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EXHIBIT 2

Gary Gertz 2008 Performance Appraisal

Turnover rating 5.0 15% score .75

	2007	2008 plan	2008 actual
CU	6.4%	6.5%	5.4%

The turnover result was a splendid achievement. The division planned more celebrations throughout the year than in previous years, but managed their 90999 in such a way that they were able to have a year end party. This helped to keep morale high. We look to frequent celebrations in 2009 also.

Loss Cost Management rating 4.0 30% score 1.2

	2007	2008
BI	\$14,210	\$14,064
UM	\$19,845	\$18,829

BI ALP dropped by 1% and UM ALP improved by 5.2%. Nice job on both. Gary has been an integral part in our attempt to try the right cases and be as accurate in our evaluations as we can. Additionally, was instrumental in meeting with the TCR 2 group to assist in their evaluations throughout much of 2009.

Expense Cost Management rating 2.5 20% score .50

	2007 actual	2008 plan	2008 actual
	\$22.8	\$24.1 million	\$27.2 million

The division did not fare as well as we would have liked, but there were legitimate reasons for the overage.

- 40 suits in 2008
- Significantly more suits opened than closed
- We did not foresee the extraordinary amount of PIP litigation that came about in 2008.
- We have to remain vigilant in our feedback to help ensure we have the right mindset in our Staff Counsel offices.
- There was a backlog of unpaid bills, some from 2007, which help to drive this up. We have to continually manage to make sure the bills are paid timely.

File Quality rating 2.75 20% score .55

	2007	2008
Non suit open	92%	80%
Non suit closed	82%	76%
Non suit combined	87%	79%
Suit open	76%	80%
Suit closed	76%	84%
Suit combined	77%	76%

Gary and I have had several discussions regarding our need to improve the quality results. He and Mark have been working to heighten our execution of Claim IQ, which was the biggest driver of our results.

Completed/Closed Features	rating 4.0	5%	score .20
2007	2008		
26.2	26.5		

360 results	rating 3.5	2%	score .07
Competency	2007	2008	
Business Knowledge	4.57	4.50	
Customer Focus	4.53	4.43	
People Skills	4.50	4.42	
Strategic Thinking	4.49	4.31	
Leadership	4.42	4.27	
Communication	4.46	4.27	
Organization/Time Mgt	4.29	4.16	
Associate Coaching Support	3.98	3.56	

Gary experienced a decline in each competency; however, his scores are still solid.

Development

Gary continues to conduct new loss reviews within the scoring system. His direction and guidance have shown to be beneficial. With more trial authority discussions, claims committee meetings and file scoring, it has made time management more important than ever. Even though the task can be daunting to make all this happen, Gary has been able to manage it.

He continues to visit, on a regular basis, every staff counsel office in the state. In 2009, I would like to see more structured information regarding number of cases discussed and new PFS's, etc that occur during these trips.

Additionally, Gary continues his work with the percutaneous discectomy cases. Due to his work in this endeavor, he has become more knowledgeable and has educated his staff.

Other important Claims liability goals **rating 3.5** **8%** **score .28**

Productivity PPEA

CSR, TCR 1, and CU realized productivity gains. TCR 2 was flat when compared to 2007 and PIP dropped slightly, but still ended as company best.

Unit Cost	<u>2007</u>	<u>2008</u>
------------------	-------------	-------------

CSR Loss RPT/FTE	120.6	111.8
Liab Sal/CI FTR	\$80.79	\$84.72
TCR 1 comp/ftr	101.7	104.8
TCR 2 comp/ftr	81.7	81.1
CU closed/ftr	26.2	26.7
PIP closed/ftr	97.6	89.4 (company best)

Case Life

Case Life went up slightly in PIP, BI and PD.

	<u>2007 actual</u>	<u>2008 actual</u>	<u>2008 plan</u>
PIP	3.27	3.48	3.80
BI	7.72	7.98	7.45
PD	1.50	1.56	1.35

Drive In percentage

<u>2007</u>	<u>2008</u>
63.5%	63%

Internet TIP and Claims TIP

The Claims department improved our execution Email TIP from 98.7% to 98.8% in 2008.

Complaint Ratio

The complaint ratio decreased from .93 to .83 in 2008. This signified great improvement.

Average Loss Payment

The average loss payment for the major liability coverages performed well in 2008.

- \$100k BI down 4.7%
- \$100k UM down 3.1%
- PIP down 9.1%
- Med pay was flat

Payment Recovery

Payment Recovery exceeded their goal by 2.2%. An excellent result.

LAE Ratio

The LAE ratio increased in 2008 to 9.4%, up from 8.8% in 2007.

Associate Education/Claims Law

We made enormous improvement in associate education in 2008. In 2007, we had 18 associates enrolled and taking courses throughout the year; however, in 2008, we had 47. Very nice progress.

TCM-76 Compliance

The results improved in all categories from 2007 to 2008.

