	(21,619)
Commissions payable	658	(7,904)	17,814	5,195
Accrued expenses and accounts payable	18,196	9,967	18,909	(1,390)
Income taxes receivable and payable	(11,982)	1,393	12,727	(317)
Other assets and liabilities	(21,452)	8,054	7,428	4,148
Net cash provided by operating activities	136,335	24,679	118,091	46,148
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(13,510)	(8,838)	(8,076)	(7,918)
Cash paid for businesses acquired	(352,758)	(15,083)	(299,628)	(125,236)
Proceeds from sale of businesses	-	-	-	2,503
Cash deposited into escrow	-	-	(117,500)	-
Cash released from escrow	32,500	-	85,000	-
Net cash used in investing activities	(333,768)	(23,921)	(340,204)	(130,651)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of long-term debt	277,200	1,870,650	440,550	-
Financing costs related to issuance of long-term debt	(4,794)	(53,476)	-	-
Costs related to amendment of credit agreement	-	-	(10,178)	-
Proceeds from revolving loan	50,000	-	-	87,000
Repayment of debt	(64,800)	(6,700)	(92,559)	(14,246)
Extinguishment of debt	-	(1,601,311)	-	-
Payment of hedging transactions	(468)	-	-	-
Payment of contingent consideration	(2,112)	-	-	-
Proceeds from issuance of units - merger transaction	-	684,909	-	-
Proceeds from issuance of units	47,984	275	9,251	5,721
Repurchase of units - merger transaction	-	(950,635)	-	-
Repurchase of units	(3,239)	(18,510)	(3,903)	(9,866)
Net cash provided by (used in) financing activities	299,771	(74,798)	343,161	68,609
NET CHANGE IN CASH AND CASH EQUIVALENTS	102,338	(74,040)	121,048	(15,894)
CASH AND CASH EQUIVALENTS — Beginning of period	68,647	142,687	21,639	37,533
CASH AND CASH EQUIVALENTS — End of period	$ 170,985	$ 68,647	$142,687	$ 21,639

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016, THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015, THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND THE YEAR ENDED DECEMBER 31, 2014
(In thousands)

	Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
SUPPLEMENTAL DISCLOSURES:				
Cash paid during the period for:				
Interest	$ 117,205	$ 15,459	$ 56,996	$ 65,574
Taxes — net of refunds received	$ 27,440	$ 4,247	$ 2,283	$ 2,515
Noncash activities during the period for:				
Units issued for acquisitions	$ 45,707	$ 1,504	$ 17,433	$ 33,827
Issuance of member notes — net of cancellation of notes	$ -	$ -	$ 7,065	$ -
Consideration for acquisitions in accrued expenses and accounts payable and other long-term liabilities	$ 7,464	$ -	$ 18,642	$ 17,704
Receivable from sale of assets	$ -	$ -	$ -	$ 9,648
Issuance of units in exchange from predecessor to successor	$ -	$ 785,806	$ -	$ -
Issuance of units in accrued expenses and accounts payable	$ 1,065	$ 1,343	$ -	$ -

1. ORGANIZATION

Alliant Holdings, L.P. and subsidiaries ("Alliant") operate as an integrated distributor of insurance and financial products and services. Alliant's strategy is to acquire and operate insurance-related operations as the platform for continuing to develop a national distribution network for insurance and financial products and services. Through its operating subsidiaries, Alliant currently operates general insurance agencies and provides ancillary services.

Alliant provides insurance brokerage and advisory services primarily to middle-market businesses and governmental entities nationwide. Services include the placement of property and casualty insurance and employee benefits products, and Alliant specializes in various industries including public entities, Indian Nations, construction, law firms, energy and marine, healthcare, real estate, and community associations.

On August 14, 2015, investment funds managed by an affiliate of Stone Point Capital LLC ("Stone Point"), along with preexisting employee owners and investment funds managed by an affiliate of Kohlberg Kravis Roberts & Co. L.P. ("KKR"), acquired 100% of the ownership interest of Alliant Holdings I, L.P. ("Alliant Holdings") pursuant to an agreement and plan of merger (the "Stone Point Merger Transaction"). Under the terms of the Stone Point Merger Transaction, Wayne Merger Sub, LLC, a wholly owned subsidiary of Alliant, was merged with and into Alliant Holdings, with Alliant Holdings then merging into Alliant Holdings Intermediate, LLC ("Alliant Intermediate"), with Alliant Intermediate continuing as the surviving entity. Alliant Intermediate continues to operate its subsidiary companies. As a result of the Stone Point Merger Transaction, Alliant has become the ultimate parent of Alliant Intermediate. The transaction was accounted for as a business combination under the acquisition method. These consolidated financial statements include the operations of Alliant Holdings and subsidiaries prior to the Stone Point Merger Transaction (the period from January 1, 2015 to August 13, 2015 and the year ended December 31, 2014) and include the operations of Alliant subsequent to the Stone Point Merger Transaction (the year ended December 31, 2016, and the period from August 14, 2015 to December 31, 2015). The consolidated financial statements for the periods subsequent to the Stone Point Merger Transaction are based on different carrying values than those for the periods prior to the Stone Point Merger Transaction and, therefore, are not directly comparable. See Note 3 for further discussion of the Stone Point Merger Transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation — The consolidated financial statements include the accounts of Alliant Holdings, L.P. (Alliant Holdings I, L.P. prior to the Stone Point Merger Transaction) and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition — For insurance products, Alliant recognizes commission revenue principally on the later of the effective date of the policy or the billing date, net of policy cancellation reserves, which are estimated based on historic and current data on cancellations. Alliant records installment premiums and related commissions periodically as billed for policies where the premiums are not readily estimable. Contingent commissions and override commissions are recorded the earlier of when estimable or received.

Fees in lieu of commissions are recognized principally on the later of the effective date of the policy or the billing date.

Premiums and commissions receivable in the consolidated balance sheets are net of allowances for estimated policy cancellations and doubtful accounts. The allowance for estimated policy cancellations is established through a charge to revenues, while the allowance for doubtful accounts is established through a charge to other operating expenses. Both of these allowances are based on estimates and assumptions using historical data to project future experience. Alliant periodically reviews the adequacy of these allowances and makes adjustments as necessary. The use of different estimates or assumptions could produce different results.

Sub-brokerage expenses, which are paid to third parties, are recognized as incurred when the related commission revenue is recognized. Fees for services are primarily recorded as earned when services are rendered.

Cash and Cash Equivalents — Cash and cash equivalents include highly liquid investments, such as money market accounts and certificates of deposit with original maturities of three months or less when purchased. The carrying amount reported in the consolidated balance sheets approximates fair value.

Fiduciary Funds — Insurance premiums and retirement plan deposits received from clients, but not yet remitted to the insurance company or broker-dealer are restricted as to use by law in certain states in which Alliant operates. Accordingly, Alliant invests these funds in interest-bearing accounts. Alliant earns interest income on these unremitted funds, which is included in interest income in the accompanying consolidated statements of operations and comprehensive loss.

Property and Equipment — Property and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Assets recorded under capital leases are amortized using the straight-line method over the shorter of the expected useful life or the term of the related lease.

Intangible Assets and Goodwill — Intangible assets primarily represent customer lists and restrictive covenants of employment agreements. Customer lists are records and files obtained from acquired businesses that contain information on clients and their retirement accounts, insurance policies and other information that is essential to maintaining and expanding services provided to clients. Customer lists are amortized on a straight-line basis over their estimated lives of 5 to 24 years (successor's period) and 3 to 14 years (predecessor's period). The costs of restrictive covenants of employment agreements are amortized on a straight-line basis over the term of the estimated restrictive period. The initial terms of such agreements are one to five years (successor's period and predecessor's period). Alliant's trade name has also been identified as an intangible asset that is deemed to have an indefinite life and is, therefore, not subject to amortization. Trade names acquired as a result of acquisitions are amortized on a straight-line basis over their estimated useful lives of three to four years (successor's period) and four years (predecessor's period), or have been determined to have an indefinite life and is, therefore, not subject to amortization. The carrying value of intangible assets with definite useful lives is reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such a review indicates that the intangibles will not be recoverable, as determined based upon the undiscounted future net cash flows of the assets, an impairment charge would be recognized for the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Goodwill is established as the excess of cost over the fair value of net assets acquired in business combinations. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles — Goodwill and Other*, requires that goodwill and intangible assets with indefinite useful lives not be amortized, but instead be tested for impairment at least annually. In accordance with

ASC 350, Alliant performs an annual impairment test for goodwill and intangible assets with indefinite lives in the fourth quarter of the year using financial information as of September 30, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Such indicators include, but are not limited to, a sustained significant decline in the value of Alliant or a significant decline in expected future cash flows due to changes in company-specific factors or the broader business climate. The evaluation of such factors requires considerable judgment. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and could have a material impact on Alliant's consolidated financial statements.

The goodwill impairment test has two steps. The first step of the test identifies potential impairments at the reporting unit level. Alliant has four reporting units in 2016 and 2015. For each reporting unit, Alliant first compares its estimated fair value with its net book value. If the estimated fair value exceeds its net book value, there is no impairment of goodwill. If the net book value of the reporting unit exceeds its estimated fair value, Alliant then performs a second test to calculate the amount of impairment, if any. To determine the amount of impairment, Alliant calculates the implied fair value of goodwill. Specifically, Alliant determines the fair value of all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical calculation that yields the implied fair value of goodwill. If the implied fair value of goodwill is less than recorded goodwill, Alliant records an impairment charge for the difference.

The fair value of a reporting unit is determined using a combination of income and market approaches. The valuation methodologies used to derive the estimated fair value of the reporting units are as follows:

Alliant uses a weighting method in assessing fair value for each reporting unit using the discounted cash flow ("DCF") method, the guideline public company ("GPC") method, and the guideline transactions ("GT") method. The DCF method involves an analysis of future cash flow projections for each reporting unit. Cash flows are discounted at a rate reflective of the perceived risks inherent in the projections. A terminal value, the estimated value of the reporting unit at the end of the discrete forecast, is calculated by dividing the terminal year net cash flow by an appropriate capitalization rate, which assumes constant growth into perpetuity.

Under the GPC method, the fair value of a reporting unit is estimated by comparing the reporting unit to similar companies with publicly traded ownership interests. From these guideline companies, valuation multiples are derived and then applied to the appropriate operating statistics of the reporting unit to arrive at indications of value. Alliant identified five guideline companies for use in its analysis of reporting units. For purposes of this analysis, the guideline companies selected represented reasonably similar, but alternative investment opportunities to an investment in the reporting unit.

Under the GT method, the fair value of a reporting unit is estimated by identifying transactions that involve companies with similar operations and analyzing those transactions for comparability. From these guideline companies, valuation multiples are derived and then applied to the appropriate operating statistics of the reporting unit to arrive at indications of value. Alliant identified seven guideline transactions in 2016 and 2015 for use in the analysis of reporting units. For purposes of this analysis, the guideline transactions selected represented reasonably similar but alternative investment opportunities to an investment in the reporting unit.

The determination of fair value of reporting units requires significant estimates and assumptions. These estimates and assumptions primarily include, but are not limited to, earnings and required capital projections, discount rates, terminal growth rates, and the weighting assigned to the results of each of the valuation methods described above. Changes in certain assumptions could have a significant impact on the impairment assessment. Alliant evaluated the significant assumptions used to determine the estimated fair values of each reporting unit, both individually and in the aggregate, and concluded they are reasonable. If these estimates or related assumptions change in the future, Alliant may be required to revise the assessment and, if appropriate, record an impairment charge.

Based on the results of the process described above, Alliant did not recognize any impairment of goodwill or intangible assets during 2016, except as described in Note 7.

Income Taxes — Alliant Holdings, L.P. is a partnership. However, the operating subsidiaries are C corporations and, as such, are treated as taxpayers for federal, state, and local income tax purposes. Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are determined based on the differences between financial statement and tax bases of assets and liabilities using currently enacted tax rates.

Uncertain Tax Positions — The calculation of Alliant's tax liabilities involves dealing with uncertainties in the application of complex tax regulations. In accordance with the applicable accounting guidance for uncertainty in income taxes, Alliant recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If Alliant determines that a tax position will more likely than not be sustained on audit, then the second step requires Alliant to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as Alliant has to determine the probability of various possible outcomes. Alliant reevaluates these uncertain tax positions on an annual basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax laws, effective settlement of audit issues, and new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

Deferred Financing Costs — Deferred financing costs are nonrefundable amounts paid by Alliant in connection with the establishment and amendment of its credit facilities (see Note 8). Such costs are being amortized over the expected term of the credit facilities and are included in interest and related fees in the consolidated statements of operations and comprehensive loss. Amortization of deferred financing costs was $8.0 million, $2.9 million, $4.3 million, $5.7 million for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014.

Fair Value of Financial Instruments — Cash and cash equivalents, fiduciary funds, premiums and commissions receivable, other current assets, insurance premium payable, payables and accrued expenses, other current liabilities, and long-term debt are considered financial instruments. Alliant believes that due to the short duration of these financial instruments, other than long-term debt, carrying amounts approximate fair value. For long-term debt, Alliant uses market trading information and the present value of future cash flows, discounted at Alliant's current incremental rate of borrowing on similar debt, to estimate a fair value. At December 31, 2016 and 2015, the fair value of Alliant's debt was estimated to be $2,156.3 million and $1,797.5 million, respectively. Interest rate swaps and liabilities for contingent consideration arrangements are carried at fair value, estimated as described in Note 5.

Concentration of Credit Risk — Financial instruments, which potentially subject Alliant to a concentration of credit risk, principally consist of cash, cash equivalents, fiduciary funds, and receivables. Alliant invests available cash in cash equivalents and money market securities of high-credit-quality financial institutions. Alliant had cash and cash equivalents in the amount of $170.8 million and $66.3 million as of December 31, 2016 and 2015, respectively, in excess of federally insured limits. At December 31, 2016 and 2015, Alliant's receivables were primarily from insurance carriers and clients in various industries. To reduce credit risk, Alliant performs periodic credit evaluations of its clients, but does not generally require collateral.

Derivatives — Alliant accounts for derivative instruments in accordance with the provisions of ASC 815, *Derivatives and Hedging*. On the date Alliant enters into a derivative contract, Alliant may designate the

derivative as a hedge of the identified exposure. Derivatives are reported in the accompanying consolidated balance sheets at fair value. For derivatives designated as hedges, changes in fair value are reported in other comprehensive loss to the extent that the hedge is effective. Alliant formally measures effectiveness of its hedging relationships, both at the hedge inception and on an ongoing basis, in accordance with its risk management policy. For derivatives not designated as hedges, changes in fair value are reported as a component of interest and related fees in the accompanying consolidated statements of operations and comprehensive loss.

Litigation — Alliant is the defendant in various legal actions related to claims, lawsuits, and proceedings incidental to the nature of its business. Alliant records undiscounted liabilities for loss contingencies, including legal costs to be incurred, when it is probable that a liability has been incurred on or before the balance sheet date and the amount of the liability can be reasonably estimated. To the extent recovery of such losses and legal costs is probable under Alliant's insurance programs, estimated recoveries are recorded concurrently with the losses recognized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In order to assess Alliant's potential liability, Alliant analyzes litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters. These liabilities are uncertain by their nature and the recorded amounts may change due to a variety of factors, including new developments or changes in approach, such as changing the settlement strategy as applicable to each matter.

Use of Estimates — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accumulated Other Comprehensive Income (Loss) — Accumulated other comprehensive income (loss) refers to revenues, expenses, gains, and losses that are recorded as an element of equity but are excluded from net income (loss). Alliant's other comprehensive income consists of net gains and losses on certain derivative instruments accounted for as cash flow hedges. As of December 31, 2016, accumulated other comprehensive loss was $1.8 million, recorded net of tax benefit of $0.9 million, or a gross amount of $2.7 million. As of December 31, 2015, accumulated other comprehensive income was $0.2 million, recorded net of tax expense of $0.2 million, or a gross amount of $0.4 million.

Noncontrolling Interest — Noncontrolling interest in a subsidiary is presented within total equity in Alliant's consolidated balance sheets. The amount of consolidated net income (loss) attributable to the noncontrolling interest is presented in the consolidated statements of operations and comprehensive loss. The carrying amount of the noncontrolling interest is adjusted based on an allocation of subsidiary income (loss) based on ownership interest.

