Risk Factors Comparison 2024-02-22 to 2023-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business, financial condition, results of operations and cash flows are subject to, and could be materially adversely affected by, various risks and uncertainties, including, without limitation, those set forth below, any one of which could cause our actual results to vary materially from recent results or our anticipated future results. We present these risk factors grouped by category, and the risks factors contained in each respective category are presented in order of their relative priority to us. Risks Related to Our Business OUR INABILITY TO **HIRE,** RETAIN ~~OR HIRE~~ **AND DEVELOP** QUALIFIED EMPLOYEES, AS WELL AS THE LOSS OF ANY OF OUR EXECUTIVE OFFICERS OR OTHER KEY EMPLOYEES, COULD NEGATIVELY IMPACT OUR ABILITY TO RETAIN EXISTING BUSINESS AND GENERATE NEW BUSINESS. Our success depends on our ability to attract ~~and~~ **,** retain **and develop** skilled and experienced personnel. There is significant competition from within the insurance industry and from businesses outside the industry for exceptional employees, especially in key positions. If we are not able to successfully attract, retain **, develop** and motivate our employees, our business, financial results and reputation could be materially and adversely affected. **Our success and future performance depends in part upon the continued services of our executive officers, senior management, and other highly skilled personnel.** Losing employees who manage or support substantial customer relationships or possess substantial experience or expertise could adversely affect our ability to secure and complete customer engagements, which would adversely affect our results of operations **. This risk may be increased by remote or hybrid working arrangements, which may make our employees more vulnerable to solicitations by competing firms** . Also, if any of our key employees were to join an existing competitor or form a competing company, some of our customers could choose to use the services of that competitor instead of our services. While our key employees are generally prohibited by contract from soliciting our employees and customers for a two- year period following separation from employment with us, they are not prohibited from competing with us. Similarly, if an employee joins us from a competitor and is subject to enforceable restrictive covenants, we may be delayed in optimizing the employee' s potential. In addition, **regulation or legislation impacting the workforce or the ability to enforce employment- related restrictive covenants (due to state or federal laws or regulations), may lead to increased uncertainty and competition for talent. In addition,** we could be adversely affected if we fail to adequately plan for the succession of our senior leaders and key executives. The succession plans and employment arrangements we have in place with certain key executives do not guarantee that the services of these executives will continue to be available to us. The loss of our senior leaders or other key employees, or our inability to continue to identify, recruit and retain such personnel, could materially and adversely affect our business, results of operations and financial condition . OUR GROWTH STRATEGY DEPENDS, IN...... contribution and / or goodwill impairment charges . A CYBERSECURITY ATTACK, OR ANY OTHER INTERRUPTION IN INFORMATION TECHNOLOGY AND / OR DATA SECURITY THAT MAY IMPACT OUR OPERATIONS OR THE OPERATIONS OF THIRD PARTIES THAT SUPPORT US, COULD ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION AND REPUTATION. We rely on information technology and third- party vendors to provide effective and efficient service to our customers, process claims, and timely and accurately report information to carriers and which often involves secure processing of confidential sensitive, proprietary and other types of information. Cybersecurity breaches of any of the systems we rely on may result from circumvention of security systems, denial- of- service attacks or other cyber- attacks, hacking, “ phishing ” attacks, computer viruses, ransomware, malware, employee or insider error, malfeasance, social engineering, physical breaches or other actions, any of which could expose us to data loss, monetary and reputational damages and significant increases in compliance costs. **The risk of such cybersecurity breaches may be increased by our increased reliance on work- from- home or other remote work technologies.