	2007 actual	2008 actual
Reviewed	96.4%	99.5%
Promptness	98.4%	99.5%
Quality	98.7%	99.5%
Overall	99.2%	99.5%

BI Reserve adequacy

BI reserve adequacy improved from 72.1% in 2007 to 74.9% in 2008.

CASP

The CASP budget was over the planned amount by 13% in 2008, down from 24% in 2007. Much of the overage was attributed to an increase in cases litigated and the increase in PIP litigation during the year.

Gary's rating is 3.6. Let's celebrate 2008 results, and then prepare, eagerly, for the upcoming year.

Carl

Gary Butz
3/11/09

Carl [Signature]
3/11/09

**GEICO – Region VI
Lakeland CU**

Memo

To: Carl Tims, Regional Claim Director

CC:

From: Gary D. Gertz, RCM

Date: July 10, 2009

Re: Mid Year Review

Please accept the following as my mid-year review. Current results (YTD through June 2009) for the Region 6 Continuing Unit:

TURNOVER: Currently at **4.1%** annualized. This compares favorably with 2008 at **5.4%**. As you know, keeping up with the staffing needs for the past 12 months has been a struggle at the CU level. We continue to promote at a fast pace but this appears to be slowing at this time as growth has subsided—but the claims keep coming. The shift of resources to the Lauderdale office has hindered our ability to a degree but as we now work through the received issues (ATLAS and mis-assignments along with equalization of the work between us and the other two branch offices), we seem to have a better handle on our needs. The recent addition of two managers and additional examiners will help productivity as well as morale.

C.A.S.P.: The two major components of this over which we have the most control, Type "L" and Type "C", are currently favorable to plan as follows:

Type "L": Actual = \$6,711,843 vs. Plan = \$7,263,458 for a favorable variance of (\$551,615);

Type "C": Actual = \$2,536,727 vs. Plan = \$2,709,846 for a favorable variance of (\$173,119).

Total favorable Type L and Type C variance through June 2009 = (\$724,734).

We continue to struggle this year working with SIU in our Type "S" expense which is primarily surveillance expenses. So far this year for this expense we stand as follows:

Type "S": Actual = \$381,298 vs. Plan = \$259,307 for a negative variance of +\$121,991.

We have worked hard this year to control costs and work with our attorneys on game plans for litigation and pushing for quick discovery and quick mediations and trials. Despite a record number of suit files, (2,194 BI suits + 894 UM/UIM suits), this appears to be working to help us control these costs. We do seem to be utilizing surveillance more than in the past.

Loss Cost Management: Both BI and UM ALP YTD results are currently favorable to 2008 results as follows:

2008: BI ALP = \$22,109; 2009: BI ALP = \$21,785;

2008: UM ALP = \$20,367; 2009: UM ALP = \$19,398.

I am proud of the work we have done to become better negotiators and to hold the line on claims where we believe we have offered a fair value and the attorney just wants another grand or two to resolve. We have forced a lot of claims into litigation as a result. We

have about 27% more suit files today than we did a year ago.

This is the appropriate place to mention our superior trial results. We have tried 38 cases this year, compared to 39 all of last year. Our win ratio continues to be impressive at 82%. I would anticipate a record number of trials by the end of 2009, probably +70 trials.

Quality: Our audit in 2009 compares favorably to the 2008 results, but just slightly and somewhat disappointing.

	<u>2008</u>	<u>2009</u>
Open Non Suit	80	84
Closed Non Suit	76	78
Open Suit	80	83
Closed Suit	84	80
OVERALL	79	81

Our action plans to address our noted deficiencies have been implemented.

Unit Cost: Closed features per examiner remain steady at 26.7 YTD which is where we ended 2008. We continue to be one of the most productive continuing units in the company.

We have had a difficult 6 months in terms of received and appropriate staffing levels. Despite the onslaught of new files giving us an average received for the year at about 19 files per examiner, we have been able to keep up with productivity, while keeping a handle on our loss costs and expense management. Year to date I'd rate myself as follows:

TURNOVER: 5
 EXPENSE CONTROL: 4
 LOSS CONTROL: 4
 QUALITY: 3
 PRODUCTIVITY: 3.5

OVERALL RATING = 3.9.

I'll be happy to discuss any aspect of my current performance with you at your convenience.

GARY

Gary Gertz's 2009 Performance Appraisal

ALP rating 4.2	30%	score 1.26
	2008	2009
BI \$100k and under	\$21,781	\$21,599
BI \$30k and under	\$13,370	\$13,170
UM \$100k and under	\$20,604	\$18,459

This was a great result by Gary and his team. The divisions improved loss cost management helped to drive the improvement the region realized.

Turnover rating 5.0	15%	score .75
	2008	2009
	7.4%	2.5%

This is a fantastic result!!!

File Quality rating 2.75	20%	score .55
	2008	2009
Combined	80%	81%

The division improved slightly. We will need greater improvement in 2010 to compete for first quartile amongst the other regions.