Share-Based Compensation — Alliant accounts for share-based payments under ASC 718, *Compensation — Stock Compensation*, which requires compensation cost related to share-based payment transactions to be recognized in an issuer's consolidated financial statements.

Alliant has issued unvested units to employees with stated vesting periods that require continued employment with Alliant and, in some cases, with stated performance conditions. The excess of the value of such units over the purchase price is generally recognized as compensation expense ratably over the requisite service period. Alliant's determination of compensation expense includes estimated forfeitures of unvested units and assessment of the probability of the performance conditions being met by the holders of the unvested units. Changes in estimates are recognized currently in the consolidated statements of operations and comprehensive loss. Alliant has also issued unvested units to employees that include, in addition to time or performance

conditions, forfeiture provisions that terminate only upon the earlier of uncertain future events: a change in control (as defined in Alliant's partnership agreement) or the consummation of an initial public offering. No compensation expense is recognized for such units until the forfeiture provisions terminate.

New Accounting Pronouncements — In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows.* This standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified and applies to all entities, including both business entities and not-for-profit entities that are required to present a statement of cash flows. ASU 2016-15 will take effect for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting.* The standard simplifies the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification of the statement of cash flows. ASU No. 2016-09 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Consideration.* This standard requires an entity to evaluate whether it is the principal or agent for each specified good or service promised in a contract with a customer. ASU No. 2016-08 is effective for fiscal periods beginning after December 15, 2019. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases,* which changes the presentation of leases in the financial statements. Under this standard, the entity presents all leases on the balance sheet. For non-public entities, ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted, and is effective for interim periods in the year of adoption. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Liabilities.* This standard allows non-public entities to elect to not disclose the fair value of financial instruments measured at amortized cost. ASU No. 2016-01 is effective for fiscal periods beginning after December 15, 2018. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. This update requires entities to classify deferred tax liabilities and assets as noncurrent in a classified statement of financial position. The amendments must be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented and early adoption is permitted. ASU No. 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Business Combinations: Simplifying the Accounting for Measurement-Period Adjustments.* The standard requires the acquirer to recognize adjustments to provisional amounts that are identified during the measurement period for a business combination in the reporting period in which the adjustment amount is determined. Additionally, it requires acquirers to present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the

adjustment to the provisional amounts had been recognized as of the acquisition date. ASU No. 2015-16 is effective for fiscal years beginning after December 15, 2016. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in financial statements. Under this standard, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. ASU No. 2015-03 is effective for fiscal years beginning after December 15, 2015, and interim periods beginning after December 15, 2016. Alliant applied the ASU retrospectively and reclassified the deferred financing costs of $50.5 million to offset long-term debt on the December 31, 2015 balance sheet. The adoption did not have a material impact on the consolidated statements of operations or cash flows.

In August 2014, the FASB issued ASU No. 2014-15, *Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This standard provides guidance on disclosing going concern uncertainties in the financial statements. The standard requires management to perform interim and annual assessments of the entity's ability to continue as a going concern within one year of the issuance of the financial statements. ASU No. 2014-15 is effective for annual periods ending after December 31, 2016. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*, which applies to reporting entities that grant their employees share-based awards where the terms of the award provide a performance target that affects vesting and the performance target can be achieved after the requisite service period. The standard requires that he performance target is accounted for as a performance condition in accordance with Topic 718 and is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. The adoption did not have a material impact on Alliant's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for all entities to use in accounting for revenue arising from contracts with customers. The new standard supersedes most existing revenue recognition guidance, including industry-specific guidance. ASU No. 2014-09 will be effective for Alliant's annual financial statements for 2018 and interim financial statements for 2019, and may be applied either 1) retrospectively to each prior reporting period presented or 2) retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which defers the effective date of ASU No. 2014-09 by one year for all entities and permits early adoption on a limited basis. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

The Private Company Council of the FASB ("PCC") has issued a number of pronouncements specifically for entities that are not required to file or furnish financial statements with the Securities and Exchange Commission or another domestic or foreign regulatory agency, or otherwise make financial statements publicly available. Alliant is not required to, and does not anticipate that it will, implement PCC pronouncements and therefore does not believe that any of these pronouncements will have an impact on Alliant's consolidated financial statements.

3. MERGER TRANSACTION

As discussed in Note 1, Alliant Holdings entered into the Stone Point Merger Transaction on August 14, 2015. Under the terms of this transaction, holders of Alliant Holdings Class A, Class B, and Class C units were

offered cash consideration of $11.45, $6.45 and $6.45 per unit, respectively. Certain holders of Class A, Class B and Class C units elected to exchange their holdings for units in Alliant.

Concurrent with the Stone Point Merger Transaction, Alliant entered into a new debt facility (Note 8). The total consideration received in the Stone Point Merger Transaction was $3,341.4 million, consisting of debt proceeds of $1,870.7 million, proceeds from new shareholders of $684.9 million and $785.8 million relating to continuing owners who exchanged their shares of Alliant Holdings for units in Alliant. The proceeds were primarily used to pay off existing debt of $1,573.2 million and call premium of $28.2 million, to pay selling shareholders $950.6 million, and to pay merger transaction costs of approximately $58.2 million, including approximately $4.7 million and $53.5 million of such costs that were expensed or were capitalized as deferred financing costs, respectively.

As a result of the Stone Point Merger Transaction, Alliant recorded customer lists of $1,784.9 million, restrictive covenants of $135.9 million, trade name of $92.4 million, and goodwill of $1,831.9 million. These amounts reflect the results of Alliant's purchase price allocation, based upon estimated valuations of acquired assets and liabilities.

4. ACQUISITIONS

Alliant's acquisitions may include provisions for contingent additional consideration based on future financial results of the acquired companies. In accordance with ASC 805, *Business Combinations*, contingent future cash payments related to acquisitions are recognized at estimated fair value as of the acquisition date, and such amount is included in the determination of the acquisition date purchase price. Any subsequent changes in the fair value of the contingent future cash payments are recognized in earnings in the period that the change occurs.

The basic structure for an acquisition by Alliant generally includes employment agreements with the employee shareholders of the acquired company. Compensation under these agreements, which is consistent with prevailing market rates, is generally in the form of salary, plus an incentive-based bonus. Such amounts are expensed as incurred.

In connection with acquisitions, Alliant records the estimated fair value of the net tangible assets purchased and the fair value of the identifiable intangible assets purchased, which typically consist of purchased customer accounts and noncompete agreements. Purchased customer accounts primarily represent the present value of the underlying cash flows expected to be received over the estimated future renewal periods of the insurance policies comprising those purchased customer accounts. Noncompete agreements are valued based on their duration and any unique features of particular agreements. The valuation of purchased customer accounts and noncompete agreements involves significant estimates and assumptions. Any change in assumptions could affect the carrying value of purchased customer accounts or noncompete agreements.

On July 29, 2016, Alliant acquired Mesirow Insurance Services, Inc. and its subsidiaries ("MIS") pursuant to a stock purchase agreement. MIS is a provider of property and casualty, employee benefits, and risk management services. The aggregate purchase price was $318.9 million and included cash of $280.1 million, Class A units with an estimated fair value of $32.8 million, and an accrued liability of $6.0 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $4.4 million was $314.5 million, which has been estimated to consist of customer lists of $127.7 million, restrictive covenants of $7.7 million, trade name of $1.6 million, and goodwill of $177.5 million. Transaction costs relating to this acquisition amounted to $1.3 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $6.0 million at the close of the transaction, which was determined using a discounted cash flow methodology with probability simulations based on financial forecasts determined by Alliant that includes assumptions

about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $6.1 million as of December 31, 2016, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $31.0 million and the minimum is zero, payable in cash.

On February 1, 2016, Alliant acquired the assets of John F. Throne & Co. Insurance Marketing, Inc. ("Throne") a provider of property and casualty and risk management services. The aggregate purchase price was $50.2 million and included cash of $39.9 million, Class A units with an estimated fair value of $9.6 million, and an accrued liability of $0.7 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $0.5 million was $49.7 million, which has been estimated to consist of customer lists of $20.3 million, restrictive covenants of $2.1 million, trade name of $0.2 million, and goodwill of $27.1 million. Transaction costs relating to this acquisition amounted to $0.4 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $0.7 million at the close of the transaction, which was determined using a discounted cash flow methodology with probability simulations based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $0.7 million as of December 31, 2016, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $12.0 million and the minimum is zero, payable in cash and in Class A units.

On July 1, 2015, Alliant acquired Preferred Concepts Holdings, LLC and its subsidiaries ("PCH") pursuant to a stock purchase agreement. PCH's subsidiaries are engaged in the business of property and casualty and underwriting services. The aggregate purchase price was $91.4 million and included cash of $72.5 million, Class A units with an estimated fair value of $10.0 million, and an accrued liability of $8.9 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $2.4 million was $89.0 million, which has been estimated to consist of customer lists of $44.4 million, restrictive covenants of $5.1 million, trade name of $0.4 million, and goodwill of $39.1 million. Transaction costs relating to this acquisition amounted to $1.0 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $8.9 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $0.0 million and $9.4 million as of December 31, 2016 and 2015, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $32.5 million and the minimum is zero, payable in cash and in Class A units.

Effective July 1, 2015, Alliant acquired the assets of Todd Garibaldi Insurance Agency ("TGI"). TGI is a provider of property and casualty and risk management services. The aggregate purchase price was $14.6 million and included cash of $10.0 million, Class A units with an estimated fair value of $4.6 million, and an accrued liability of $20,000 relating to potential contingent purchase payments. The purchase price has been estimated to consist of customer lists of $6.9 million, restrictive covenants of $1.0 million, and goodwill of $6.7 million. Transaction costs relating to this acquisition amounted to $0.2 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $20,000 at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $24,000 and $21,000 as of December 31, 2016 and 2015, respectively, within other long-term liabilities, and

remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $2.1 million and the minimum is zero, payable in cash and in Class A units.

On February 2, 2015, Alliant acquired all the outstanding stock of QBE U.S. Agencies, Inc. and its subsidiaries ("QBE"). QBE's direct and indirect subsidiaries, including Community Association Underwriters of America, Inc., Deep South Surplus, Inc., S.I.U., LLC, DSCM Inc., and Deep South Surplus of Texas, L.P., are engaged in the business of insurance services and administering insurance claims. The aggregate purchase price was $230.5 million, all of which was cash. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $25.7 million was $204.8 million, which has been estimated to consist of customer lists of $64.8 million, restrictive covenants of $2.7 million, trade name of $4.2 million, and goodwill of $133.1 million. Transaction costs relating to this acquisition amounted to $2.9 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be zero at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that indicates assumptions about growth in revenue over two to five years, and discount rates. In October 2016 Alliant entered into a confidential settlement agreement relating to the resolution of potential claims in connection with this acquisition. The terms of the settlement agreement included a $30.0 million cash settlement payment to Alliant along with the release of $32.5 million held in escrow. Additionally, the total maximum contingent consideration payable is zero. The settlement and escrow funds were paid in December 2016. The settlement is included in other operating expenses in the consolidated statements of operations and comprehensive loss.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of the acquisitions described above (in thousands):

	Mesirow 2016	Throne 2016	PCH 2015	TGI 2015	QBE 2015
Current assets	$ 60,062	$ 8,474	$ 30,870	$ -	$ 62,620
Intangible assets	137,040	22,510	49,953	7,933	71,716
Goodwill	177,460	27,158	39,047	6,679	133,062
Other noncurrent assets	936	160	844	-	6,280
Total assets acquired	375,498	58,302	120,714	14,612	273,678
Current liabilities	56,573	8,106	29,343	-	42,568
Noncurrent liabilities	12	-	-	-	656
Total liabilities assumed	56,585	8,106	29,343	-	43,224
Net assets acquired	$ 318,913	$ 50,196	$ 91,371	$ 14,612	$ 230,454

For the year ended December 31, 2016, Alliant had other acquisitions and purchased customer lists for a total amount of $9.8 million and $23.7 million, respectively. For the period from August 14, 2015 to December 31, 2015 and the period from January 1, 2015 to August 13, 2015, Alliant had other acquisitions with a total purchase price of $8.9 million and $14.8 million, respectively, in cash and units.

Effective December 31, 2014, Alliant acquired all the outstanding stock of Worth Corporate Planning, Inc. (and its subsidiary American Benefits Consulting, LLC) and American Benefits and Compensation Systems, Inc., and the assets of ABC Benefits Consulting PA, LLC (collectively known as "ABC"). Alliant estimated the fair value of the contingent consideration to be $9.6 million at the close of the transaction, which was

determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $16.5 million and $11.2 million as of December 31, 2016 and 2015, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $17.4 million and the minimum is zero, payable in cash and in Class A units.

Effective December 1, 2014, Alliant acquired the assets of The Camps Group, LLC ("Camps"). The aggregate purchase price included an accrued liability relating to potential contingent purchase payments. Alliant estimated the fair value of the contingent consideration to be $1.5 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three to four years, and discount rates. Alliant has recorded the contingent consideration of $2.9 million and $1.7 million as of December 31, 2016 and 2015, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $5.3 million and the minimum is zero, payable in cash and in Class A units.

Effective August 31, 2014, Alliant acquired the assets of Moloney, O'Neill, Corkery & Jones, Inc. and all the outstanding stock of Moloney & O'Neill Life, Inc. and Corkery & Jones Benefits, Inc. (collectively known as "Moloney"). The aggregate purchase price included an accrued liability of $5.6 million relating to potential contingent purchase payments. Alliant estimated the fair value of the contingent consideration to be $5.6 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecast determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded contingent consideration of $10.2 million and $8.2 million as of December 31, 2016 and 2015, respectively, within other current liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $12.4 million and the minimum is zero, payable in cash and in Class A units.

5. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements,* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, DCF methodologies, and similar techniques that use significant unobservable inputs.

ASC 820 requires Alliant to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation.

Alliant's financial assets and liabilities measured at fair value on a recurring basis consist of cash equivalents, derivative financial instruments, and liabilities for contingent consideration arising from business combination transactions.

Alliant's financial assets and liabilities measured at fair value on a recurring basis consist of cash equivalents, derivative financial instruments, and liabilities for contingent consideration arising from business combination transactions. Certain other assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value measurement in certain circumstances, for example, when evidence of impairment exists. Alliant has categorized all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2016 and 2015 are summarized below (in thousands):

	2016		
	Level 1	**Level 2**	**Level 3**
Assets:			
Cash equivalents (a)	$ 26,477	$ -	$ -
Interest rate swaps (c)	-	635	-
Total assets at fair value	$ 26,477	$ 635	$
Liabilities:			
Interest rate swaps (b)	$ -	$ 7,588	$ -
Contingent consideration (c)	-	-	48,772
Total liabilities at fair value	$ -	$ 7,588	$ 48,772

	2015		
	Level 1	**Level 2**	**Level 3**
Assets — cash equivalents (a)	$ 474	$ -	$ -
Total assets at fair value	$ 474	$ -	$ -
Liabilities:			
Interest rate swaps (b)	$ -	$ 4,966	$ -
Contingent consideration (c)	-	-	45,548
Total liabilities at fair value	$ -	$ 4,966	$ 45,548

a) Cash equivalents include money market accounts held at various financial institutions. This amount includes Alliant's own accounts and the fiduciary accounts.

b) Interest rate cap and interest rate swap positions are valued by a pricing model that uses readily observable market parameters. The inputs include prevailing interest rate swap curves and the terms of the hedges that Alliant has locked in.

c) Consideration for some acquisitions made by Alliant includes contingent consideration arrangements, which are included in other current and long-term liabilities, as appropriate, in the accompanying consolidated balance sheets. The contingent consideration is measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Contingent consideration is measured by discounting to present value the contingent payments expected to be made based on Alliant's estimates of certain financial targets expected to result from the acquisitions.

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy during 2016 or 2015.