** An interruption of our access to, or an inability to access, our information technology, telecommunications or other systems could significantly impair our ability to perform such functions on a timely basis. If sustained or repeated, such a business interruption, system failure or service denial could result in a deterioration of our ability to write and process new and renewal business, provide customer service, pay claims in a timely manner or perform other necessary business functions. We have from time to time experienced cybersecurity incidents, such as malware infections, phishing campaigns and vulnerability exploit attempts, which to date have not had a material impact on our business. Additionally, we are an acquisitive organization and the process of integrating the information systems of the businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the targets’ information systems, which could expose us to unexpected liabilities or make our own systems more vulnerable to attack. In the future, any material breaches of cybersecurity, or media reports of the same, even if untrue, could cause us to experience reputational harm, loss of customers and revenue, loss of proprietary data, regulatory actions and scrutiny, sanctions or other statutory penalties, litigation, liability for failure to safeguard customers’ information or financial losses. Such losses may not be insured against or not fully covered through insurance we maintain. We cannot entirely eliminate all risk of improper access to private information, and the cost and operational consequences of implementing, maintaining and enhancing further system protections measures could increase significantly as cybersecurity threats increase. As these threats evolve, cybersecurity incidents will be more difficult to detect, defend against and remediate. Any of the foregoing may have a material adverse effect on our business, financial condition and reputation .OUR GROWTH STRATEGY DEPENDS,IN PART,ON THE ACQUISITION OF OTHER INSURANCE INTERMEDIARIES,WHICH MAY NOT BE AVAILABLE ON ACCEPTABLE TERMS IN THE FUTURE OR WHICH,IF CONSUMMATED,MAY NOT BE ADVANTAGEOUS TO US.Our growth strategy partially includes the acquisition of other insurance intermediaries.Our ability to successfully identify suitable acquisition candidates,complete acquisitions,successfully integrate acquired businesses into our operations,and expand into new markets requires us to implement and continuously improve our operations and our financial and management information systems.Integrated,acquired businesses may not achieve levels of revenues or profitability comparable to our existing operations,or otherwise perform as expected.In addition,we compete for acquisition and expansion opportunities with firms and banks that may have substantially greater resources than we do. ~~If we are unable to identify appropriate acquisition targets,or if our competitors are more successful in identifying acquisition targets at favorable valuations,we may fail to achieve desired strategic goals and capabilities,and our results of operations may be adversely affected.~~ Acquisitions also involve a number of risks,such as diversion of management' s attention;difficulties in the integration of acquired operations and retention of employees;increase in expenses and working capital requirements,which could reduce our return on invested capital;entry into unfamiliar markets or lines of business;unanticipated problems or legal liabilities;estimation of the acquisition earn- out payables;and tax and accounting issues **,some or all of which could have a material adverse effect on our results of operations,financial condition and cash flows.Post- acquisition deterioration of operating performance could also result in lower or negative earnings contribution and / or goodwill impairment charges** . WE HAVE OPERATIONS INTERNATIONALLY, WHICH MAY RESULT IN A NUMBER OF ADDITIONAL RISKS OR REQUIRE MORE MANAGEMENT TIME AND EXPENSE THAN OUR DOMESTIC OPERATIONS TO ACHIEVE OR MAINTAIN PROFITABILITY. We have substantial operations in the United Kingdom, as well as operations in Belgium, Bermuda, Canada, Cayman Islands, **France, Germany, Hong Kong, Republic of** Ireland, Italy **, Malaysia, the Netherlands** and ~~Northern Ireland~~ **United Arab Emirates** . In the future, we intend to continue to consider additional international expansion opportunities. Our international operations may be subject to a number of risks, including: • Difficulties in staffing and managing ~~foreign~~ **international** operations; • Less flexible employee relationships, which may make it difficult and expensive to terminate employees and which limits our ability to prohibit employees from competing with us after their employment ceases; • **Difficulties in maintaining, or resistance to, our corporate culture; •** Political and economic instability (including acts of terrorism and outbreaks of war) **either in the United States or globally** ; • Coordinating our communications and logistics across geographic distances and multiple time zones; • Unexpected changes in regulatory requirements and laws; • Adverse trade policies, and adverse changes to any of the policies of either the U. S. or any of the ~~foreign~~ **international** jurisdictions in which we operate; • Adverse changes in tax rates; • Variations in foreign currency exchange rates; • Legal or political constraints on our ability to maintain or increase prices; • Governmental restrictions on the transfer of funds to or from us, including to or from our operations outside the United States; • Burdens of complying with, and the risk of employees or third parties acting on our behalf violating, anti- corruption laws in foreign countries; and • Burdens of complying with a wide variety of labor practices and ~~foreign~~ **international** laws, including those relating to export and import duties, environmental policies and privacy issues ~~. SIGNIFICANT INFLATION COULD ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION. Inflation can adversely affect us by increasing our costs, including salary costs. Significant inflation is often accompanied by higher interest rates. Any significant increases in inflation, such as the wage inflation experienced during the fiscal year ended December 31, 2022, and interest rates could have an adverse effect on our business, results of operations and financial condition~~ . RAPID TECHNOLOGICAL CHANGE MAY REQUIRE ADDITIONAL RESOURCES AND TIME TO ADEQUATELY RESPOND TO DYNAMICS, WHICH MAY ADVERSELY AFFECT OUR BUSINESS AND OPERATING RESULTS. Frequent technological changes, new products and services and evolving industry standards are influencing the insurance business. The internet, for example, is increasingly used to securely transmit benefits and related information to customers and to facilitate business- to- business information exchange and transactions. We are continuously taking steps to upgrade and expand our information systems capabilities, including how we electronically interact with our customers and insurance carriers. Maintaining, protecting and enhancing these capabilities to keep pace with evolving industry and regulatory standards, and changing customer preferences, requires an ongoing commitment of significant resources. If the information we rely upon to run our businesses was found to be inaccurate or unreliable or if we fail to effectively maintain our information systems and data integrity, we could experience operational disruptions, regulatory or other legal problems, increases in operating expenses, loss of existing customers, difficulty in attracting new customers, or suffer other adverse consequences. Our technological development projects may not deliver the benefits we expect once they are completed or may be replaced or become obsolete more quickly than expected, which could result in the accelerated recognition of expenses. If we do not effectively and efficiently manage and upgrade our technology portfolio regularly, or if the costs of doing so are higher than we expect, our ability to provide competitive services to new and existing customers in a cost- effective manner and our ability to implement our strategic initiatives could be adversely impacted. WE DERIVE A SIGNIFICANT PORTION OF OUR COMMISSION REVENUES FROM A LIMITED NUMBER OF INSURANCE COMPANIES, THE LOSS OF WHICH COULD RESULT IN LOSS OF CAPACITY TO WRITE BUSINESS, ADDITIONAL EXPENSE AND LOSS OF MARKET SHARE OR A MATERIAL DECREASE IN OUR COMMISSIONS. For the year ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~, and 2020~~ , no more than 5. 0 % of our total core commissions was derived from insurance policies underwritten by one insurance company. Should any insurance company seek to terminate its arrangements with us or to otherwise decrease the number of insurance policies underwritten for us, we believe that other insurance companies are available to underwrite the business, although some additional expense and loss of market share could result. THE OCCURRENCE OF NATURAL DISASTERS COULD RESULT IN DECLINES IN PROFIT- SHARING CONTINGENT COMMISSIONS OR REDUCED INSURER CAPACITY, AND MAY ALSO SUBJECT OUR CAPITALIZED CAPTIVE INSURANCE FACILITIES TO CLAIMS EXPENSES, WHICH COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS Our business is exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, fires, floods, tornadoes, extreme weather or other climate events. The occurrence of any of these events may cause a decrease to our profit- sharing contingent commissions, which are special revenue- sharing commissions paid by insurance companies based primarily upon the profitability placed with such companies generally during the prior year. The occurrence of natural disasters could also result in reduced underwriting capacity by insurance carriers, making it more difficult for us to place business. If access to underwriting markets for certain lines of coverage becomes unavailable or difficult due to the impact of natural disasters, this may have a negative impact on our customers' access to coverage, which could in turn reduce our ability to place certain lines of coverage and negatively impact our business. Natural disasters may also subject our insurance company subsidiary operations, including the capitalized captive insurance facilities in which we participate, to claims expenses. BECAUSE A SIGNIFICANT PORTION OF OUR BUSINESSES ARE CONCENTRATED IN FLORIDA, CALIFORNIA, MASSACHUSETTS, GEORGIA, **MICHIGAN, AND** NEW YORK ~~, AND MICHIGAN~~ , AS WELL AS IN THE UNITED KINGDOM, ADVERSE ECONOMIC CONDITIONS, NATURAL DISASTERS, OR REGULATORY CHANGES IN THESE JURISDICTIONS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION. A significant portion of our businesses are concentrated in Florida, California, Massachusetts, Georgia, Michigan, and New York, where for the year ended December 31, ~~2022~~ **2023** , we derived approximately ~~19~~ **20** %, ~~9~~ **8** %, ~~9~~ **8** %, 7 %, ~~6~~ **7** %, and ~~6~~ **5** % of our annual revenue, respectively. We believe the current regulatory environment for insurance intermediaries in these states is no more restrictive than in other states. The insurance business in the U. S. is primarily a state- regulated industry, and therefore, state legislatures may enact laws that adversely affect the insurance industry. We also derived approximately **10** ~~4. 