Expense Cost Management rating 2.0	20%	score .40
	2009 plan	2009 actual
Legal and Court	\$19,946,606	\$22,059,034

The division did not fare as well as we would have liked, but there were legitimate reasons for the overage.

- 75 suits in 2009
- Significantly more suits opened than closed
- We have to remain vigilant in our feedback to help ensure we have the right mindset in our Staff Counsel offices.
- There was a backlog of unpaid bills, some from 2008, which help to drive this up. We have to continually manage to make sure the bills are paid timely.

Completed Features rating 4.5 5% score .023

	2008	2009
	26.7	27.4

Personal Development rating 3.5 2% score .07

360 results

Competency	2009	2010
Customer Focus	4.43	4.42
Business Knowledge	4.50	4.58
People Skills	4.42	4.35
Organization/Time Mgt	4.16	4.30
Leadership	4.27	4.27
Communication	4.27	4.24
Associate Coaching/Support	3.56	3.89
Strategic Thinking	4.31	4.19

Gary saw an increase in Business Knowledge, Time Mgt, and Associate Coaching and Support. Customer Focus and Leadership was flat. While People Skills, Communication, and Strategic Thinking saw a drop. Gary prides himself on being available for his supervisors and associates. Whenever necessary, he discusses TCR 2 files also for consistency on pre-litigation issues.

Other important Claims liability goals rating 2.9 8% score .23

Productivity PPEA

All levels of claims realized productivity gains, except TCR 1. PIP was company best.

<u>Unit Cost</u>	<u>2008</u>	<u>2009</u>
CSR Loss RPT/FTE	112.7	116.6
Liab Sal/CI FTR	\$84.72	\$81.18
TCR 1 comp/ft	104.8	103.7
TCR 2 comp/ft	81.1	89.6
CU closed/ft	26.7	27.4
PIP closed/ft	89.4	92.1 (company best)

Claims Service Survey

	<u>2008</u>	<u>2009</u>
Liability	85.4%	87.5%

Auto Repair Express

	<u>2008</u>	<u>2009</u>
Acceptance rate	68.9%	72.8%
Retention rate	85.3%	84.9%

Complaint Ratio

The number of complaints for 2009 was the same number we had in 2008. TCR 1 had a small decrease, but TCR 2 and CU went up slightly when compared to 2008.

Average Loss Payment

The average loss payment for the major liability coverages performed well in 2009.

- Gross BI down 1.7%
- \$100k BI down 1%
- \$100k UM down 11.4%
- PIP up 10%
- Med pay was flat

Payment Recovery

Payment Recovery was short of their goal by 19%. The economy impacted some of that result in that there are more uninsured motorists but referrals and execution must be better.

LAE Ratio

The LAE ratio increased in 2009 to 10.3%, up from 9.4% in 2008.

Associate Education/Claims Law

We continued our progress with enrollees in this important endeavor. You and your managers help to drive this. So, thanks.

TCM-76 Compliance

The results improved were flat all categories from 2008 to 2009.

	2008 actual	2009 actual
Reviewed	99.5%	99.2%
Promptness	99.5%	99.3%
Quality	99.5%	99.1%
Overall	99.5%	98.2%

BI Reserve adequacy

BI reserve adequacy decreased from 74.9% in 2008 to 68.4% in 2009. We are in need of improvement in this area.

Gary, your performance was valuable in that it helped the region realize a reduction in ALP. The frequency did also increase which contributes to some of the reduction, but your contribution can't go unnoticed. I'd like to see us get back to the basics in file handling so that our audit results are better, but more importantly our execution is crisp for our own benefit. Additionally, we have an opportunity in developing the CU supervisors to become future leaders and it starts with your coaching. We have to maintain our vigilance as we work through barriers to find ways to get things done and not succumb to all of the barricades in front of us. I'm excited about the possibilities ahead.

Gary, your rating for 2009 was 3.3, but after factoring in your willingness to make several things happen, the rating was increased to 3.5.

Carl

**GEICO – Region VI
Lakeland CU**

Memo

To: Carl Tims, Regional Claim Director

CC:

From: Gary D. Gertz, RCM

Date: June 28, 2010

Re: 2010 Mid Year Review

With the implementation of Core Metrics, this becomes relatively easy:

<u>Metric</u>	<u>Value</u>	<u>Rating</u>	<u>Weight</u>
BI ALP	\$11,780.32	3.00	35%
CASP	\$25,536,661.00	1.00	15%
Completed	33.69	5.00	25%
Audit	78.57%	2.50	25%

This equates to an **Overall Rating** = 3.08

Other considerations:

Turnover = 1.9% (thru May)

Trials/results = 50 trials YTD; Win Ratio = 88%; (37 won; 5 lost; 8 n/a)

29 tried by Staff Counsel; 21 tried by Fee Counsel

360 results = mixed but relatively flat compared to 2009

	<u>2010</u>	<u>2009</u>
Business Knowledge	4.58	4.50
Customer Focus	4.42	4.43
People Skills	4.35	4.31
Strategic Thinking	4.30	4.31
Leadership	4.27	4.27
Communication	4.24	4.27
Time Mgt/Org Skills	4.19	4.16
Coaching/Support	3.89	3.56