Changes in Level 3 Recurring Fair Value Measurements — The table below provides information on the valuation technique, significant unobservable inputs and the rates utilized by Alliant in measuring fair value on a recurring basis of the Level 3 liabilities at December 31, 2016 and 2015 (in thousands):

	December 31, 2016			
	Fair Value	**Valuation Technique**	**Unobservable Input**	**Weighted-Average Rate**
Contingent consideration	$ 48,772	Discounted cash	Discount rate	4.84%

	December 31, 2015			
	Fair Value	**Valuation Technique**	**Unobservable Input**	**Weighted-Average Rate**
Contingent consideration	$ 45,548	Discounted cash	Discount rate	11.3%

Alliant determines the fair value for its contingent consideration obligations using an income approach whereby Alliant assesses the probability and timing of the achievement of the applicable milestones, which are based on contractually negotiated financial or operating targets that vary by acquisition transaction, such as earnings before interest, taxes, depreciation and amortization, and commission revenue. The contingent payments are estimated using a probability-weighted multi-scenario analysis of expected future performance of the acquired businesses. Alliant then discounts these expected payment amounts to calculate the fair value as of year-end. Alliant's management evaluates the underlying projections and other related factors used in determining fair value each period and makes updates when there have been significant changes in management's expectations.

The principal significant unobservable input used in the valuations of Alliant's contingent consideration obligations, in addition to the estimated future payments, is a risk-adjusted discount rate. An increase in the discount rate will result in a decrease in the fair value of contingent consideration. Conversely, a decrease in the discount rate will result in an increase in the fair value of contingent consideration.

A reconciliation of the fair value of contingent consideration liabilities for the years ended December 31, 2016 and 2015 is as follows (in thousands):

	2016	2015
Fair value at beginning of year	$ 45,548	$ 26,789
Contingent consideration — current year acquisitions	7,373	8,923
Remeasurement of fair value	46	12,120
Payment of contingent consideration	(4,195)	(2,284)
Fair value at end of year	$ 48,772	$ 45,548

The remeasurement of fair value for the years ended December 31, 2016 and 2015 is included in the change of accrued expenses and accounts payable and other assets and liabilities within the consolidated statements of cash flows and included in other operating expenses within the consolidated statements of operations and comprehensive loss.

6. PROPERTY AND EQUIPMENT

At December 31, 2016 and 2015, property and equipment consists of the following (in thousands):

	2016	2015
Furniture, equipment and software	$ 40,857	$ 29,253
Leasehold improvements	7,523	6,316
	48,380	35,569
Less accumulated depreciation	(17,701)	(4,512)
Property and equipment — net	$ 30,679	$ 31,057

Depreciation expense was $13.7 million, $4.6 million, $5.5 million, and $6.4 million for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill — The changes in the carrying amounts of goodwill for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, are as follows (in thousands):

	Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
Balance — beginning of period	$ 1,831,921	$ -	$ 1,239,430	$ 1,132,845
Acquired during period	216,876	-	188,227	105,290
Additional consideration for prior periods' acquisitions	-	-	145	1,295
Stone Point Merger Transaction	2,775	1,831,921	-	-
Balance — end of period	$ 2,051,572	$ 1,831,921	$ 1,427,802	$ 1,239,430

Intangible Assets — At December 31, 2016 and 2015, intangible assets consist of the following (in thousands):

	2016	2015
Restrictive covenants	$ 143,031	$ 135,882
Accumulated amortization	(90,957)	(26,948)
Net restrictive covenants	52,074	108,934
Customer lists	1,946,641	1,793,779
Accumulated amortization	(188,428)	(52,194)
Net customer lists	1,758,213	1,741,585
Trade names	92,716	92,368
Accumulated amortization	(713)	(81)
Net trade names	92,003	92,287
Total intangible assets — net	$ 1,902,290	$ 1,942,806

Amortization expense of $209.8 million, $79.9 million, $77.6 million, and $134.8 million was recorded for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, respectively.

Estimated amortization expenses for the years ending December 31 are as follows (in thousands):

2017	$ 185,143
2018	152,855
2019	147,646
2020	146,082
2021	142,232
Thereafter	1,037,222
Total	$ 1,811,180

Alliant has trade names with indefinite lives of $90.2 million.

Alliant acquired lease intangible assets for $8.8 million which are amortized over the leases remaining terms, which range from one to six years and is included in other assets. Amortization expense of the lease intangible assets for the year ended December 31, 2016 and the period from August 14, 2015 to December 31, 2015 was $1.8 million and $0.8 million, respectively.

In accordance with ASC 350, *Intangibles – Goodwill and Other*, Alliant performs an annual impairment test for goodwill and intangible assets with indefinite lives in the fourth quarter of the year using financial information as of September 30, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Such indicators include, but are not limited to, a sustained significant decline in the value of Alliant or a significant decline in expected future cash flows due to changes in Alliant-specific factors or the broader business climate. The evaluation of such factors requires considerable judgment. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and intangible assets and could have a material impact on Alliant's consolidated financial statements. There were no indicators of possible impairment of Alliant's goodwill during the years ended December 31, 2016 and 2015.

Alliant operates in multiple business units, including transportation. Alliant made a decision to wind down its transportation unit in 2016. This unit continues to have operations in 2017. As a result of this event, Alliant determined whether the carrying values of definite-lived intangible assets and property and equipment may not be recoverable or whether the carrying value of indefinite-lived intangible assets were impaired. Alliant used the income approach to determine the fair value of the definite and indefinite-lived intangible assets, which included customer lists, covenants, trademarks and property and equipment, and determined that the fair value of these assets were lower than their carrying value. For the year ended December 31, 2016, Alliant determined that the carrying value of the transportation units definite-lived assets of customer lists and covenants and computer software exceeded its estimated future cash flows and recorded a non-cash impairment charge of $16.8 million and $1.4 million and $0.3 million, respectively. Additionally, the carrying value of its indefinite-lived assets of trademarks exceeded its estimated future cash flows and a non-cash impairment charge of $1.5 million was recorded based on the difference between the carrying value and the estimated future value of these assets. These impairment charges are included in other operating expenses within the consolidated statements of operations and comprehensive loss. For the year ended December 31, 2015, there were no indicators of possible impairment of Alliant's intangible assets.

In connection with the long-lived assets impairment charges, Alliant recorded a deferred tax benefit of $10.0 million to its income tax provision.

8. DEBT

Alliant's debt as of December 31, 2016 and 2015 consists of the following (in thousands):

	2016	2015
Senior notes	$ 535,000	$ 535,000
Senior Credit Facility — term loan	1,319,900	1,333,300
Senior Credit Facility — incremental term loan	278,600	-
Senior Credit Facility — line of credit	-	-
Total	2,133,500	1,868,300
Less unamortized debt issuance costs	(47,338)	(50,548)
Less discount on issuance of long-term debt	(6,017)	(4,093)
Less current portion of long-term debt	(16,200)	(13,400)
Long-term debt — net of current portion	$2,063,945	$ 1,800,259

In connection with the acquisition of MIS, Alliant entered into a joinder and amendment agreement, dated July 29, 2016 ("Joinder and Amendment Agreement"), to the Senior Credit Facility. Pursuant to the terms of the Joinder and Amendment Agreement, Alliant has incurred incremental term loans of $280.0 million ("2016 Term Loan"). The 2016 Term Loan will bear interest at the London InterBank Offered Rate ("LIBOR") plus 4.0% or prime plus 3.0%. The 2016 Term Loan expires on August 14, 2022.

The net proceeds from the 2016 Term Loan were used to finance in part the consideration paid in connection with the acquisition of MIS, to pay fees and expense related to the acquisition of MIS and the associated financing, and for certain other purposes.

On August 14, 2015, Alliant entered into a credit agreement providing for a term loan (the "2015 Senior Term Loan") of $1,340.0 million and issued senior notes totaling $535.0 million (collectively, the "2015 Senior Credit Facility"). Concurrently, Alliant paid off the existing Senior Term Loans of $1,123.0 million as well as the existing senior notes totaling $450.0 million. Included in loss on extinguishment of debt in the consolidated statement of operations and comprehensive loss for the period from August 14, 2015 to December 31, 2015, are previously unamortized deferred financing costs of $24.4 million and $6.1 million of unamortized discount. In connection with paying off the senior notes, Alliant paid a call premium of $28.2 million which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations and comprehensive loss for the period from August 14, 2015 to December 31, 2015. Under the Senior Credit Facility, $200.0 million is available as a revolving line of credit that expires on August 14, 2020. The 2015 Senior Term Loan expires on August 14, 2022. The 2015 senior notes are due on August 1, 2023. Borrowings for the 2015 Senior Term Loan bear interest based on either LIBOR plus a maximum of 3.50% or prime plus a maximum of 2.50% at Alliant's option, provided that if at any time the LIBOR rate is less than 1.00%, then the LIBOR rate will be deemed at such time to be equal to 1.00%, and if the prime rate is less than 2.00%, then the prime rate will be deemed at such time to equal 2.00%. Revolving loans bear interest based on either LIBOR plus a maximum of 3.50% or prime plus a maximum of 2.50%, at Alliant's option. Additionally, there is a maximum commitment fee of 0.50% on the unused portion of the revolving loan commitment. The weighted-average interest rate in effect was 4.84% and 4.50% December 31, 2016 and 2015, respectively.

The proceeds of the 2015 Senior Credit Facility were used for acquisition financing and for general corporate purposes. Additionally, the revolving loan commitment is available on a revolving basis for loans denominated in U.S. dollars and for letters of credit. The amount available under the term loan facility can be increased subject to the terms of the credit agreement including, with respect to the additional facility, compliance with a maximum senior leverage ratio.

The 2015 Senior Term Loan contains provisions that limit the payment of dividends or other distributions to unit holders and which limit the incurrence of indebtedness, liens on assets, sale of assets, certain acquisitions, investments, and other limitations. Alliant is in compliance with all debt covenants governing its 2015 Senior Term Loan indebtedness. Substantially all of the assets of Alliant are pledged as collateral against the 2015 Senior Term Loan.

The 2015 senior notes are unsecured and bear interest at 8.25%. Interest payments are due on a semiannual basis in February and August of each year until maturity. The indenture governing the 2015 senior notes contains provisions that limit Alliant's ability to incur additional indebtedness, which limit the payment of certain dividends and distributions to partners, and which limit the incurrence of asset sales, certain acquisitions, investments and other limitations. Alliant is in compliance with all debt covenants governing its 2015 senior notes.

The term loan agreement also includes a provision for an annual mandatory principal prepayments if Alliant achieves excess cash flow as defined in the agreement. No mandatory principal prepayments are required in 2017.

Maturities of Alliant's long-term debt as of December 31, 2016, exclusive of any mandatory principal prepayments that may be required in years subsequent to 2016, are as follows (in thousands):

Years Ending December 31	
2017	$ 16,200
2018	16,200
2019	16,200
2020	16,200
2021	16,200
Thereafter	2,052,500
Long-term debt	$2,133,500

In February and March 2016, Alliant entered into four interest rate cap agreements, each with a notional amount of $100.0 million, ("the 2016 Caps") that Alliant has designated as cash flow hedges against future interest payments associated with a portion of the variable rate 2015 Senior Term Loan. Under the terms of the 2016 Caps, should three-month LIBOR exceed 3.50% on a rate reset date during the effective period of the caps, Alliant will receive an amount equal to the cap notional multiplied by the three-month LIBOR minus 3.50%, multiplied by the number of days in the period divided by 360. The 2016 Caps have a 5-year maturity.

In 2013, Alliant entered into five forward interest rate swap agreements, each with a notional amount of $50.0 million (the "2013 Swaps") that Alliant has designated as cash flow hedges against future interest payments. In August 2015, the 2013 Swaps were redesignated and associated with a portion of the variable rate 2015 Senior Term Loan. Under the terms of the 2013 Swaps, Alliant receives a three-month LIBOR rate and pays a fixed rate of approximately 1.25%. The 2013 Swaps have an effective date of December 20, 2016, and a maturity date of December 20, 2019.

During the year ended December 31, 2016, Alliant recognized ($2.1) million, net of income tax benefit of $1.1 million in other comprehensive income (loss) representing the decline in fair value of the 2016 Caps and 2013 Swaps. During the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, Alliant recognized $0.3 million, ($1.4) million and ($4.3) million, respectively, in other comprehensive income (loss) representing the decline in fair value of the 2013 Swaps, net of income tax expense (benefit) of $0.2 million, $0.9 million and ($2.7) million, respectively. The fair value of the 2016 Caps amounted to $0.6 million at December 31, 2016 and is included within other long term assets in the accompanying consolidated balance sheets. The fair value of the 2013 Swaps of $7.6 million and $5.0 million at December 31, 2016 and 2015, respectively, is included in other current liabilities and other long-term liabilities in the accompanying consolidated balance sheets.

9. EQUITY

Alliant Holdings, L.P. has authorized the issuance of Class A and Class B units. Class A partners are entitled to elect the board of directors with each such partner having one vote for each Class A unit held by such partner. Pursuant to the Limited Partnership agreement, partners have agreed to delegate their authority to act on behalf of Alliant to Alliant's board of directors. Distributions, to the extent distributable, are made first to Class A units that are entitled to receive a preferred return equal to the original issuance price of $5.00 per unit. Distributions will then be made among all unitholders of Class A and Class B units, pro rata according to the number of units held by each partner.

Alliant Holdings I, L.P. had authorized the issuance of Class A, Class B, Class C, and Class D units. Class A partners were entitled to elect the board of directors with each such partner having one vote for each Class A unit held by such partner. Pursuant to the Limited Partnership agreement, partners had agreed to delegate their authority to act on behalf of Alliant to Alliant's board of directors. Distributions, to the extent distributable, were made first to Class A units that were entitled to receive a preferred return equal to the original issuance price of $5.00 per unit, and second to the Class C units until each Class C unit received an amount equal to $5.00 per unit, and third to the Class D units until the Class D return had been achieved. The Class D return represented a tracking interest related to certain employees, as calculated on the liquidity event. After the aforementioned Class A, Class C and Class D distributions had been satisfied, the remaining funds available were to be distributed pro rata among the Class A and Class B partners, according to the number of units held by each partner, until a value of $5.00 per unit was achieved, which for the Class A units was in addition to the first distribution. Lastly, distributions were to be made among all unitholders of Class A, Class B and Class C units, pro rata according to the number of units held by each partner.

There was $48.0 million, $685.2 million, $9.3 million, and $5.7 million in cash proceeds from sale of Class A units, during the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, respectively. During the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, Alliant repurchased Class A units in cash for the amount of approximately $3.2 million, $969.1 million, $3.9 million, and $9.9 million, respectively.

As part of its incentive compensation program, Alliant granted Class B units on an annual basis to certain employees. The units were typically granted subject to a five-year vesting term, with one-fifth vesting in each year of the five-year term.

Alliant issued $16.3 million in Class A units to certain employees during the period from January 1, 2015 to August 13, 2015, $7.1 million of which was recorded as member receivable. In August 2015, the member receivable was settled in connection with the Stone Point Merger Transaction.

For the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, Alliant recognized $32.8 million, $9.8 million, $57.6 million, and $9.0 million, respectively, of share-based compensation expense under ASC 718 related to the vesting of unvested units. A summary of the status of Alliant's unvested units as of December 31, 2016, 2015, and 2014, and changes during the years then ended, is presented below (units in thousands):

	Class A Units	Weighted-Average Grant-Date Fair Value Class A	Class B Units	Weighted-Average Grant-Date Fair Value Class B	Class C Units	Weighted-Average Grant-Date Fair Value Class C	Class D Units	Weighted-Average Grant-Date Fair Value Class D
Predecessor's Basis								
Unvested — December 31, 2014	2,848	$ 7.40	18,237	$ 1.49	3,160	$ 2.92	1,000	$ -
Granted	409	7.42	3,809	1.96	-	-	-	-
Vested	(2,798)	7.42	(16,187)	1.48	(3,160)	2.92	-	-
Forfeited	-	-	(40)	1.55	-	-	-	-
Unvested — August 13, 2015	459	$ 7.39	5,819	$ 1.75	-	$ -	1,000	$ -
Successor's Basis								
Unvested — August 14, 2015	-	$ -	-	$ -	-	$ -	-	$ -
Granted	23,488	5.00	18,586	0.77	-	-	-	-
Vested	(34)	5.00	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-	-	-
Unvested — December 31, 2015	23,454	$ 5.00	18,586	$ 0.77	-	$ -	-	$ -
Granted	4,150	5.24	22,065	1.09	-	-	-	-
Vested	(1,084)	5.00	-	-	-	-	-	-
Forfeited	(525)	5.00	(659)	0.92	-	-	-	-
Unvested — December 31, 2016	25,995	$ 5.04	39,992	$ 1.01	-	$ -	-	$ -

For unvested Class A Units, as of December 31, 2016, 2015, and 2014, there was $103.0 million, $113.5 million, and $12.6 million, respectively, of total unrecognized compensation cost related to unvested share-based compensation arrangements granted. That cost is expected to be recognized over a weighted-average period of 4.0 years, 3.5 years, and 2.4 years, respectively, and is subject to service and performance obligations.