7~~ % of our annual revenue from our businesses located in the United Kingdom. The insurance business in the United Kingdom is regulated at the national level by the Financial Conduct Authority, which may enact laws or otherwise act in ways that adversely affect the insurance industry or our ability to continue acquiring businesses in the United Kingdom. Because our business is concentrated in the jurisdictions identified above, we face greater exposure to unfavorable changes in regulatory conditions in those jurisdictions than insurance intermediaries whose operations are more diversified through a greater number of states and / or countries. In addition, the occurrence of adverse economic conditions, natural or other disasters, or other circumstances specific to or otherwise significantly impacting these jurisdictions could adversely affect our financial condition, results of operations and cash flows. We are susceptible to losses and interruptions caused by hurricanes (particularly in Florida, where we have ~~55~~ **54** offices and our headquarters, as well as in Texas, where we have ~~21~~ **17** offices), earthquakes (including in California, where we have ~~28~~ **23** offices), power shortages, telecommunications failures, water shortages, floods, fire, extreme weather conditions, geopolitical events such as terrorist acts and other natural or human- made disasters. Our insurance coverage with respect to natural disasters is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate or may not continue to be available at commercially reasonable rates and terms. OUR CORPORATE CULTURE HAS CONTRIBUTED TO OUR SUCCESS, AND IF WE CANNOT MAINTAIN THIS CULTURE, OR IF WE EXPERIENCE A SIGNIFICANT CHANGE IN MANAGEMENT, MANAGEMENT PHILOSOPHY, OR BUSINESS STRATEGY, OUR BUSINESS MAY BE HARMED. We believe that a significant contributor to our success has been our corporate culture as a lean, highly competitive, decentralized growth and profit- oriented sales and service organization. As we grow, including from the integration of employees and businesses acquired in connection with previous or future acquisitions, we may find it difficult to maintain important aspects of our corporate culture, which could negatively affect our profitability and / or our ability to retain and recruit people of the highest integrity and quality who are essential to our future success. We may face pressure to change our culture as we grow, particularly if we experience difficulties in attracting competent employees who are willing to embrace our culture. Remote and hybrid work arrangements ~~as a result of the COVID- 19 pandemic~~ may also negatively impact our ability to maintain our culture. In addition, as our organization grows and we are required **(either by new regulations or otherwise)** to implement more complex organizational structures, or if we experience a significant change in management, management philosophy or business strategy, we may find it increasingly difficult to maintain the beneficial aspects of our corporate culture, such as our decentralized sales and service operating model, which could negatively impact our future success **. OUR COMMISSION REVENUE COULD FLUCTUATE AS A RESULT OF FACTORS OUTSIDE OF OUR CONTROL We derive significant revenue from commissions, but do not determine the insurance premiums on which our commissions are generally based. Commission levels generally follow the same trend as premium levels, as they are a percentage of the premiums paid by the insureds. Fluctuations in the premiums charged by the insurance carriers can therefore have a direct and potentially material impact on our results of operations. Due to the cyclical nature of the insurance market and the impact of other market conditions on insurance premiums, commission levels may vary widely between accounting periods. A period of low or declining premium rates, generally known as a " soft " or " softening " market, generally leads to downward pressure on commission revenue and can have a material adverse impact on our commission revenue and operating margins. We could be negatively impacted by soft market conditions across certain sectors and geographic regions. In addition, insurance carriers may seek to reduce their expenses by reducing the commission rates payable to insurance agents or brokers such as us. The reduction of these commission rates, along with general volatility and / or declines in premiums, may significantly undermine our profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to accurately forecast our commission revenue, including whether they will significantly decline. As a result, we may have to adjust our plans for future acquisitions, capital expenditures, dividend payments, loan repayments and other