Comments:

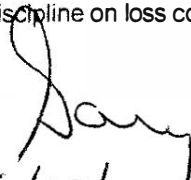
This has been a difficult year to manage moral. Staffing (at the examiner AND manager level) seems to be more of a concern for us than ever as we have been struggling to maintain pendings and received at a more manageable level. We have not been successful in either endeavor as pendings continue to increase with an average YTD received of over 18 files per examiner/per month. Splitting into individual territories has created constant inequities in the received between territories and, although we are still experimenting to find the right number of examiners in each territory, the unpredictability and sometimes drastic changes in received day by day and territory by territory have caused some managerial issues/concerns. In addition, the suit activity continues to climb dramatically as we are continuing to receive many suits from what is perceived by the

plaintiffs bar as low offers from the TCR2 unit.

I am most proud of our accomplishments this year in our trial activity, as we have now tried 50 cases this year in only 6 months, while maintaining a very acceptable won/loss ratio. We could easily breach 90 trials by the end of the year. In comparison, we tried 74 cases in 2009.

Although we have our challenges ahead, I am confident we will continue to maintain our discipline on loss cost and EC control.

Gary


6/29/10

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Performance Guide & Appraisal

Associate Name GARY D. GERTZ		Associate Number 56389	Grade 70
Region VI--LAKELAND	Department CLAIMS	Division CONTINUING UNIT	Section Code N340
Date Employed 05-01-1985	Date Assigned Present Job 02-10-1998	Job Title REGIONAL CLAIM MANAGER	Job Code 70111
Rating Period JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		Supervisor/Rater Name MICHAEL QUESADA	

Instructions

Section I: Goal Setting

- At the beginning of the performance rating period, meet with the Associate to define and record goals.
- Throughout the rating period, the goals should be updated to reflect changes in priorities.

Section II: Self-Appraisal

- At the end of the rating period, ask the Associate to complete Section II, the Self-Appraisal. The Associate should provide comments focusing on goal-related accomplishments.

Section III: Rater Appraisal

- At the end of the rating period (i.e., year end or promotion, demotion, reclassification with additional duties, or transfer date), evaluate the Associate's performance against each goal.
- Based on the Associate's progress in the job and performance across the goals (granting greater weight to the most significant goals), record your overall performance rating.
- The rating scale is defined in the table below.

Rating	Associate Scale (fully trained)	Trainee Scale
1 – Unsatisfactory	Consistently fails to meet most standards or goals of the job. A Performance Improvement Plan is required.	Fails to make satisfactory progress to learn job. Does not achieve goals.
2 – Fair	Meets most, but not all, standards or goals of the job. Level of performance is less than expected in some areas.	Makes adequate progress to learn job, but improvements are necessary. Usually achieves goals, but performance is less than expected.
3 – Good	Consistently meets standards or goals of the job. Makes full use of ability and experience to produce the desired results.	Learns job at a consistent and expected rate. Achieves goals.
4 – Very Good	Consistently meets and often exceeds standards or goals of the job. Actively contributes to the achievement of the overall unit, department, and company goals.	Learns job faster than expected. Consistently meets and often exceeds goals.
5 – Outstanding	Consistently exceeds all standards or goals of the job. Seeks new and better ways to accomplish tasks. Is very capable and versatile in adjusting priorities to unit, department, and company needs.	Quickly masters job. Exceeds all goals.

SECTION I – GOAL SETTING

Complete this section at the beginning of the rating period. Write clear, concise goals that reflect what will be done and what results will be achieved.

A. PERFORMANCE GOALS	MEASUREMENT OF ACHIEVEMENT	TARGET DATES
SEE CORE METRICS	SEE CORE METRICS	YEAR END 2011
B. PERSONAL DEVELOPMENT GOALS	MEASUREMENT OF ACHIEVEMENT	TARGET DATES

C. SKILL AREAS FOR DEVELOPMENT – Identify those factors where further development will significantly support the associate's achievement of the above goals.

To be signed when goals are set.

Associate's Signature

Date

Rater's Signature

Date

SECTION II – SELF-APPRAISALAssociate: Complete at the end of the rating period.**PERFORMANCE ACCOMPLISHMENTS**

Productivity: net features completed is rated at a 5 based upon 34.6 average completed over the year. The average received was high for a second year in a row at 17.9 per month per examiner. We received almost 3500 liability suits and closed 3200 for the year. PIP LIT received an average of 37.5 files per month per examiner. PIP LIT completed an average of 82 features per examiner during the year.

Gross ALP came down from \$17,700 to \$16,753 for 2010. Frequency did rise, so some reduction is likely due to multiple injury exposure claims. ALP was down at <100 and up slightly for <30 over the prior year. We reduced the CWP rate by 2% overall.