During 2016 and 2015, Alliant issued Class B Units to employees. Certain of these Class B Units (the "Event Units") were issued to employees that do not vest until the consummation of a change in control or an initial public offering (the "Event"). Because the Event is not deemed probable until it occurs, compensation expense for the Event Units will not be recognized until it is probable that the employee will satisfy the requisite service periods. Upon the Event, all unvested portions of the time-based Event Units vest immediately prior to the Event. Performance-based Event Units may vest immediately prior to the Event subject to meeting certain

performance conditions. The remaining Class B Units granted (the "Non-Event Units") do not require the Event to occur in order to vest, and vest provided certain service and performance conditions are satisfied. As of December 31, 2016, there was approximately $20.2 million of total unrecognized compensation cost related to Event Units. For the Non-Event Units, the total unrecognized compensation cost is $16.7 million, which is expected to be recognized over a weighted average of 4.2 years.

10. INCOME TAX

For the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, the provision (benefit) for income taxes consists of the following (in thousands):

	Successor's Basis Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
Current provision (benefit):				
Federal	$ 12,375	$ (131)	$ 5,519	$ (617)
State	3,643	804	1,434	2,512
Foreign	(40)	7	148	96
Total current provision	15,978	680	7,101	1,991
Deferred benefit:				
Federal	(37,327)	(48,310)	(4,770)	(38,373)
State	1,713	(8,128)	(210)	(1,423)
Total deferred benefit	(35,614)	(56,438)	(4,980)	(39,796)
Total income tax provision (benefit)	$ (19,636)	$ (55,758)	$ 2,121	$ (37,805)

Income taxes recorded by Alliant differ from the amounts computed by applying the statutory U.S. federal tax rate to income before income taxes. Significant reconciling items for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014 are as follows (in thousands):

	Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
U.S. federal income tax at statutory rate	$ (33,413)	$ (57,644)	$ (15,586)	$ (39,331)
State income taxes — net of federal benefit	3,482	(4,760)	795	708
Reversal of uncertain tax positions	(44)	-	-	(290)
Reversal of valuation allowance	-	-	-	(30)
Stock compensation	9,933	3,109	16,233	357
Meals and entertainment	710	278	358	528
Nontaxable income	-	1	2	77
Nondeductible transaction costs	83	568	431	-
Other	(387)	2,690	(112)	176
Total income tax provision (benefit)	$ (19,636)	$ (55,758)	$ 2,121	$ (37,805)

The tax effects of the significant temporary differences giving rise to Alliant's net deferred tax liability as of December 31, 2016 and 2015, are as follows (in thousands):

	2016	2015
Deferred tax assets:		
Deferred revenue	$ 2,765	$ 3,344
Accrued compensation	7,445	7,401
Accrued professional fees	1,756	5,063
Cancellation reserve	2,309	2,161
Deferred rent	2,012	1,028
Interest rate swaps	2,959	1,923
Net operating losses	732	13,610
Transaction costs	5,838	6,103
Other	7,298	3,802
Gross deferred tax assets	33,114	44,435
Valuation allowance	(9)	(7)
Deferred tax liabilities:		
Purchased intangible assets	(588,828)	(660,968)
Deductible goodwill	(27,580)	(2,664)
Installment sale	(2,079)	(2,376)
Other	(5,667)	(809)
Gross deferred tax liabilities	(624,154)	(666,817)
Net deferred tax liability	$(591,049)	$(622,389)

In assessing the realizability of deferred tax assets, Alliant considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Alliant is required to record a valuation allowance to reduce its net deferred tax asset to the amount that management believes is more likely than not to be realized. Annually, Alliant performs an assessment of its deferred tax assets and maintains a valuation allowance against a foreign loss.

For the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, a reconciliation of Alliant's total gross unrecognized tax benefits, excluding accrued interest, is as follows (in thousands):

	Successor's Basis Year Ended December 31, 2016	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014
Balance — beginning of period	$ 5,138	$ -	$ -	$ 191
Increase related to prior periods	-	172	-	-
Increase related to prior periods of acquired entities	-	4,966	-	-
Increase (decrease) relating to settlements with taxing authorities	(199)	-	-	(191)
Balance — end of period	$ 4,939	$ 5,138	$ -	$ 191

Alliant's policy is to record interest and penalties as part of the income tax provision. At December 31, 2016, Alliant had no material interest or penalties recorded. Alliant does not expect any significant increases or decreases to its unrecognized tax benefits within the next twelve months. Alliant's tax returns are generally subject to examination by the U.S. federal and state taxing authorities beginning in years 2013 and 2012, respectively.

As of December 31, 2016, Alliant had state income tax net operating loss carryforwards of $14.4 million that will expire beginning 2022. Alliant incurred a Section 382 ownership change on August 14, 2015; however, does not anticipate that this change will result in a limitation on the future utilization of these losses. It is possible that future utilization of the losses could be limited if another ownership change were to occur for purposes of Section 382.

11. LEASES

Alliant leases various facilities and equipment under noncancelable operating leases. These leases generally contain renewal and/or purchase options and escalation clauses.

Minimum aggregate rental commitments at December 31, 2016, under Alliant's noncancelable operating leases having an initial term of more than one year are as follows (in thousands):

Years Ending December 31	Amount
2017	$ 26,045
2018	25,835
2019	23,416
2020	19,281
2021	14,190
Thereafter	17,003
Total	$ 125,770

Total rental expense was $23.3 million, $7.2 million, $11.0 million, and $13.7 million, for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, respectively.

12. EMPLOYEE BENEFITS

Alliant has a 401(k) plan (the "Plan"), which covers substantially all employees of Alliant. The Plan allows for matching contributions and discretionary profit-sharing contributions.

Alliant's contribution expense related to the Plan was $4.7 million, $1.2 million, $3.2 million, and $3.1 million for the year ended December 31, 2016, the period from August 14, 2015 to December 31, 2015, the period January 1, 2015 to August 13, 2015, and the year ended December 31, 2014, respectively.

13. RELATED-PARTY TRANSACTIONS

In connection with the Stone Point Merger Transaction, Alliant entered into a monitoring agreement with affiliates of Stone Point and KKR, whereby such entities will provide management services to Alliant. In 2016 and 2015, the monitoring fee was approximately $4.1 million and $3.9 million, respectively.

14. BUSINESS CONCENTRATIONS

A significant portion of Alliant's commissions and fees are received from insureds in the state of California. Accordingly, the occurrence of adverse insurance markets, economic conditions, or regulatory climate in California could have a material adverse effect on Alliant. However, Alliant believes, based on the nature of its business, diversified customer base and product lines within the states in which it operates, that there is minimal risk of a material adverse occurrence due to these concentrations.

15. CONTINGENCIES

Other Transitioning Producer Litigation Matters — Alliant's operating subsidiaries are occasionally involved in routine litigation related to the transition of new producers to Alliant from their former employers that has arisen in the ordinary course of business. Specifically, the litigation involves the transfer of business from the prior brokerage firms. Although an estimate of the possible loss or range of loss cannot be made, the conclusions of such matters are not expected to have a material adverse effect on Alliant's consolidated financial statements.

General Litigation Matters — Alliant's operating subsidiaries are occasionally involved in routine insurance policy-related and employment practices litigation that has arisen in the ordinary course of business. The litigation is covered in whole or in part by insurance. Although an estimate of the possible loss or range of loss

cannot be made, the conclusions of such matters are not expected to have a material adverse effect on Alliant's consolidated financial statements.

Self-Insurance — Beginning in March 2009, Alliant became self-insured for employee health, with stop-loss coverage for claims in excess of $250,000 per year for each beneficiary. At December 31, 2016 and 2015, Alliant has recorded a liability in accrued expenses and accounts payable of approximately $1.9 million and $1.3 million, respectively, representing estimated claims incurred, but not yet reported, under the employee health coverage plan.

16. SUBSEQUENT EVENTS

In January 2017 Alliant entered into an amendment, dated January 24, 2017 ("2017 Amendment"), to the 2015 Senior Term Loan. Pursuant to the terms of the 2017 Amendment, Alliant consolidated the 2015 Senior Term Loan and the 2016 Term Loan and decreased the interest rate margin applicable to the existing term loans to LIBOR plus a maximum of 3.25% or prime plus a maximum of 2.25%.

On April 1, 2017, Alliant acquired all of the outstanding stock of SES Insurance Brokerage Services, Inc. ("SES"). SES is engaged in the business of property and casualty and underwriting services for the real estate industry. The aggregate purchase price paid in connection with the transaction was approximately $15.0 million in cash and units, subject to adjustment for closing working capital and further post-closing adjustments, and potential future earn-out payments totaling a maximum of $4.0 million.

During the period from January 1, 2017 to April 17, 2017 Alliant acquired businesses with a total purchase price of $8.0 million, in cash and units.

Alliant has evaluated subsequent events through April 17, 2017, the date the consolidated financial statements were issued.

* * * * * *

Alliant Holdings, L.P. and Subsidiaries

Consolidated Financial Statements as of December 31, 2015 (Successor's Basis) and 2014 (Predecessor's Basis), and for the Period from August 14, 2015 to December 31, 2015 (Successor's Basis), the Period from January 1, 2015 to August 13, 2015 (Predecessor's Basis) and the Years Ended December 31, 2014 and 2013 (Predecessor's Basis), and Independent Auditors' Report

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015 (SUCCESSOR'S BASIS) AND 2014 (PREDECESSOR'S BASIS), AND FOR THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015 (SUCCESSOR'S BASIS), THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015 (PREDECESSOR'S BASIS), AND YEARS ENDED DECEMBER 31, 2014 and 2013 (PREDECESSOR'S BASIS):	
Balance Sheets	3–4
Statements of Operations and Comprehensive Loss	5
Statements of Equity	6–7
Statements of Cash Flows	8–9
Notes to Consolidated Financial Statements	10–35

Deloitte & Touche LLP
Suite 700
655 W Broadway
San Diego, CA 92101-8590
USA

Tel: +1 619 232 6500
Fax: +1 619 237 6802
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Alliant Holdings, L.P.
Newport Beach, California

We have audited the accompanying consolidated financial statements of Alliant Holdings, L.P. and its subsidiaries ("Alliant"), which comprise the consolidated balance sheets as of December 31, 2015 (Successor's Basis) and 2014 (Predecessor's Basis), and the related consolidated statements of operations and comprehensive loss, equity, and cash flows for the period from August 14, 2015 to December 31, 2015 (Successor's Basis), the period from January 1, 2015 to August 13, 2015 (Predecessor's Basis), and the years ended December 31, 2014 and 2013 (Predecessor's Basis), and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alliant Holdings, L.P. and its subsidiaries as of December 31, 2015 (Successor's Basis) and 2014 (Predecessor's Basis), and the results of their operations and their cash flows for the period from August 14, 2015 to December 31, 2015 (Successor's Basis), the period from January 1, 2015 to August 13, 2015 (Predecessor's Basis), and the years ended December 31, 2014 and 2013 (Predecessor's Basis) in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 3 to the consolidated financial statements, in 2015, Alliant Holdings I, L.P. and its subsidiaries (predecessor entity) were acquired in a business combination transaction accounted for as an acquisition by Alliant Holdings, L.P. (successor entity). As a result of the acquisition, the consolidated financial statements for the periods subsequent to the acquisition are presented on a different basis of accounting than those for the periods prior to the acquisition and, therefore, are not directly comparable. Our opinion is not modified with respect to this matter.

Deloitte & Touche LLP

April 29, 2016

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2015 AND 2014
(In thousands)

	Successor's Basis December 31, 2015	Predecessor's Basis December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 68,647	$ 21,639
Fiduciary funds	138,897	102,063
Premiums and commissions receivable — net	269,705	200,843
Income taxes receivable	3,959	18,079
Deferred tax assets	36,778	26,347
Other	4,327	5,048
Total current assets	522,313	374,019
PROPERTY AND EQUIPMENT — Net	31,057	15,318
GOODWILL	1,831,921	1,239,430
INTANGIBLE ASSETS — Net	1,942,806	721,441
DEFERRED FINANCING COSTS — Net	50,548	28,669
OTHER ASSETS	52,070	10,138
TOTAL	$ 4,430,715	$ 2,389,015

(Continued)

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2015 AND 2014
(In thousands, except units)

	Successor's Basis December 31, 2015	Predecessor's Basis December 31, 2014
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Commissions payable	$ 42,710	$ 33,092
Insurance premiums payable	329,757	243,927
Current portion of long-term debt	13,400	5,646
Accrued expenses and accounts payable	115,603	71,782
Other	6,152	9,462
Total current liabilities	507,622	363,909
LONG-TERM DEBT	1,850,807	1,212,589
OTHER	59,502	27,252
DEFERRED INCOME TAXES	659,167	241,134
Total liabilities	3,077,098	1,844,884
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Class A Units — 314,557,715 (291,551,811 vested) and 0 (0 vested) units issued and outstanding	1,462,323	-
Class A Units — 0 (0 vested) and 138,046,313 (135,198,026 vested) units issued and outstanding	-	696,505
Class B Units — 18,586,319 (0 vested) and 0 (0 vested) units issued and outstanding	-	-
Class B Units — 0 (0 vested) and 18,237,001 (0 vested) units issued and outstanding	-	-
Class C Units — 0 (0 vested) and 3,160,200 (0 vested) units issued and outstanding	-	-
Class D Units — 0 (0 vested) and 1,000 (0 vested) units issued and outstanding	-	-
Accumulated deficit	(108,940)	(151,668)
Accumulated other comprehensive income (loss)	234	(495)
Noncontrolling interest	-	(211)
Total equity	1,353,617	544,131
TOTAL	$ 4,430,715	$ 2,389,015

See notes to consolidated financial statements.

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015,
THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands)

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor's Basis Year Ended December 31, 2013
REVENUES:				
Commissions and fees	$ 281,985	$ 546,856	$ 620,787	$ 547,944
Interest income	30	99	67	376
Total revenues	282,015	546,955	620,854	548,320
EXPENSES:				
Compensation and employee benefits	161,266	311,064	394,000	294,589
Subbrokerage expense	30,157	53,367	40,779	29,976
Other operating expenses	53,948	65,782	80,739	90,690
Acquisition transaction costs	2,292	6,114	3,379	473
Amortization	79,879	77,646	134,775	138,060
Depreciation	4,589	5,456	6,378	6,296
Interest and related fees	55,882	72,057	73,178	79,977
Loss on extinguishment of debt	58,700	-	-	-
Total expenses	446,713	591,486	733,228	640,061
LOSS BEFORE INCOME TAXES	(164,698)	(44,531)	(112,374)	(91,741)
INCOME TAX PROVISION (BENEFIT)	(55,758)	2,121	(37,805)	(41,722)
NET LOSS	(108,940)	(46,652)	(74,569)	(50,019)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	-	-	211
NET LOSS ATTRIBUTABLE TO ALLIANT HOLDINGS, L.P.	$ (108,940)	$ (46,652)	$ (74,569)	$ (49,808)
COMPREHENSIVE LOSS, Net of taxes:				
Net loss	$ (108,940)	$ (46,652)	$ (74,569)	$ (49,808)
Unrealized gain (loss) on interest rate swaps	234	(1,401)	(4,381)	3,886
COMPREHENSIVE LOSS, Net of taxes	$ (108,706)	$ (48,053)	$ (78,950)	$ (45,922)

See notes to consolidated financial statements.

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY
FOR THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015,
THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands, except units)

	Class A		Class B		Class C		Class D		Member Notes	Accumulated	Accumulated Other Comprehensive	Noncontrolling	Total
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Receivable	Deficit	Income	Interest	Equity
Predecessor's Basis													
BALANCE — January 1, 2013	128,966,720	$ 642,699	-	$ -	-	$ -	-	$ -	$ -	$ (27,291)	$ -	$ -	$615,408
Issuance of units for acquisitions	1,975,642	11,299	-	-	-	-	-	-	-	-	-	-	11,299
Issuance of units	218,380	1,466	-	-	-	-	-	-	-	-	-	-	1,466
Issuance of unvested units	214,020	-	13,503,743	-	3,160,200	-	-	-	-	-	-	-	-
Vesting of units	-	3,222	-	-	-	-	-	-	-	-	-	-	3,222
Repurchase of units	(85,156)	(426)	-	-	-	-	-	-	-	-	-	-	(426)
Forfeiture of unvested units	(23,522)	-	(71,104)	-	-	-	-	-	-	-	-	-	-
Unrealized gain on interest rate hedges, net of tax	-	-	-	-	-	-	-	-	-	-	3,886	-	3,886
Net loss	-	-	-	-	-	-	-	-		(49,808)	-	(211)	(50,019)
BALANCE — December 31, 2013	131,266,084	658,260	13,432,639	-	3,160,200	-	-	-	-	(77,099)	3,886	(211)	584,836
Issuance of units for acquisitions	4,560,738	33,827	-	-	-	-	-	-	-	-	-	-	33,827
Issuance of units	880,087	5,721	640,000	-	-	-	-	-	-	-	-	-	5,721
Issuance of unvested units	2,874,082	-	4,393,115	-	-	-	1,000	-	-	-	-	-	-
Vesting of units	-	8,599	-	-	-	-	-	-	-	-	-	-	8,599
Repurchase of units	(1,523,428)	(9,902)	-	-	-	-	-	-	-	-	-	-	(9,902)
Forfeiture of unvested units	(11,250)	-	(228,753)	-	-	-	-	-	-	-	-	-	-
Unrealized loss on interest rate hedges, net of tax	-	-	-	-	-	-	-	-	-	-	(4,381)	-	(4,381)
Net loss	-	-	-	-	-	-	-	-	-	(74,569)	-	-	(74,569)
BALANCE — December 31, 2014	138,046,313	696,505	18,237,001	-	3,160,200	-	1,000	-	-	(151,668)	(495)	(211)	544,131
Issuance of units for acquisitions	1,755,237	17,433	-	-	-	-	-	-	-	-	-	-	17,433
Issuance of units	1,233,403	9,251	-	-	-	-	-	-	-	-	-	-	9,251
Issuance of units for notes	941,966	7,065	-	-	-	-	-	-	(7,065)	-	-	-	-
Issuance of unvested units	408,838	-	3,809,058	-	-	-	-	-	-	-	-	-	-
Vesting of units	-	13,099	-	23,906	-	9,227	-	10,500	-	-	-	-	56,732
Repurchase of units	(556,459)	(4,086)	-	-	-	-	-	-	-	-	-	-	(4,086)
Forfeiture of unvested units	-	-	(39,690)	-	-	-	-	-	-	-	-	-	-
Unrealized loss on interest rate hedges, net of tax	-	-	-	-	-	-	-	-	-	-	(1,401)	-	(1,401)
Net loss	-	-	-	-	-	-	-	-	-	(46,652)	-	-	(46,652)
BALANCE — August 13, 2015	141,829,298	$ 739,267	22,006,369	$ 23,906	3,160,200	$ 9,227	1,000	$ 10,500	$ (7,065)	$(198,320)	$ (1,896)	$ (211)	$575,408

(Continued)

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY
FOR THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015,
THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands, except units)

	Class A		Class B		Accumulated	Accumulated Other Comprehensive	Noncontrolling	Total
	Units	Amount	Units	Amount	Deficit	Income	Interest	Equity
Successor's Basis								
BALANCE — August 14, 2015	-	$ -	-	$ -	$ -	$ -	$ -	$ -
Issuance of units for acquisitions	300,859	1,504	-	-	-	-	-	1,504
Issuance of units	294,471,347	1,472,608	-	-	-	-	-	1,472,608
Issuance of unvested units	23,487,558	-	18,586,319	-	-	-	-	-
Vesting of units	-	6,721	-	-	-	-	-	6,721
Repurchase of units	(3,702,049)	(18,510)	-	-	-	-	-	(18,510)
Unrealized gain on interest rate hedge, net of tax	-	-	-	-	-	234	-	234
Net loss	-	-	-	-	(108,940)	-	-	(108,940)
BALANCE — December 31, 2015	314,557,715	$1,462,323	18,586,319	$ -	$(108,940)	$ 234	$ -	$ 1,353,617

See notes to consolidated financial statements.

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015,
THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands)

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor's Basis Year Ended December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (108,940)	$ (46,652)	$ (74,569)	$ (50,019)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	87,385	87,395	146,863	150,091
Amortization of discount on term loan	257	793	502	504
Loss on extinguishment of debt	58,700	-	-	-
Costs related to amendment of credit agreement	-	10,178	-	2,058
Deferred tax asset and liability	(61,586)	(180)	(39,677)	(47,671)
Share-based compensation	9,831	57,578	8,998	3,222
Gain on disposal of assets	-	-	(2,804)	(731)
Other	(200)	-	760	349
Changes in operating assets and liabilities (excluding effect of acquisitions):				
Premiums and commissions receivable	35,705	(71,954)	20,058	(29,386)
Insurance premiums payable — net of fiduciary funds	(7,983)	24,055	(21,619)	26,545
Commissions payable	(7,904)	17,814	5,195	7,154
Accrued expenses and accounts payable	9,967	18,909	(1,390)	(5,472)
Income taxes receivable and payable	1,393	12,727	(317)	80
Other assets and liabilities	8,054	7,428	4,148	2,629
Net cash provided by operating activities	24,679	118,091	46,148	59,353
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(8,838)	(8,076)	(7,918)	(6,299)
Cash paid for businesses acquired	(15,083)	(299,628)	(125,236)	(29,541)
Proceeds from sale of businesses	-	-	2,503	1,939
Cash deposited into escrow	-	(117,500)	-	-
Cash released from escrow	-	85,000	-	-
Net cash used in investing activities	(23,921)	(340,204)	(130,651)	(33,901)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issuance of long-term debt	1,870,650	440,550	-	-
Financing costs related to issuance of long-term debt	(53,476)	-	-	-
Costs related to amendment of credit agreement	-	(10,178)	-	(2,058)
Proceeds from revolving loan	-	-	87,000	26,300
Repayment of debt	(6,700)	(92,559)	(14,246)	(33,351)
Extinguishment of debt	(1,601,311)	-	-	-
Proceeds from issuance of units - merger transaction	684,909	-	-	-
Proceeds from issuance of units	275	9,251	5,721	1,464
Repurchase of units - merger transaction	(950,635)	-	-	-
Repurchase of units	(18,510)	(3,903)	(9,866)	(426)
Net cash provided by (used in) financing activities	(74,798)	343,161	68,609	(8,071)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(74,040)	121,048	(15,894)	17,381
CASH AND CASH EQUIVALENTS — Beginning of period	142,687	21,639	37,533	20,152
CASH AND CASH EQUIVALENTS — End of period	$ 68,647	$ 142,687	$ 21,639	$ 37,533

(Continued)

ALLIANT HOLDINGS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM AUGUST 14, 2015 TO DECEMBER 31, 2015,
THE PERIOD FROM JANUARY 1, 2015 TO AUGUST 13, 2015, AND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands)

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor's Basis Year Ended December 31, 2013
SUPPLEMENTAL DISCLOSURES:				
Cash paid during the period for:				
Interest	$ 15,459	$ 56,996	$ 65,574	$ 72,124
Taxes — net of refunds received	$ 4,247	$ 2,283	$ 2,515	$ 4,060
Noncash activities during the period for:				
Units issued for acquisitions	$ 1,504	$ 17,433	$ 33,827	$ 11,299
Issuance of member notes — net of cancellation of notes	$ -	$ 7,065	$ -	$ -
Consideration for acquisitions in accrued expenses and accounts payable and other long-term liabilities	$ -	$ 18,642	$ 17,704	$ 8,002
Receivable from sale of assets	$ -	$ -	$ 9,648	$ 1,000
Issuance of units in exchange from predecessor to successor	$ 785,806	$ -	$ -	$ -
Issuance of units in accrued expenses and accounts payable	$ 1,343	$ -	$ -	$ -

1. ORGANIZATION

Alliant Holdings, L.P. and subsidiaries ("Holdings" or "Alliant") operate as an integrated distributor of insurance and financial products and services. Alliant's strategy is to acquire and operate insurance-related operations as the platform for continuing to develop a national distribution network for insurance and financial products and services. Through its operating subsidiaries, Alliant currently operates general insurance agencies and provides ancillary services.

Alliant provides insurance brokerage and advisory services primarily to middle-market businesses and governmental entities nationwide. Services include the placement of property and casualty insurance and employee benefits products, and specialize in various industries including public entities, Indian Nations, construction, law firms, energy and marine, healthcare, real estate, and community associations.

On August 14, 2015, investment funds managed by an affiliate of Stone Point Capital LLC ("Stone Point"), along with preexisting employee owners and investment funds managed by an affiliate of Kohlberg Kravis Roberts & Co. L.P. ("KKR"), acquired 100% of the ownership interest of Alliant Holdings I, L.P. ("Alliant Holdings") pursuant to an agreement and plan of merger (the "Stone Point Merger Transaction"). Under the terms of the Stone Point Merger Transaction, Wayne Merger Sub, LLC, a wholly owned subsidiary of Alliant, was merged with and into Alliant Holdings, with Alliant Holdings then merging into Alliant Holdings Intermediate, LLC ("Alliant Intermediate"), with Alliant Intermediate continuing as the surviving entity. Alliant Intermediate continues to operate its subsidiary companies. As a result of the Stone Point Merger Transaction, Alliant has become the ultimate parent of Alliant Intermediate. The transaction was accounted for as a business combination under the acquisition method. These consolidated financial statements include the operations of Alliant Holdings and subsidiaries prior to the Stone Point Merger Transaction (the period from January 1, 2015 to August 13, 2015) and include the operations of Alliant subsequent to the Stone Point Merger Transaction (the period from August 14, 2015 to December 31, 2015). The consolidated financial statements for the period subsequent to the Stone Point Merger Transaction are based on different carrying values than those for the periods prior to the Stone Point Merger Transaction and, therefore, are not directly comparable. See Note 3 for further discussion of the Stone Point Merger Transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation — The consolidated financial statements include the accounts of Alliant Holdings, L.P. (Alliant Holdings I, L.P. prior to the Stone Point Merger Transaction) and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition — For insurance products, Alliant recognizes commission revenue principally on the later of the effective date of the policy or the billing date, net of policy cancellation reserves, which are estimated based on historic and current data on cancellations. Alliant records installment premiums and related commissions periodically as billed for policies where the premiums are not readily estimable. Contingent commissions and override commissions are recorded the earlier of when estimable or received.

Fees in lieu of commissions are recognized principally on the later of the effective date of the policy or the billing date.

Premiums and commissions receivable in the consolidated balance sheets are net of allowances for estimated policy cancellations and doubtful accounts. The allowance for estimated policy cancellations is established through a charge to revenues, while the allowance for doubtful accounts is established through a charge to other operating expenses. Both of these allowances are based on estimates and assumptions using historical data to project future expense. Alliant periodically reviews the adequacy of these allowances and makes adjustments as necessary. The use of different estimates or assumptions could produce different results.

Subbrokerage expenses, which are paid to third parties, are recognized as incurred when the related commission revenue is recognized. Fees for services are primarily recorded as earned when services are rendered.

Cash and Cash Equivalents — Cash and cash equivalents include highly liquid investments, such as money market accounts and certificates of deposit with original maturities of three months or less when purchased. The carrying amount reported in the consolidated balance sheets approximates fair value.

Fiduciary Funds — Insurance premiums and retirement plan deposits received from clients, but not yet remitted to the insurance company or broker-dealer are restricted as to use by law in certain states in which Alliant operates. Accordingly, Alliant invests these funds in interest-bearing accounts. Alliant earns interest income on these unremitted funds, which is included in interest income in the accompanying consolidated statements of operations and comprehensive loss.

Property and Equipment — Property and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Assets recorded under capital leases are amortized using the straight-line method over the shorter of the expected useful life or the term of the related lease.

Intangible Assets and Goodwill — Intangible assets primarily represent customer lists and restrictive covenants of employment agreements. Customer lists are records and files obtained from acquired businesses that contain information on clients and their retirement accounts, insurance policies and other information that is essential to maintaining and expanding services provided to clients. Customer lists are amortized on a straight-line basis over their estimated lives of 5 to 24 years (successor's period) and 3 to 14 years (predecessor's period). The costs of restrictive covenants of employment agreements are amortized on a straight-line basis over the term of the estimated restrictive period. The initial terms of such agreements are one to five years (successor's period and predecessor's period). Alliant's trade name has also been identified as an intangible asset that is deemed to have an indefinite life and is, therefore, not subject to amortization. Trade names acquired as a result of acquisitions are amortized on a straight-line basis over their estimated useful lives of three to four years (successor's period) and four years (predecessor's period), or have been determined to have an indefinite life and is, therefore, not subject to amortization. The carrying value of intangible assets with definite useful lives is reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such a review indicates that the intangibles will not be recoverable, as determined based upon the undiscounted future net cash flows of the assets, an impairment charge would be recognized for the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Goodwill is established as the excess of cost over the fair value of net assets acquired in business combinations. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 350, *Intangibles — Goodwill and Other*, requires that goodwill and intangible assets with indefinite useful lives not be amortized, but instead be tested for impairment at least annually. In accordance with ASC 350, Alliant

performs an annual impairment test for goodwill and intangible assets with indefinite lives in the fourth quarter of the year using financial information as of September 30, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Such indicators include, but are not limited to, a sustained significant decline in the value of Alliant or a significant decline in expected future cash flows due to changes in company-specific factors or the broader business climate. The evaluation of such factors requires considerable judgment. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and could have a material impact on Alliant's consolidated financial statements.

The goodwill impairment test has two steps. The first step of the test identifies potential impairments at the reporting unit level. Alliant has four reporting units in 2015 and 2014. For each reporting unit, Alliant first compares its estimated fair value with its net book value. If the estimated fair value exceeds its net book value, there is no impairment of goodwill. If the net book value of the reporting unit exceeds its estimated fair value, Alliant then performs a second test to calculate the amount of impairment, if any. To determine the amount of impairment, Alliant calculates the implied fair value of goodwill. Specifically, Alliant determines the fair value of all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical calculation that yields the implied fair value of goodwill. If the implied fair value of goodwill is less than recorded goodwill, Alliant records an impairment charge for the difference.

The fair value of a reporting unit is determined using a combination of income and market approaches. The valuation methodologies used to derive the estimated fair value of the reporting units are as follows:

Alliant uses a weighting method in assessing fair value for each reporting unit using the discounted cash flow (DCF) method, the guideline public company (GPC) method, and the guideline transactions (GT) method. The DCF method involves an analysis of future cash flow projections for each reporting unit. Cash flows are discounted at a rate reflective of the perceived risks inherent in the projections. A terminal value, the estimated value of the reporting unit at the end of the discrete forecast, is calculated by dividing the terminal year net cash flow by an appropriate capitalization rate, which assumes constant growth into perpetuity.

Under the GPC method, the fair value of a reporting unit is estimated by comparing the reporting unit to similar companies with publicly traded ownership interests. From these guideline companies, valuation multiples are derived and then applied to the appropriate operating statistics of the reporting unit to arrive at indications of value. Alliant identified five guideline companies for use in its analysis of reporting units. For purposes of this analysis, the guideline companies selected represented reasonably similar, but alternative investment opportunities to an investment in the reporting unit.

Under the GT method, the fair value of a reporting unit is estimated by identifying transactions that involve companies with similar operations and analyzing those transactions for comparability. From these guideline companies, valuation multiples are derived and then applied to the appropriate operating statistics of the reporting unit to arrive at indications of value. Alliant identified seven and fourteen guideline transactions in 2015 and 2014, respectively, for use in the analysis of reporting units. For purposes of this analysis, the guideline transactions selected represented reasonably similar but alternative investment opportunities to an investment in the reporting unit.

The determination of fair value of reporting units requires significant estimates and assumptions. These estimates and assumptions primarily include, but are not limited to, earnings and required capital projections, discount rates, terminal growth rates, and the weighting assigned to the results of each of the valuation methods described above. Changes in certain assumptions could have a significant impact on the impairment assessment. Alliant evaluated the significant assumptions used to determine the estimated fair values of each reporting unit, both individually and in the aggregate, and concluded they are reasonable. If these estimates or related assumptions change in the future, Alliant may be required to revise the assessment and, if appropriate, record an impairment charge.