CHO results were unchanged at 81% assigned.

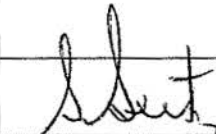
CIQ Shared Liability increased by 1%.

CASP was well above plan. We tried 89 cases to conclusion and had multiple non trial judgments.

TURNOVER @ CU was good at 4%

PERSONAL DEVELOPMENT ACCOMPLISHMENTS

Awarded GEICO corp Quality Award for Business Excellence for my team's work on PGAC DISC
 2010-300 was relatively flat when compared to 2009. Biggest area for improvement was coaching, which is what I do all day, every day with associates, but less so with the Manager's as Mark has that delegated duty.
 Most proud of our trial results w/ 89 cases going to trial. (50 more than we did 3 years ago!) at win ratio of 81%.

SKILL DEVELOPMENT ACCOMPLISHMENTS


Associate's Signature

1/25/11

Date

ASSOCIATE COMMENTS (to be completed after the Rater Appraisal)

Associate's Signature

Date

**GEICO—Region VI
Continuing Unit**

Memo

To: Carl Tims, Regional Claim Director
From: Gary D. Gertz, Regional Claim Manager
Date: 1/31/2008
Re: 2007 Self Performance Appraisal

Per your request, below is my self-appraisal for the 2007 calendar year. The relevant metrics for the past three years of performance is as follows along with some discussion items by way of explanation/enhancement:

TURNOVER

2005: 8.9%
 2006: 6.7%
 2007: 6.4%
 Rating: 5

Discussion points:

- 20 associates in CU left for internal and external positions (17 examiners)
- 25 associates came into CU (22 examiners, 4 to MIA)
- Examiner effective turnover was 22%
- Supervisor effective turnover was 21%

CLAIM SERVICE SURVEY

2005: 76.4
 2006: 77.2
 2007: 83.1
 Rating: 4.5

Discussion points:

- CU has no direct surveys
- Lakeland was 2nd in company
- Everyone has a hand in the results
- Beat the 2007 Plan (78.5%)

LOSS COST MANAGEMENT

	BI	UM
2005:	\$13,488	\$18,771
2006:	\$13,456	\$18,223
2007:	\$14,210	\$19,845
Rating:	2.5	

Discussion points:

- 39 trials in 2007
- Win ratio is 63% after eliminating expected losses
- 6 dispositive motion wins
- Visits to S/C offices throughout 2007 for quality and closure reasons
- Percentage of referrals to Fee Counsel reduced from 24.9% to 21.2%

EXPENSE COST MANAGEMENT

2007 PLAN: \$18.34 mm
 2007 ACTUAL: \$22.77 mm
 Variance: 24%
 Rating: 2

Discussion points:

- 39 trials in 2007
- 2827 suit counts opened
- BI suit closure ratio = 85.7% , beating 2007 Plan (81.3%)
- 2480 suit counts closed
- BI suit closures were 27% favorable to Plan (1,421 Actual vs. 1118 Plan)
- S/C assignment issues in FTL
- Legal is greatest variance in dollars

FILE QUALITY:

2007: 73.1%
 Rating: 2

Discussion points:

- SPR process is shifting back to pre 2007 focus
- Diary checks by CU secretary continue bi weekly
- Random checks of diary, payments and new loss assignments by RCM
- CIQ errors single largest downgrade

SUMMARY

Turnover: 5
 CSS: 4.5
 LCM: 2.5
 ECM: 2
 Quality: 2

This past year has been perhaps one of the most difficult years we have had in the past several years. As you know, our ALP has deteriorated for the first time in quite some time. This is certainly troubling and we (Mark, me and the managers) have had multiple discussions and reviews of the data. We continue to be at a loss as to why so many more \$100k plus payments were made in 2007 but we continue to focus heavily on ALP section by section and examiner by examiner.

The ALP issue, coupled with the change in received mix coming into the CU as transfers out of TCR2, have put a significant amount of greater pressure on the examiners and managers. Nearly everything that now crosses their desk seems to have timeliness issues accompanying. In addition, the demands we are receiving from the claimant attorneys seem to be coming with more complex conditions and ever shorter time limits. This has also significantly added to the pressures created by volume and has caused us (the Managers) to begin secondary and tertiary reviews of the reviews already done. Where does it stop? (rhetorical)

By no means are these excuses for some of the mistakes that have been made. There are no excuses for any mistake that potentially costs the company directly in terms of EC payments and simply the

sheer number of dollars necessary to defend our "mistakes". These mistakes simply must stop in 2008. We can no longer tolerate a processing/procedural error that has the catastrophic injury attached.