Based on the results of the process described above, Alliant did not recognize any impairment of goodwill or intangible assets during 2015.

Income Taxes — Alliant Holdings, L.P. is a partnership. However, the operating subsidiaries are C corporations and, as such, are treated as taxpayers for federal, state, and local income tax purposes. Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are determined based on the differences between financial statement and tax bases of assets and liabilities using currently enacted tax rates.

Uncertain Tax Positions — The calculation of Alliant's tax liabilities involves dealing with uncertainties in the application of complex tax regulations. In accordance with the applicable accounting guidance for uncertainty in income taxes, Alliant recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If Alliant determines that a tax position will more likely than not be sustained on audit, then the second step requires Alliant to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as Alliant has to determine the probability of various possible outcomes. Alliant reevaluates these uncertain tax positions on an annual basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax laws, effective settlement of audit issues, and new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

Deferred Financing Costs — Deferred financing costs are nonrefundable amounts paid by Alliant in connection with the establishment and amendment of its credit facilities (see Note 8). Such costs are being amortized over the expected term of the credit facilities and are included in interest and related fees in the consolidated statements of operations and comprehensive loss. Amortization of deferred financing costs was $2.9 million, $4.3 million, $5.7 million and $5.7 million for the period from August 14, 2015 to December 31, 2015, and the period from January 1, 2015 to August 13, 2015, the years ended December 31, 2014 and 2013, respectively.

In connection with the amendment to the credit agreement in 2013 (see Note 8), Alliant expensed $2.1 million in financing costs in December 2013, included in interest and related fees in the consolidated statement of operations and comprehensive loss.

Fair Value of Financial Instruments — Cash and cash equivalents, fiduciary funds, premiums and commissions receivable, other current assets, insurance premium payable, payables and accrued expenses, other current liabilities, and long-term debt are considered financial instruments. Alliant believes that due to the short duration of these financial instruments, other than long-term debt, carrying amounts approximate fair value. For long-term debt, Alliant uses market trading information and the present value of future cash flows, discounted at Alliant's current incremental rate of borrowing on similar debt, to estimate a fair value. At December 31, 2015 and 2014, the fair value of Alliant's debt was estimated to be $1,797.5 million and

$1,219.1 million, respectively. Interest rate swaps and liabilities for contingent consideration arrangements are carried at fair value, estimated as described in Note 5.

Concentration of Credit Risk — Financial instruments, which potentially subject Alliant to a concentration of credit risk, principally consist of cash, cash equivalents, fiduciary funds, and receivables. Alliant invests available cash in cash equivalents and money market securities of high-credit-quality financial institutions. Alliant had cash and cash equivalents in the amount of $66.3 million and $29.0 million as of December 31, 2015 and 2014, respectively, in excess of federally insured limits. At December 31, 2015 and 2014, Alliant's receivables were primarily from insurance carriers and clients in various industries. To reduce credit risk, Alliant performs periodic credit evaluations of its clients, but does not generally require collateral.

Derivatives — Alliant accounts for derivative instruments in accordance with the provisions of ASC 815, *Derivatives and Hedging*. On the date Alliant enters into a derivative contract, Alliant may designate the derivative as a hedge of the identified exposure. Derivatives are reported in the accompanying consolidated balance sheets at fair value. For derivatives designated as hedges, changes in fair value are reported in other comprehensive loss to the extent that the hedge is effective. Alliant formally measures effectiveness of its hedging relationships, both at the hedge inception and on an ongoing basis, in accordance with its risk management policy. For derivatives not designated as hedges, changes in fair value are reported as a component of interest and related fees in the accompanying consolidated statements of operations and comprehensive loss. Alliant has no derivatives that were not designated as hedges.

Litigation — Alliant is the defendant in various legal actions related to claims, lawsuits, and proceedings incidental to the nature of its business. Alliant records undiscounted liabilities for loss contingencies, including legal costs to be incurred, when it is probable that a liability has been incurred on or before the balance sheet date and the amount of the liability can be reasonably estimated. To the extent recovery of such losses and legal costs is probable under Alliant's insurance programs, estimated recoveries are recorded concurrently with the losses recognized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In order to assess Alliant's potential liability, Alliant analyzes litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters. These liabilities are uncertain by their nature and the recorded amounts may change due to a variety of factors, including new developments or changes in approach, such as changing the settlement strategy as applicable to each matter.

Use of Estimates — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accumulated Other Comprehensive Income (Loss) — Accumulated other comprehensive income (loss) refers to revenues, expenses, gains, and losses that are recorded as an element of equity but are excluded from net income (loss). Alliant's other comprehensive income consists of net gains and losses on certain derivative instruments accounted for as cash flow hedges. As of December 31, 2015, accumulated other comprehensive income was $0.4 million, recorded net of tax expense of $0.2 million, or $0.2 million. As of December 31, 2014, accumulated other comprehensive loss was $0.8 million, recorded net of tax benefit of $0.3 million, or $0.5 million.

Noncontrolling Interest — Noncontrolling interest in a subsidiary is presented within total equity in Alliant's consolidated balance sheets. The amount of consolidated net income (loss) attributable to the noncontrolling interest is presented in the consolidated statements of operations and comprehensive loss. The carrying amount

of the noncontrolling interest is adjusted based on an allocation of subsidiary income (loss) based on ownership interest.

Share-Based Compensation — Alliant accounts for share-based payments under ASC 718, *Compensation — Stock Compensation*, which requires compensation cost related to share-based payment transactions to be recognized in an issuer's consolidated financial statements.

Alliant has issued unvested units to employees with stated vesting periods that require continued employment with Alliant and, in some cases, with stated performance conditions. The excess of the value of such units over the purchase price is generally recognized as compensation expense ratably over the requisite service period. Alliant's determination of compensation expense includes estimated forfeitures of unvested units and assessment of the probability of the performance conditions being met by the holders of the unvested units. Changes in estimates are recognized currently in the consolidated statements of operations and comprehensive loss. Alliant has also issued unvested units to employees that include, in addition to time or performance conditions, forfeiture provisions that terminate only upon the earlier of uncertain future events: a change in control (as defined in Alliant's partnership agreement) or the consummation of an initial public offering. No compensation expense is recognized for such units until the forfeiture provisions terminate.

New Accounting Pronouncements — In March 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-09, *Improvements to Employee Share-Based Payment Accounting.* The standard simplifies the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification of the statement of cash flows. ASU No. 2016-09 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Consideration.* This standard requires an entity to evaluate whether it is the principal or agent for each specified good or service promised in a contract with a customer. ASU No. 2016-08 is effective for fiscal periods beginning after December 15, 2019. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which changes the presentation of leases in the financial statements. Under this standard, the entity presents all leases on the balance sheet. For non-public entities, ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted, and is effective for interim periods in the year of adoption. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Liabilities.* This standard allows non-public entities to elect to not disclose the fair value of financial instruments measured at amortized cost. ASU No. 2016-01 is effective for fiscal periods beginning after December 15, 2018. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. This update requires entities to classify deferred tax liabilities and assets as noncurrent in a classified statement of financial position. The amendments must be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented and early adoption is permitted. ASU No. 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Business Combinations: Simplifying the Accounting for Measurement-Period Adjustments.* The standard requires the acquirer to recognize adjustments to provisional amounts that are identified during the measurement period for a business combination in the reporting period in which the adjustment amount is determined. Additionally, it requires acquirers to present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU No. 2015-16 is effective for fiscal years beginning after December 15, 2016. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in financial statements. Under this standard, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. ASU No. 2015-03 is effective for fiscal years beginning after December 15, 2015, and interim periods beginning after December 15, 2016. Alliant will adopt this pronouncement effective January 1, 2016. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This standard provides guidance on disclosing going concern uncertainties in the financial statements. The standard requires management to perform interim and annual assessments of the entity's ability to continue as a going concern within one year of the issuance of the financial statements. ASU No. 2014-15 is effective for annual periods ending after December 31, 2016. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*, which applies to reporting entities that grant their employees share-based awards where the terms of the award provide a performance target that affects vesting and the performance target can be achieved after the requisite service period. The standard requires that he performance target is accounted for as a performance condition in accordance with Topic 718 and is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for all entities to use in accounting for revenue arising from contracts with customers. The new standard supersedes most existing revenue recognition guidance, including industry-specific guidance. ASU No. 2014-09 will be effective for Alliant's annual financial statements for 2018 and interim financial statements for 2019, and may be applied either 1) retrospectively to each prior reporting period presented or 2) retrospectively with the cumulative effect of initially applying the ASU recognized at the date of initial application. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,* which defers the effective date of ASU No. 2014-09 by one year for all entities and permits early adoption on a limited basis. Alliant has not yet assessed whether the adoption of the ASU will have a material impact on Alliant's consolidated financial statements.

The Private Company Council of the FASB (PCC) has issued a number of pronouncements specifically for entities that are not required to file or furnish financial statements with the Securities and Exchange Commission or another domestic or foreign regulatory agency, or otherwise make financial statements publicly available. Alliant is not required to, and does not anticipate that it will, implement PCC pronouncements and therefore does not believe that any of these pronouncements will have an impact on Alliant's consolidated financial statements.

3. MERGER TRANSACTION

As discussed in Note 1, Alliant Holdings entered into the Stone Point Merger Transaction on August 14, 2015. Under the terms of this transaction, holders of Alliant Holdings Class A, Class B, and Class C units were offered cash consideration of $11.45, $6.45 and $6.45 per unit, respectively. Certain holders of Class A, Class B and Class C units elected to exchange their holdings for units in Alliant.

Concurrent with the Stone Point Merger Transaction, Alliant entered into a new debt facility (Note 8). The total consideration received in the Stone Point Merger Transaction was $3,341.4 million, consisting of debt proceeds of $1,870.7 million, proceeds from new shareholders of $684.9 million and $785.8 million relating to continuing owners who exchanged their shares of Alliant Holdings for units in Alliant. The proceeds were primarily used to pay off existing debt of $1,573.2 million and call premium of $28.2 million, to pay selling shareholders $950.6 million, and to pay merger transaction costs of approximately $58.2 million, including approximately $4.7 million and $53.5 million of such costs that were expensed or were capitalized as deferred financing costs, respectively.

As a result of the Stone Point Merger Transaction, Alliant recorded customer lists of $1,784.9 million, restrictive covenants of $135.9 million, trade name of $92.4 million, and goodwill of $1,831.9 million. These amounts reflect the results of Alliant's purchase price allocation, based upon estimated valuations of acquired assets and liabilities.

4. ACQUISITIONS

Alliant's acquisitions may include provisions for contingent additional consideration based on future financial results of the acquired companies. In accordance with ASC 805, *Business Combinations*, contingent future cash payments related to acquisitions are recognized at estimated fair value as of the acquisition date, and such amount is included in the determination of the acquisition date purchase price. Any subsequent changes in the fair value of the contingent future cash payments are recognized in earnings in the period that the change occurs.

The basic structure for an acquisition by Alliant generally includes employment agreements with the employee shareholders of the acquired company. Compensation under these agreements, which is consistent with prevailing market rates, is generally in the form of salary, plus an incentive-based bonus. Such amounts are expensed as incurred.

In connection with acquisitions, Alliant records the estimated fair value of the net tangible assets purchased and the fair value of the identifiable intangible assets purchased, which typically consist of purchased customer accounts and noncompete agreements. Purchased customer accounts primarily represent the present value of the underlying cash flows expected to be received over the estimated future renewal periods of the insurance policies comprising those purchased customer accounts. Noncompete agreements are valued based on their duration and any unique features of particular agreements. The valuation of purchased customer accounts and noncompete agreements involves significant estimates and assumptions. Any change in assumptions could affect the carrying value of purchased customer accounts or noncompete agreements.

On July 1, 2015, Alliant acquired Preferred Concepts Holdings, LLC and its subsidiaries ("PCH") pursuant to a stock purchase agreement. PCH's subsidiaries are engaged in the business of property and casualty and underwriting services. The aggregate purchase price was $91.4 million and included cash of $72.5 million, Class A units with an estimated fair value of $10.0 million, and an accrued liability of $8.9 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $2.4 million was $89.0 million, which has been estimated to consist of customer lists of $44.4 million, restrictive covenants of $5.1 million, trade name of $0.4 million, and goodwill

of $39.1 million. Transaction costs relating to this acquisition amounted to $1.0 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $8.9 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $9.4 million as of December 31, 2015, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $32.5 million and the minimum is zero, payable in cash and in Class A units.

Effective July 1, 2015, Alliant acquired the assets of Todd Garibaldi Insurance Agency ("TGI"). TGI is a provider of property and casualty and risk management services. The aggregate purchase price was $14.6 million and included cash of $10.0 million, Class A units with an estimated fair value of $4.6 million, and an accrued liability of $20,000 relating to potential contingent purchase payments. The purchase price has been estimated to consist of customer lists of $6.9 million, restrictive covenants of $1.0 million, and goodwill of $6.7 million. Transaction costs relating to this acquisition amounted to $0.2 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $20,000 at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $21,000 as of December 31, 2015, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $2.1 million and the minimum is zero, payable in cash and in Class A units.

On February 2, 2015, Alliant acquired all the outstanding stock of QBE U.S. Agencies, Inc. and its subsidiaries ("QBE"). QBE's direct and indirect subsidiaries, including Community Association Underwriters of America, Inc., Deep South Surplus, Inc., S.I.U., LLC, DSCM Inc., and Deep South Surplus of Texas, L.P., are engaged in the business of insurance services and administering insurance claims. The aggregate purchase price was $230.5 million, all of which was cash. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $25.7 million was $204.8 million, which has been estimated to consist of customer lists of $64.8 million, restrictive covenants of $2.7 million, trade name of $4.2 million, and goodwill of $133.1 million. Transaction costs relating to this acquisition amounted to $2.9 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be zero at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that indicates assumptions about growth in revenue over two to five years, and discount rates. The total maximum contingent consideration payable is $82.5 million and the minimum is zero, payable in cash. During the year ended December 31, 2015, $32.5 million was deposited into an escrow account and is included in other long-term assets in the accompanying consolidated balance sheets.

Effective December 31, 2014, Alliant acquired all the outstanding stock of Worth Corporate Planning, Inc. (and its subsidiary American Benefits Consulting, LLC) and American Benefits and Compensation Systems, Inc., and the assets of ABC Benefits Consulting PA, LLC (collectively known as "ABC"), a provider of employee benefit and risk management services. The aggregate purchase price was $97.6 million and included cash of $73.9 million, Class A units with an estimated fair value of $14.1 million, and an accrued liability of $9.6 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $1.7 million was $95.9 million, which has been estimated to consist of customer lists of $32.6 million, restrictive covenants of $3.3 million, trade name of $0.4 million, and goodwill of $59.6 million. Transaction costs relating to this acquisition amounted to $0.6 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $9.6 million at the close of the transaction, which was determined using a discounted cash flow methodology

based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded the contingent consideration of $11.2 million and $9.6 million as of December 31, 2015 and 2014, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $17.4 million and the minimum is zero, payable in cash and in Class A units.

Effective December 1, 2014, Alliant acquired the assets of The Camps Group, LLC ("Camps"), a provider of employee benefit and risk management services. The aggregate purchase price was $19.2 million and included cash of $16.0 million, Class A units with an estimated fair value of $1.7 million, and an accrued liability of $1.5 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $0.2 million was $19.0 million, which has been estimated to consist of customer lists of $6.9 million, restrictive covenants of $1.5 million, and goodwill of $10.6 million. Transaction costs relating to this acquisition amounted to $0.3 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $1.5 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three to four years, and discount rates. Alliant has recorded the contingent consideration of $1.7 million and $1.5 million as of December 31, 2015 and 2014, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $5.3 million and the minimum is zero, payable in cash and in Class A units.

Effective August 31, 2014, Alliant acquired the assets of Moloney, O'Neill, Corkery & Jones, Inc. and all the outstanding stock of Moloney & O'Neill Life, Inc. and Corkery & Jones Benefits, Inc. (collectively known as "Moloney"), a provider of property and casualty, employee benefit, and risk management services. The aggregate purchase price was $54.6 million and included cash of $35.4 million, Class A units with an estimated fair value of $13.6 million, and an accrued liability of $5.6 million relating to potential contingent purchase payments. The excess of the purchase price over the estimated aggregate tangible net assets acquired of $1.2 million was $53.4 million, which has been estimated to consist of customer lists of $24.3 million, restrictive covenants of $3.9 million and goodwill of $25.2 million. Transaction costs relating to this acquisition amounted to $0.6 million and are expensed in the period incurred. Alliant estimated the fair value of the contingent consideration to be $5.6 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecast determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over three years, and discount rates. Alliant has recorded contingent consideration of $8.2 million and $5.8 million as of December 31, 2015 and 2014, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $12.4 million and the minimum is zero, payable in cash and in Class A units.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of the acquisitions described above (in thousands):

	PCH 2015	TGI 2015	QBE 2015	ABC 2014	Camps 2014	Moloney 2014
Current assets	$ 30,870	$ -	$ 62,620	$ 3,249	$ 400	$ 3,910
Intangible assets	49,953	7,933	71,716	36,291	8,444	28,227
Goodwill	39,047	6,679	133,062	59,588	10,550	25,225
Other noncurrent assets	844	-	6,280	1,377	-	183
Total assets acquired	120,714	14,612	273,678	100,505	19,394	57,545
Current liabilities	29,343	-	42,568	2,878	168	2,909
Noncurrent liabilities	-	-	656	-	-	-
Total liabilities assumed	29,343	-	43,224	2,878	168	2,909
Net assets acquired	$ 91,371	$ 14,612	$230,454	$ 97,627	$ 19,226	$ 54,636

During the period from August 14, 2015 to December 31, 2015 and the period from January 1, 2015 to August 13, 2015, Alliant had other acquisitions with a total purchase price of $8.9 million and $14.8 million, respectively, in cash and units.

Effective December 31, 2013, Alliant acquired the assets of Sagewell Partners, Inc. (“Sagewell”). The aggregate purchase price included an accrued liability relating to potential contingent purchase payments. Alliant estimated the fair value of the contingent consideration to be $2.4 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization over one to four years, and discount rates. Alliant has recorded contingent consideration of $6.6 million and $2.6 million as of December 31, 2015 and 2014, respectively, within other long-term liabilities, and remeasures contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum contingent consideration payable is $7.8 million and the minimum is zero, payable in cash and in Class A units. During the period from January 1, 2015 to August 13, 2015, Alliant paid $1.8 million of the contingent consideration in cash and Class A units.

Effective September 30, 2013, Alliant acquired the assets of EnRisk Services, Inc. (“EnRisk). The aggregate purchase price included an accrued liability relating to potential contingent purchase payments. Alliant estimated the fair value of the contingent consideration to be $5.6 million at the close of the transaction, which was determined using a discounted cash flow methodology based on financial forecasts determined by Alliant that includes assumptions about growth in earnings before interest, taxes, depreciation, and amortization, over three to four years, and discount rates. Alliant has recorded the contingent consideration of $8.2 million and $6.5 million at December 31, 2015 and 2014, respectively, within accrued expenses and other long-term liabilities, and remeasures the contingent consideration at fair value at each reporting period with changes recognized in earnings (see Note 5). The total remaining maximum payable is $9.0 million and the minimum is zero, payable in cash and in Class A units.

5. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy

that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, DCF methodologies, and similar techniques that use significant unobservable inputs.

ASC 820 requires Alliant to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation.

Alliant's financial assets and liabilities measured at fair value on a recurring basis consist of cash equivalents, derivative financial instruments, and liabilities for contingent consideration arising from business combination transactions. Certain other assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value measurement in certain circumstances, for example, when evidence of impairment exists. Alliant has categorized all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2015 and 2014 are summarized below (in thousands):

	2015		
	Level 1	**Level 2**	**Level 3**
Assets — cash equivalents (a)	$ 474	$ -	$ -
Total assets at fair value	$ 474	$ -	$ -
Liabilities:			
Interest rate swaps (b)	$ -	$ 4,966	$ -
Contingent consideration (c)	-	-	45,548
Total liabilities at fair value	$ -	$ 4,966	$ 45,548

	2014		
	Level 1	**Level 2**	**Level 3**
Assets — cash equivalents (a)	$ 4,780	$ -	$ -
Total assets at fair value	$ 4,780	$ -	$ -
Liabilities:			
Interest rate swaps (b)	$ -	$ 967	$ -
Contingent consideration (c)	-	-	26,789
Total liabilities at fair value	$ -	$ 967	$ 26,789

a) Cash equivalents include money market accounts held at various financial institutions. This amount includes Alliant's own accounts and the fiduciary accounts.

b) Interest rate swap positions are valued using readily observable market parameters. The inputs include current prevailing interest rate swap curves and the terms of the hedges that Alliant has locked in.

c) Consideration for some acquisitions made by Alliant includes contingent consideration arrangements, which are included in other current and long-term liabilities, as appropriate, in the accompanying consolidated balance sheets. The contingent consideration is measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Contingent consideration is measured by discounting to present value the contingent payments expected to be made based on Alliant's estimates of certain financial targets expected to result from the acquisitions.

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy during 2015 or 2014.

Changes in Level 3 Recurring Fair Value Measurements — The table below provides information on the valuation technique, significant unobservable inputs and the rates utilized by Alliant in measuring fair value on a recurring basis of the Level 3 liabilities at December 31, 2015 and 2014 (in thousands):

	December 31, 2015			
	Fair Value	Valuation Technique	Unobservable Input	Weighted-Average Rate
Contingent consideration	$ 45,548	Discounted cash	Discount rate	11.3%

	December 31, 2014			
	Fair Value	Valuation Technique	Unobservable Input	Weighted-Average Rate
Contingent consideration	$ 26,789	Discounted cash	Discount rate	11.2%

Alliant determines the fair value for its contingent consideration obligations using an income approach whereby Alliant assesses the probability and timing of the achievement of the applicable milestones, which are based on contractually negotiated financial or operating targets that vary by acquisition transaction, such as earnings before interest, taxes, depreciation and amortization, and commission revenue. The contingent payments are estimated using a probability-weighted multi-scenario analysis of expected future performance of the acquired businesses. Alliant then discounts these expected payment amounts to calculate the fair value as of year-end. Alliant's management evaluates the underlying projections and other related factors used in determining fair value each period and makes updates when there have been significant changes in management's expectations.

The principal significant unobservable input used in the valuations of Alliant's contingent consideration obligations is a risk-adjusted discount rate. An increase in the discount rate will result in a decrease in the fair value of contingent consideration. Conversely, a decrease in the discount rate will result in an increase in the fair value of contingent consideration.

A reconciliation of the fair value of contingent consideration liabilities for the years ended December 31, 2015 and 2014 is as follows (in thousands):

	Successor's Basis 2015	Predecessor's Basis 2014
Fair value at beginning of year	$ 26,789	$ 11,907
Contingent consideration — current year acquisitions	8,923	16,980
Remeasurement of fair value	12,120	2,287
Payment of contingent consideration	(2,284)	(4,385)
Fair value at end of year	$ 45,548	$ 26,789

6. PROPERTY AND EQUIPMENT

At December 31, 2015 and 2014, property and equipment consists of the following (in thousands):

	Successor's Basis 2015	Predecessor's Basis 2014
Furniture, equipment and software	$ 29,253	$ 24,306
Leasehold improvements	6,316	3,822
	35,569	28,128
Less accumulated depreciation	(4,512)	(12,810)
Property and equipment — net	$ 31,057	$ 15,318

Depreciation expense was $4.6 million, $5.5 million, $6.4 million, and $6.3 million for the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill — The changes in the carrying amounts of goodwill for the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, are as follows (in thousands):

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor's Basis Year Ended December 31, 2013
Balance — beginning of period	$ -	$ 1,239,430	$ 1,132,845	$ 1,105,921
Acquired during period	-	188,227	105,290	25,436
Additional consideration for prior periods' acquisitions	-	145	1,295	114
Dispositions	-	-	-	-
KKR Merger Transaction	-	-	-	1,374
Stone Point Merger Transaction	1,831,921	-	-	-
Balance — end of period	$ 1,831,921	$ 1,427,802	$ 1,239,430	$ 1,132,845

Intangible Assets — At December 31, 2015 and 2014, intangible assets consist of the following (in thousands):

	Successor's Basis 2015	Predecessor's Basis 2014
Restrictive covenants	$ 135,882	$119,869
Accumulated amortization	(26,948)	(95,302)
Net restrictive covenants	108,934	24,567
Customer lists	1,793,779	810,224
Accumulated amortization	(52,194)	(178,282)
Net customer lists	1,741,585	631,942
Trade names	92,368	64,932
Accumulated amortization	(81)	-
Net trade names	92,287	64,932
Total intangible assets — net	$ 1,942,806	$721,441

Amortization expense of $79.9 million, $77.6 million, $134.8 million, and $138.1 million was recorded for the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, respectively.

Estimated amortization expenses for the years ending December 31 are as follows (in thousands):

2016	$ 202,439
2017	175,044
2018	142,544
2019	137,826
2020	134,400
Thereafter	1,058,839
Total	$ 1,851,092

Alliant acquired lease intangible assets for $8.8 million which are amortized over the leases remaining terms, which range from one to six years and is included in other assets. Amortization expense of the lease intangible assets for the period from August 14, 2015 to December 31, 2015 was $0.8 million.

In accordance with ASC 350, *Intangibles – Goodwill and Other*, Alliant performs an annual impairment test for goodwill and intangible assets with indefinite lives in the fourth quarter of the year using financial information as of September 30, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Such indicators

include, but are not limited to, a sustained significant decline in the value of Alliant or a significant decline in expected future cash flows due to changes in Alliant-specific factors or the broader business climate. The evaluation of such factors requires considerable judgment. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and intangible assets and could have a material impact on Alliant's consolidated financial statements. There were no indicators of possible impairment of Alliant's goodwill and intangible assets during the years ended December 31, 2015 and 2014.

8. DEBT

Alliant's debt as of December 31, 2015 and 2014 consists of the following (in thousands):

	Successor's Basis 2015	Predecessor's Basis 2014
Senior notes	$ 535,000	$ -
Senior Credit Facility - term loan — net of $4,093 discount at December 31, 2015	1,329,207	-
Senior notes		450,000
Senior Credit Facility - term loan — net of $2,503 discount at December 31, 2014	-	681,235
Senior Credit Facility — line of credit	-	87,000
Total	1,864,207	1,218,235
Less current portion of long-term debt	(13,400)	(5,646)
Long-term debt — net of current portion	$1,850,807	$1,212,589

On August 14, 2015, Alliant entered into a credit agreement providing for a term loan (the "2015 Senior Term Loan") of $1,340.0 million and issued senior notes totaling $535.0 million (collectively, the "2015 Senior Credit Facility"). Concurrently, Alliant paid off the existing Senior Term Loans of $1,123.0 million as well as the existing senior notes totaling $450.0 million. Included in loss on extinguishment of debt in the consolidated statement of operations and comprehensive loss for the period August 14, 2015 to December 31, 2015, are previously unamortized deferred financing costs of $24.4 million and $6.1 million of unamortized discount. In connection with paying off the senior notes, Alliant paid a call premium of $28.2 million which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations and comprehensive loss for the period from August 14, 2015 to December 31, 2015. Under the Senior Credit Facility, $200.0 million is available as a revolving line of credit that expires on August 14, 2020. The 2015 Senior Term Loan expires on August 14, 2022. The 2015 senior notes are due on August 1, 2023. Borrowings for the 2015 Senior Term Loan bear interest based on either the London InterBank Offered Rate (LIBOR) plus a maximum of 3.5% or prime plus a maximum of 2.5% at Alliant's option, provided that if at any time the LIBOR rate is less than 1.00%, then the LIBOR rate will be deemed at such time to be equal to 1.00%, and if the prime rate is less than 2.00%, then the prime rate will be deemed at such time to equal 2.00%. Revolving loans bear interest based on either LIBOR plus 3.50% or prime plus 2.50%, at Alliant's option. Additionally, there is a maximum commitment fee of 0.50% on the unused portion of the revolving loan commitment. The weighted-average interest rate in effect was 4.5% at December 31, 2015 and 4.25% at December 31, 2014.

The proceeds of the 2015 Senior Credit Facility can be used for acquisition financing and for general corporate purposes. Additionally, the revolving loan commitment is available on a revolving basis for loans denominated in U.S. dollars and for letters of credit. The amount available under the term loan facility can be

increased subject to the terms of the credit agreement including, with respect to the additional facility, compliance with a maximum senior leverage ratio.

The 2015 Senior Term Loan contains provisions that limit the payment of dividends or other distributions to unit holders and which limit the incurrence of indebtedness, liens on assets, sale of assets, certain acquisitions, investments, and other limitations. Alliant is in compliance with all debt covenants governing its 2015 Senior Term Loan indebtedness. Substantially all of the assets of Alliant are pledged as collateral against the 2015 Senior Term Loan.

The 2015 senior notes are unsecured and bear interest at 8.25%. Interest payments are due on a semiannual basis in February and August of each year until maturity. The indenture governing the 2015 senior notes contains provisions that limit Alliant's ability to incur additional indebtedness, which limit the payment of certain dividends and distributions to partners, and which limit the incurrence of asset sales, certain acquisitions, investments and other limitations. Alliant is in compliance with all debt covenants governing its 2015 senior notes.

On December 20, 2012, Alliant entered into a credit agreement providing for a term loan (the "2012 Senior Term Loan") of $705.0 million and issued senior notes totaling $450.0 million (collectively, the "Senior Credit Facility"). Concurrently, Alliant paid off the existing Senior Term Loan of $358.8 million and the incremental term loans of $201.2 million, as well as the existing senior notes totaling $265.0 million. Under the Senior Credit Facility, $100.0 million was available as a revolving line of credit that was due on December 20, 2017. The senior notes were due on December 20, 2020.

In December 2013, Alliant entered into an amendment to its Senior Credit Facility to refinance the 2012 Senior Term Loan in an aggregate principal amount of $699.7 million with a new term loan ("2013 Senior Term Loan") in the same principal amount. The 2013 Senior Term Loan was due on December 20, 2019.

In February 2015, Alliant entered into amendment to the 2013 Senior Term Loan providing for additional term loans totaling $360.0 million ("2015-1 New Term Loan") and $85.0 million ("2015-2 New Term Loan"). The proceeds of the 2015-1 New Term Loan were used to finance in part the consideration paid in connection with the acquisition of QBE, to pay fees and expenses related to the acquisition and the associated financing, and for certain other purposes.

Maturities of Alliant's long-term debt as of December 31, 2015, exclusive of any mandatory principal prepayments that may be required in years subsequent to 2016, are as follows (in thousands):

Years Ending December 31	
2017	$ 13,400
2018	13,400
2019	13,400
2020	13,400
2021	13,400
Thereafter	1,783,807
Long-term debt — net of current portion	$1,850,807

In 2013, Alliant entered into five forward interest rate swap agreements, each with a notional amount of $50.0 million (the "2013 Swaps") that Alliant has designated as cash flow hedges against future interest payments associated with a portion of the variable rate Senior Term Loan. In August 2015, the swaps were

redesignated and associated with a portion of the variable rate 2015 Senior Term Loan. Under the terms of the 2013 Swaps, Alliant receives a three-month LIBOR rate and pays a fixed rate of approximately 1.25%. The 2013 Swaps have an effective date of December 20, 2016, and a maturity date of December 20, 2019. During the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, Alliant recognized $0.3 million, ($1.4) million, ($4.3) million and $3.9 million, respectively, in other comprehensive income (loss) representing the change in fair value of the 2013 Swaps, net of income tax expense (benefit) of $0.2 million, $0.9 million, ($2.7) million and $2.3 million, respectively. The fair value of the 2013 Swaps at December 31, 2015 and 2014 amounted to $5.0 million and $1.0 million and is included within other long-term liabilities in the accompanying consolidated balance sheets.

9. EQUITY

Alliant Holdings, L.P. has authorized the issuance of Class A and Class B units. Class A partners are entitled to elect the board of directors with each such partner having one vote for each Class A unit held by such partner. Pursuant to the Limited Partnership agreement, partners have agreed to delegate their authority to act on behalf of Alliant to Alliant's board of directors. Distributions, to the extent distributable, are made first to Class A units that are entitled to receive a preferred return equal to the original issuance price of $5.00 per unit. Distributions will then be made among all unitholders of Class A and Class B units, pro rata according to the number of units held by each partner.