Personally, I have continued in 2007 to be deeply involved in some of the high profile issues affecting our business, namely spearheading the Percutaneous Task Force and coordinating efforts between staff counsel, fee counsel, CHOL, and the Region to find appropriate means to defeat the carnage that is occurring (primarily) in the southeast portion of the state. Further, I am closely involved with TCR2 and PIP/TCR1 in much of the fraud claims we identify and determine to deny. Further, as you also know, I continue to manage, in addition to handling all other RLM duties as assigned, the nursing staff, which, with the re-inventing of the Florida PIP, has become more of a challenge than ever. Finally, I spend a good portion of my time every day with the TCR2 unit, in reviewing their concerns over a multitude of files they perceive as difficult or challenging. I continue to lend my experience and expertise in a mentoring and coaching capacity to these younger claims associates. I think we have been a better claims division overall for my efforts.

I've not yet seen any results from my 360 degree feedback just recently concluded, but I would not expect any deterioration from my prior surveys which were, in my view, very satisfactory.

I wanted to keep this short and to the point. The last thing you need is another lengthy document to read.

Based solely on the metrics as noted above, my rating would come to a 3.2, which is certainly indicative of the kind of year we have had. If this were all that should be considered, I could accept the number as the number. However, as you know, there is a great deal of work that goes into these numbers, which are not always reflective of the efforts put forth. Can we improve? Certainly? Must we improve? Absolutely. Am I satisfied? Definitely not. I would suggest that this number is not 100% reflective of the contributions made to the effective claims handling being done in CU individually and collectively as a claims department. I would, therefore, consider this past year's performance enhanced to at least a 3.5.

I'd be happy to discuss any aspects of my performance with you at your convenience.

Respectfully,

Gary D. Gertz
January 16, 2008

Gary Gertz-MYDC

Memo

To: Gary Gertz
From: Mike Quesada
Date: 5/31/2012
Re: Mid-year

Gary,

Thank you for your mid-year assessment. As you point out, productivity is very high through the first ½ of 2012. I am worried that it remains too high. We cannot afford to have our CU department run over their planned received again this year, especially in light of our flat PIF growth. This is your true chance to level the playing field. Additionally, we know that it is extremely difficult to maintain the quality level we demand with such high received volumes and the potential for a single error to translate into a catastrophe in Florida CU is too great to chance. These reasons, combined with our need to balance out our core metrics make proper staffing my biggest concern for the remainder of the year. I agree that adding another section by July/August should be our goal.

ALP is certainly another top concern as we continue into the end of 2012. While sectorization and the volatility of CU claims make quartile management by adjuster, or even section, difficult month-to-month, we have several gaps that hold true for months, quarters, and even a year. These consistently 3rd and 4th quartile performers must be addressed this year. Despite the unplanned turnover you mention, the silver lining to a lower growth year is that it can serve as a re-building time.

Gary Gertz
5/31/12

**GEICO – Region VI
Lakeland CU**

Memo

To: Kim Ottman, Regional Liability Director, Lakeland Claims
From: Gary D. Gertz, Regional Claim Manager
Date: January 15, 2015
Re: Self-Appraisal for 2014 Lakeland Continuing Unit results

I view 2014 as a pretty good year for results in CU and for me. The year certainly held its challenges (so what else is new?) for the Division as a whole and for me as well. We had some very good results and some so-so results. It should be kept in mind that 4 of my 6 managers that ended the year with me in 2014 were not reporting to me at the beginning of the year. In keeping with your requested format, please note the following:

MANAGER CORE METRICS: (3.84)

This is an improvement from my 2013 Core Metric of 3.22. I am certainly happy with the improvement but disappointed in that it was not better, held down primarily by my poor showing in our 2014 CHO PRT Audit (see below—Audit). A couple of the components of my core metric not otherwise requested to be commented upon:

- **COMPLETED FEATURES: (3.48)**

This is one of the “challenges” I have faced this past year. Our re-alignment and addition of three new managers to my group has had an effect on our productivity, last year core metric rating of 4.42, down to the number as noted. Joel Baker came on recently in October. Scott Jones and Tresa Green took over in April, replacing Ebonie Jones and Mike Myers. Dan Bartel came along as an additional manager in April. Their learning curves have been significant. This coupled together with the many new examiners assigned within our territory/sections (I counted 20 examiners throughout the year that came and went) and, even more significantly, with the territory (TPA) having the highest percentage of suit files over any other territory have made for some occasional struggles with improving our number of BI/UM features closed. With the exception of one section in the 1st quartile for closures, the remainder of my group held 5 of the 7 bottom quartile positions. So what are we doing going forward? We have been sharing best practices among my managers. We have worked our “lists” and I have been verifying they have been worked. We have had a couple of 4th quarter visits to staff counsel to seek closures and we will do more of these in 2015...working on scheduling one now for mid-February.

- C.A.S.P.: (5.0)

This is a significant improvement over 2013 result of 1.0. We have maintained consistency in reducing the number of cases referred to fee counsel which is always the driver of our Type L costs. We have seen a considerable increase, however, in the number of EC case referrals to Richard Young's office. I would anticipate that this will create some additional upward pressure on our results going forward as Richard does bill at a higher rate than most of our counsel and is exempted from our LSS bill review. Part of our ability to remain within our CASP (Type L) budget this year must be attributed in part to the implementation of LSS. We should anticipate this will continue to help us manage this CASP account favorably to plan. YTD our savings through LSS is at just under 11%, which equates to a savings of \$996,030.