Alliant Holdings I, L.P. had authorized the issuance of Class A, Class B, Class C, and Class D units. Class A partners were entitled to elect the board of directors with each such partner having one vote for each Class A unit held by such partner. Pursuant to the Limited Partnership agreement, partners had agreed to delegate their authority to act on behalf of Alliant to Alliant's board of directors. Distributions, to the extent distributable, were made first to Class A units that were entitled to receive a preferred return equal to the original issuance price of $5.00 per unit, and second to the Class C units until each Class C unit received an amount equal to $5.00 per unit, and third to the Class D units until the Class D return had been achieved. The Class D return represents a tracking interest related to certain employees, as calculated on the earlier of a liquidity event, or December 31, 2017. After the aforementioned Class A, Class C and Class D distributions had been satisfied, the remaining funds available were to be distributed pro rata among the Class A and Class B partners, according to the number of units held by each partner, until a value of $5.00 per unit was achieved, which for the Class A units was in addition to the first distribution. Lastly, distributions were to be made among all unitholders of Class A, Class B and Class C units, pro rata according to the number of units held by each partner.

There was $685.2 million, $9.3 million, $5.7 million, and $1.5 million in cash proceeds from sale of Class A units, during the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, respectively. During the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, Alliant repurchased Class A units in cash for the amount of approximately $969.1 million, $3.9 million, $9.9 million, and $0.4 million, respectively.

As part of its incentive compensation program, Alliant granted Class B units on an annual basis to certain employees. The units were typically granted subject to a five-year vesting term, with one-fifth vesting in each year of the five-year term.

Alliant issued $16.3 million in Class A units to certain employees during the period from January 1, 2015 to August 13, 2015, $7.1 million of which was recorded as member receivable. In August 2015, the member receivable was settled in connection with the Stone Point Merger Transaction.

For the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, Alliant recognized $9.8 million, $57.6 million, $9.0 million, and $3.2 million, respectively, of share-based compensation expense under ASC 718 related to the vesting of unvested units. A summary of the status of Alliant's unvested units as of December 31, 2015, 2014, and 2013, and changes during the years then ended, is presented below (units in thousands):

	Class A Units	Weighted-Average Grant-Date Fair Value Class A	Class B Units	Weighted-Average Grant-Date Fair Value Class B	Class C Units	Weighted-Average Grant-Date Fair Value Class C	Class D Units	Weighted-Average Grant-Date Fair Value Class D
Predecessor's Basis								
Unvested —								
January 1, 2013	427	$ 5.00	-	$ -	-	$ -	-	$ -
Granted	214	5.00	13,504	1.31	3,160	2.92	-	-
Vested	(543)	5.00	-	-	-	-	-	-
Forfeited	(24)	5.00	(71)	1.31	-	-	-	-
Unvested —								
December 31, 2013	74	5.00	13,433	1.31	3,160	2.92	-	-
Granted	2,874	7.40	5,033	1.96	-	-	1,000	-
Vested	(89)	5.43	-	-	-	-	-	-
Forfeited	(11)	5.00	(229)	1.58	-	-	-	-
Unvested —								
December 31, 2014	2,848	7.40	18,237	1.49	3,160	2.92	1,000	-
Granted	409	7.42	3,809	1.96	-	-	-	-
Vested	(2,798)	7.42	(16,187)	1.48	(3,160)	2.92	-	-
Forfeited	-	-	(40)	1.55	-	-	-	-
Unvested —								
August 13, 2015	459	$ 7.39	5,819	$ 1.75	-	$ -	1,000	$ -
Successor's Basis								
Unvested —								
August 14, 2015	-	$ -	-	$ -	-	$ -	-	$ -
Granted	23,488	5.00	18,586	0.77	-	-	-	-
Vested	(34)	5.00	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-	-	-
Unvested —								
December 31, 2015	23,454	$ 5.00	18,586	$ 0.77	-	$ -	-	$ -

For unvested Class A Units, as of December 31, 2015, 2014, and 2013, there was $113.5 million, $12.6 million, and $0.0 million, respectively, of total unrecognized compensation cost related to unvested share-based compensation arrangements granted. That cost is expected to be recognized over a weighted-average period of 3.5 years, 2.4 years, and 0.1 years, respectively.

During 2015, Class B Units were issued to employees which have a performance condition related to a change in control or consummation of an initial public offering (the "Event"). Because an Event is not deemed probable until it has occurred, compensation expense will not be recognized until it is probable that the

employee will satisfy the requisite service periods. Upon the Event, all unvested portions of the time-based units vest immediately prior to the Event. Performance-based units may vest immediately prior to the Event subject to meeting certain performance conditions.

As of December 31, 2015, there was approximately $14.3 million of total unrecognized compensation cost related to Class B unvested unit-based compensation arrangements. That cost is expected to be recognized on the occurrence of an Event. All units subject to this performance are outstanding and unvested as of December 31, 2015. Alliant did not record any compensation expense in the year ended December 31, 2015 in connection with these units.

10. INCOME TAX

For the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, the provision (benefit) for income taxes consists of the following (in thousands):

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor's Basis Year Ended December 31, 2013
Current provision (benefit):				
Federal	$ (131)	$ 5,519	$ (617)	$ 1,699
State	804	1,434	2,512	2,541
Foreign	7	148	96	-
Total current provision	680	7,101	1,991	4,240
Deferred benefit:				
Federal	(48,310)	(4,770)	(38,373)	(38,058)
State	(8,128)	(210)	(1,423)	(7,904)
Total deferred benefit	(56,438)	(4,980)	(39,796)	(45,962)
Total income tax provision (benefit)	$ (55,758)	$ 2,121	$ (37,805)	$ (41,722)

Income taxes recorded by Alliant differ from the amounts computed by applying the statutory U.S. federal tax rate to income before income taxes. Significant reconciling items for the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013 are as follows (in thousands):

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor's Basis Year Ended December 31, 2013
U.S. federal income tax at statutory rate	$ (57,644)	$ (15,586)	$ (39,331)	$ (32,109)
State income taxes — net of federal benefit	(4,760)	795	708	(3,486)
Reversal of uncertain tax positions	-	-	(290)	-
Reversal of valuation allowance	-	-	(30)	-
Stock compensation	3,109	16,233	357	105
Meals and entertainment	278	358	528	371
Nontaxable income	1	2	77	44
Nondeductible transaction costs	568	431	-	-
Litigation expense	-	-	-	(7,613)
Other	2,690	(112)	176	966
Total income tax provision (benefit)	$ (55,758)	$ 2,121	$ (37,805)	$ (41,722)

The tax effects of the significant temporary differences giving rise to Alliant's net deferred tax liability as of December 31, 2015 and 2014, are as follows (in thousands):

	Successor's Basis 2015	Predecessor's Basis 2014
Deferred tax assets:		
Deferred revenue	$ 3,344	$ 3,104
Accrued compensation	7,401	8,328
Accrued professional fees	5,063	2,640
Cancellation reserve	2,161	1,796
Interest rate swaps	1,923	312
Net operating losses	13,610	8,003
Transaction costs	6,103	3,796
Other	4,830	4,120
Gross deferred tax assets	44,435	32,099
Valuation allowance	(7)	(5)
Deferred tax liabilities:		
Purchased intangible assets	(660,968)	(225,938)
Deductible goodwill	(2,664)	(12,863)
Installment sale	(2,376)	(3,443)
Earnout bonus	-	(4,195)
Other	(809)	(442)
Gross deferred tax liabilities	(666,817)	(246,881)
Net deferred tax liability	$(622,389)	$(214,787)

In assessing the realizability of deferred tax assets, Alliant considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Alliant is required to record a valuation allowance to reduce its net deferred tax asset to the amount that management believes is more likely than not to be realized. Annually, Alliant performs an assessment of its deferred tax assets and maintains a valuation allowance against a foreign loss.

For the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, a reconciliation of Alliant's total gross unrecognized tax benefits, excluding accrued interest, is as follows (in thousands):

	Successor's Basis Period from August 14, 2015 to December 31, 2015	Predecessor's Basis Period from January 1, 2015 to August 13, 2015	Predecessor's Basis Year Ended December 31, 2014	Predecessor Basis Year Ended December 3 2013
Balance — beginning of period	$ -	$ -	$ 191	$ 191
Increase related to prior periods	172	-	-	-
Increase related to prior periods of acquired entities	4,966	-	-	-
Increase (decrease) relating to settlements with taxing authorities	-	-	(191)	-
Balance — end of period	$ 5,138	$ -	$ -	$ 191

Alliant's policy is to record interest and penalties as part of the income tax provision. At December 31, 2015, Alliant had no material interest or penalties recorded. Alliant does not expect any significant increases or decreases to its unrecognized tax benefits within the next 12 months. Alliant's tax returns are generally subject to examination by the U.S. federal and state taxing authorities beginning in year 2012 and 2011, respectively.

At December 31, 2015, Alliant had a Federal income tax net operating loss carryforward of $33.3 million which will expire beginning in 2035. As of December 31, 2015, Alliant had state income tax net operating loss carryforwards of $38.9 million that will expire beginning 2022. Alliant incurred a Section 382 ownership change on August 14, 2015; however, does not anticipate that this change will result in a limitation on the future utilization of these losses. It is possible that future utilization of the losses could be limited if another ownership change were to occur for purposes of Section 382.

11. LEASES

Alliant leases various facilities and equipment under noncancelable operating leases. These leases generally contain renewal and/or purchase options and escalation clauses.

Minimum aggregate rental commitments at December 31, 2015, under Alliant's noncancelable operating leases having an initial term of more than one year are as follows (in thousands):

Years Ending December 31	Amount
2016	$ 20,904
2017	20,624
2018	19,859
2019	16,409
2020	12,825
Thereafter	13,615
Total	$104,236

Total rental expense was $7.2 million, $11.0 million, $13.7 million, and $13.6 million for the period from August 14, 2015 to December 31, 2015, the period from January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, respectively.

12. EMPLOYEE BENEFITS

Alliant has a 401(k) plan (the "Plan"), which covers substantially all employees of Alliant. The Plan allows for matching contributions and discretionary profit-sharing contributions.

Alliant's contribution expense related to the Plan was $1.2 million, $3.2 million, $3.1 million, and $2.6 million for the period from August 14, 2015 to December 31, 2015, the period January 1, 2015 to August 13, 2015, and the years ended December 31, 2014 and 2013, respectively.

13. RELATED-PARTY TRANSACTIONS

In connection with theStone Point Merger Transaction, Alliant entered into a monitoring agreement with affiliates of Stone Point and KKR, whereby such entities will provide management services to Alliant. In 2015 and 2014, the monitoring fee was approximately $3.9 million and $3.7 million, respectively.

14. BUSINESS CONCENTRATIONS

A significant portion of Alliant's commissions and fees are received from insureds in the state of California. Accordingly, the occurrence of adverse insurance markets, economic conditions, or regulatory climate in California could have a material adverse effect on Alliant. However, Alliant believes, based on the nature of its business, diversified customer base and product lines within the states in which it operates, that there is minimal risk of a material adverse occurrence due to these concentrations.

15. CONTINGENCIES

Prior Disclosed Matter — On June 12, 2013, a confidential settlement agreement was reached, resolving previously disclosed litigation involving certain producers who were hired by Alliant in 2011. At December 31, 2012, Alliant had recorded a current liability of $13.0 million representing its estimate of future legal costs. Alliant recorded additional expenses of $17.5 million during the year ended December 31, 2013 related to this matter, in other operating expenses. Alliant does not expect any future expense related to this matter.

Other Transitioning Producer Litigation Matters — Alliant's operating subsidiaries are occasionally involved in routine litigation related to the transition of new producers to Alliant from their former employers that has arisen in the ordinary course of business. Specifically, the litigation involves the transfer of business from the prior brokerage firms. Although an estimate of the possible loss or range of loss cannot be made, the conclusions of such matters are not expected to have a material adverse effect on Alliant's consolidated financial statements.

General Litigation Matters — Alliant's operating subsidiaries are occasionally involved in routine insurance policy-related and employment practices litigation that has arisen in the ordinary course of business. The litigation is covered in whole or in part by insurance. Although an estimate of the possible loss or range of loss cannot be made, the conclusions of such matters are not expected to have a material adverse effect on Alliant's consolidated financial statements.

Self-Insurance — Beginning in March 2009, Alliant became self-insured for employee health, with stop-loss coverage for claims in excess of $250,000 per year for each beneficiary. At December 31, 2015 and 2014,

Alliant has recorded a liability in accrued expenses and accounts payable of approximately $1.3 million and $1.3 million, respectively, representing estimated claims incurred, but not yet reported, under the employee health coverage plan.

16. SUBSEQUENT EVENTS

Alliant has evaluated subsequent events through April 29, 2016, the date the consolidated financial statements were issued.

In February and March 2016, Alliant entered into four interest rate cap agreements, each with a notional amount of $100.0 million ("the 2016 Caps") that Alliant has designated as cash flow hedges against future interest payments associated with a portion of the variable rate 2015 Senior Term Loan described in Note 8. Under the terms of the 2016 Caps, should three-month LIBOR exceed 3.50% on a rate reset date during the effective period of the caps, Alliant will receive an amount equal to the cap notional multiplied by the three-month LIBOR minus 3.50%, multiplied by the number of days in the period divided by 360. The 2016 Caps have 5 year a maturity.

On February 1, 2016, Alliant acquired the assets of John F. Throne & Co. Insurance Marketing, Inc. ("Throne"). Throne is engaged in the business of property and casualty and risk management services for the aviation industry. The aggregate consideration paid in connection with the transaction was approximately $49.4 million in cash and units, subject to adjustment for closing working capital and further post-closing adjustments, and potential future earn-out payments totaling a maximum of $12.0 million.

* * * * * *

APPENDIX

D. Nevada-based Business Letter – Orgill Singer Insurance

Please refer to the following page(s).

ORGILL SINGER
INSURANCE

October 25, 2017

State of Nevada, Purchasing Division
Attn: Gail Burchett
515 E. Musser Street, Suite 300
Carson City, NV 89701

RE: Request for Qualifications (RFQ) 3495 for Property and Casualty Broker Regarding our Principle place of business being within Nevada

Dear Gail,

This letter confirms that our principle place of business is in Nevada. Our address is as follows:

8360 W. Sahara Suite #110
Las Vegas, NV 89117

We are excited to continue our relationship with the State of Nevada through our partnership with Alliant. Please feel free to contact us with any additional questions.

Sincerely,

Eamon Springall
Chief Operating Officer

Orgill/Singer & Associates, Inc.
8360 West Sahara Avenue, Suite 110 Las Vegas, NV 89117
Tel: (702) 796-9100; Fax: (702) 796-6834
www.orgillsinger.com

a Tradition of CARING

Scott J. Kipper, Commissioner of Insurance

Resident Producer

Casualty, Health, Life, Property, Surety

EAMON M SPRINGALL

ORGILL/SINGER & ASSOC
8360 WEST SAHARA AVE STE 110
LAS VEGAS, NV 89117

is authorized to transact business as described above

License No: 69420 Issue Date: 10-01-2001 Expiration Date: 09-01-2018

Generated by Sircon 114877107

Nevada Division of Insurance

THIS IS TO CERTIFY THAT

EAMON M SPRINGALL
ORGILL/SINGER & ASSOC, 8360 WEST SAHARA AVE STE 110, LAS VEGAS, NV 89117

LICENSE NUMBER: 69420

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:

Resident Producer
Casualty, Health, Life, Property, Surety

Issue Date: 10-01-2001 Expiration Date: 09-01-2018

Generated by Sircon 114877107

Barbara D. Richardson, Commissioner of Insurance

Resident Producer Firm

Casualty, Health, Life, Property, Surety

ORGILL/SINGER & ASSOCIATES INC

8360 W SAHARA AVE STE 110
LAS VEGAS, NV 89117-8943

is authorized to transact business as described above

License No: 3302 Issue Date: 10-01-2001 Expiration Date: 12-01-2019

Generated by Sircon 136159319

Nevada Division of Insurance

THIS IS TO CERTIFY THAT

ORGILL/SINGER & ASSOCIATES INC
8360 W SAHARA AVE STE 110, LAS VEGAS, NV 89117-8943

LICENSE NUMBER: 3302

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:

Resident Producer Firm
Casualty, Health, Life, Property, Surety

Issue Date: 10-01-2001 Expiration Date: 12-01-2019

Generated by Sircon 136159319