ALP: (5.0)

Obviously, this is a good result. It is certainly better than my 2013 result of 2.83. There just isn't a whole lot we can do with the Gross (BI) number, being driven by the high dollar payments, which seem to be increasing steadily. Our overall office Gross (BI) number (all-in), at \$17,163, is 1.7% above 2013 and is \$580 (+3.4%) above our plan number. While not exactly a superior result, it seems remarkable to me that we have been able to keep this where we have in view of the pressures we continue to fight over grossly inflated...make that outrageously inflated, medical bills. There are, of course, a lot of moving pieces to this from both liability units but we have worked hard and will continue to focus on controlling what we can, case by case by case. First Call Settlements (see below) will come into greater focus in 2015 as a means to help control our overall ALP.

AUDIT: (2.65)

This is perhaps...no, IS... my biggest disappointment for 2014. This metric decreased from 3.14 in 2013. Overall result was 81.5%, well below our CU Division results of 86%. This number was driven by two sections, Scott Jones (73.56%) and Tresa Green (75.41%), not surprising that these were my two newest Managers, on the desk 3 months at the time of the CHO Audit. This was not their work, but it is their challenge to improve these results in 2015. There is one examiner in each of these two sections that brought their teams down. This is not to say that everyone else was perfect, because we were not, but if we can improve the performance of these two by 10%, while maintaining (or better yet, improve most everyone else by a point or two) we can improve my unit to beat the CU average. We are working on this with ongoing performance management, as appropriate.

FIRST CALL SETTLEMENTS

This has been a mixed bag. My two newer managers, as you might expect coming from TCR2, seem to have more of a focus on this. Scott & Tresa have led my group with YTD first calls at 29 & 28, respectively....and this only reflects 8.5 months of their work. Joel is at the bottom with 6, but is reflective of his efforts for only the last quarter of the year. The remainder of my team was in the middle

of the pack: Nicole (22); Rob (11) and Dan (10). This should be a significant re-focus for us going into with individual and section goals established. Even in CU, with limited opportunities, we should still be setting the stage for more of these, without soliciting what otherwise would be non-claims.

CASE LIFE:

While we don't really look at this that often, it remains a function of what we do, day in and day out, to move a file to its ultimate conclusion. I would have suspected, with my TPA sector being more heavily weighted on the litigation cases than all other territories, that my number would be higher than most. Surprisingly, it is not. In fact, our CU average is 14.22 months while my group is currently (year end 2014) at 13.99. This number has improved for us throughout the year. At the end of the first quarter, it was 14.95. We have brought this number down by almost an entire month since then. We have a focus, especially in litigation, on a game plan to move our cases along. We do push our counsel on occasion. We oftentimes ask them to set the case for trial. We will continue our efforts in this regard.

AVERAGE LIABILITY:

Quite frankly, this was never our focus until July. We had previously been strictly focused on shared liability. As a result, we came late into the game of moving this number. In January, we started the year without any effort to address this number...it was at 87.6%. As of year-end 2014, we managed it down slightly, to 86.0%. The CU Division is also at 86.0%. We have started 2015 with more focus and, although we are only a week and a half into it, we have started with our current MTD number of 83.9%.

TURNOVER:

Turnover in 2013 was 6.9% for the CU Division. The number for year-end 2014 was not available as of the date of this writing, but through November it annualizes to 8.0%. Of the 17 individuals counted in our T.O. this year, three were internal transfers, one was retirement, one an involuntary separation, with the remaining 12 being voluntary. Of those 12 examiners voluntarily terminating employment, 3 came from my unit. One was a re-hire which, despite my lengthy conversation with her prior to re-hire, did not work out. The other two were on the verge of, or on, performance management and would have seemed to have been the right decision for them to leave our employ and I believe were good terminations from management's point of view. As we continue to implement our processes, execute them and verify correct and proper execution while holding associates accountable for their work, we will continue to have turnover as some examiners, from every level of performance, do not wish to work as hard as our expectations would require. This certainly is unfortunate for those that we would like to keep and work with so that our expectations become compatible. However, this is not always possible and the inevitable parting of the ways must take place. Our upper level claims Division has never been an easy place to work...it simply is not for everyone.

MORALE:

I went back to re-read my comments on morale from last years P.A. These were my comments then:

For the first time in several years, I am confident in saying that overall attitude and morale in the Continuing Unit is improving. The beginning of the year included the added stress of the ATLAS rollout which was well managed, but nonetheless a very tumultuous period as everyone struggled to learn the ins and outs of how to manage this new way of processing our claims. This "stress" has continued to improve throughout the year as we have seemed to embrace this more strongly in its' reality than in the planning for it.

Although overall morale is still somewhat of a "mixed bag" depending on who you talk to and what results the individual may be able to achieve (satisfactory or struggling), the overall feeling of being completely overwhelmed by volume pushed by pendings that averaged over 150 for most of the past several years, has diminished, pushed aside to a degree by the lower average pendings. In fact, during my last two skip level meetings I have been pleased that, without exception, everyone agrees the workload has eased (despite ATLAS) and this, in turn, has helped morale. Also, we have done a good job this past year in engaging the associates with activities that are "fun" without having to take them off their desks for any significant time (which they absolutely detest). We have continued to publicize and recognize good results as much as possible (GNN has impacted this) as have the quarterly results meetings. There is some added pressure with the lower pendings to perform at a higher level of quality to get us over the hump of the mid 80's percentile for quality and this expectation has been discussed in multiple forums, skip levels, 10 minute training, manager meetings, etc., so this is not a surprise to anyone going into 2014. Bottom line is that at the end of 2013, our unit's morale can safely be said to be the best it has been in several years.

I have had multiple discussions with individuals and groups within my team. I can say with confidence that my TPA units have a good attitude and fairly high morale, better than I recognized in 2013. I believe we actually improved a couple of notches on the morale scale when we lost (voluntary resignations) two of the more negative team members (see comments above under TURNOVER). Although our implementation of "fun Fridays" continues to receive mixed reviews, down deep I think everyone appreciates the little recognitions occurring with this and we will continue. The examiners know fully well how we continue to hire in order to keep ahead of the increasing volume of work and this has helped lift the attitude that management didn't care about crushing workloads which was prevalent in prior years.

EXECUTION:

Execution is defined as carrying out what is required...basically doing everything we are required to do. Our "required" tasks have increased dramatically in the last couple of years and, frankly, it is a continuous struggle to "execute" everything timely. Despite the struggle to get everything accomplished, with rare occasion I believe I have managed to perform timely each of our daily, weekly and monthly tasks. Our unit's performance is an overall reflection of our required tasks, not just the reporting on the process result, but simply working the processes appropriately to conclusion. This, I think, we do very well.

TRIAL RESULTS:

Tampa staff counsel is our largest and most productive of our staff counsel offices. 2014 was disappointing in terms of the number of trials conducted by staff...only 5 trials the entire year compared with 11 in 2013. This was an extreme disappointment for me because I firmly believe that for every time we take a case to trial, we send a very strong and clear message to the plaintiff's bar about our attitude

and our capabilities. This, in and of itself, is a tremendous deterrent to filing new suits from those BI attorneys that may not be as aggressive as others, or to those that deep down know their demands/expectations may be unreasonable. We will never know how many suits were not filed because of our known willingness and ability to try cases. Staff counsel won 4 of the 5 cases tried. In addition, we had two cases tried by fee counsel, one in Hillsborough and one in Pinellas (won 1; N/A 1). Other than the significantly lower volume of cases tried in our territory, especially by staff counsel, 2014 was a good year.

Our overall number of trials for the entire Division were down in 2014 (64) compared to 2013 (68), but not significantly so. Our overall Win ratio in 2014 was 75%, the same result as achieved in 2013. This is significantly better than the industry, which I am told is about 55%. We continue to focus on trying the "right" cases that we actually want to try.

PERSONAL: my comments from 2013 are appropo:

2013 has been a very challenging year for me. This is the first time in my 29 career with the company that I can honestly say that I have been unable to keep up with my personal workload. As we have grown, so have the tasks for the RCM to accomplish, more metrics to look at, more to report on, more examiners to meet with, more 60 day trial authority meetings, more 30 day trial authority meetings, on and on. On any given day my calendar is booked from 8:00 a.m. until 4:30 p.m., sometimes through lunch, sometimes before 8 and sometimes after 4:30. I have tried to accommodate this workload with longer hours, coming in early and leaving late and regularly on weekends. I am hopeful we will be able to add our third RCM which will help to dilute some of this increasing workload, but until that occurs, the struggle continues. On a brighter note, my 360 degree survey came back in 2013 with improvements in every category, highest being Knowledge (4.84, up from 4.47) and lowest being Coaching & Support (4.36, up from 3.7). I feel I have an impact every day in this job as a teacher, coach and mentor to those that report to me. I believe that each of my Managers reporting to me would agree. Although time constraints and meetings pull us away from a lot of what we would like to accomplish, I still enjoy the interactions with our examiners and supervisory staff as the most important part of what I do every day....on to 2014!

My hopes for the additional RCM making life easier have not, unfortunately, made life any easier. The work has not diminished, but seemingly increased! We have more sections, more examiners, and more meetings! The meetings, as you are well aware, are non-stop. As noted previously, I also had four new CU Managers reporting to me and this has taken some additional mentoring, time spent with each. They have all come along well and are developing into confident/competent managers. We didn't have any 360's done last year so nothing has changed from my prior year results. As always, I have taken on anything tasked to me. Unfortunately, I didn't keep a list and my memory is shot. I think I'm done for 2014. ☺

Gary D. Gertz