expenditures to account for unexpected changes in revenue, and any decreases in premium rates may adversely affect the results of our operations. In addition to movements in premium rates, our ability to generate premium- based commission revenue may be challenged by disintermediation and the growing availability of alternative methods for clients to meet their risk- protection needs. This trend includes a greater willingness on the part of corporations to self- insure, the use of captive insurers, and the presence of capital markets- based solutions for traditional insurance and reinsurance needs. Further, the profitability of our risk and broking businesses depends in part on our ability to be compensated for the analytical services and other advice that we provide, including the consulting and analytics services that we provide to insurers. If we are unable to**

achieve and maintain adequate billing rates for all of our services, our margins and profitability could decline. SIGNIFICANT OR SUSTAINED INFLATION COULD ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION. Inflation can adversely affect us by increasing our costs, including salary costs. Significant inflation is often accompanied by higher interest rates. Any sustained inflation or significant increases in inflation, such as the wage inflation experienced during the fiscal year ended December 31, 2022, and interest rates could have an adverse effect on our business, results of operations and financial condition . WE ARE SUBJECT TO LIMITED UNDERWRITING RISK THROUGH OUR PARTICIPATION IN CAPITALIZED CAPTIVE INSURANCE FACILITIES, WHICH MAY SUBJECT US TO LIMITED CLAIMS EXPENSES From time to time, the Company participates in capitalized captive insurance facilities for the purpose of facilitating additional underwriting capacity for our customers and to participate in underwriting results. While the Company' s underwriting risk through its participation in these facilities is limited, we may be subject to claims expenses associated with catastrophic weather events, such as those in the third quarter of 2022 associated with Hurricane Ian. Our results of operations may be negatively impacted if any of the facilities incur claims expenses. Our F & I businesses may be negatively impacted by a slowdown in vehicles sales in the united states or by regulatory changes, including tax- related changes, affecting the sale of f & I products by vehicle dealers Our F & I businesses earn commissions and fees from the sale of non- insurance warranty services and products by vehicle dealers. For the year ended December 31, ~~2022~~ **2023** , we derived less than ~~10~~ **4** % of our annual total revenues from our F & I businesses. If there were a slowdown in vehicle sales in the United States or regulatory changes, including tax- related changes, affecting the sale of non- insurance warranty services and products by vehicle dealers, our F & I businesses may be negatively impacted, which may impact our results of operation. **changes in, or the termination of, certain programs administered by the U. s. federal government from which we derive revenues could adversely impact our results of operations.** We face **the** ~~a variety of risks~~ - **risk** ~~in our services segment, including our third- party claims administration operations,~~ that ~~are distinct from those~~ -- **the** ~~we face in our insurance intermediary operations. Our Services segment, including our third- party claims administration operations, face a variety of risks distinct from those faced by our insurance intermediary operations, including the risks that: • The favorable trend among both insurance companies and self- insured entities toward outsourcing various types of claims administration and risk management services may reverse or slow, causing our revenues or revenue growth to decline; • Concentration of large amounts of revenue with certain customers may result in greater exposure to the potential negative effects of lost business due to changes in management of such customers or for other reasons; • Contracting terms will become less favorable or the margins on our services may decrease due to increased competition, regulatory constraints or other developments; • Our revenue is impacted by claims volumes, which are dependent upon a number of factors and difficult to forecast accurately; • Economic weakness or a slowdown in economic activity could lead to a reduction in the number of claims we process; • The~~ U. S. ~~Federal~~ **federal** government modifies, discontinues, or otherwise limits our ability to derive revenues from **certain federal programs, including failure by United States Congress to appropriate funding for any such programs. These programs include the National Flood Insurance Program,** the Social Security disability benefits program ~~, Medicare,~~ or ~~any other~~ -- **the federal crop insurance** program **,** ~~or type of coverage~~ from which ~~our business derives revenue; • We may be unable to develop further efficiencies~~ in **the aggregate** ~~our claims- handling business and may be unable to obtain or retain certain customers if~~ we **derive less than 5 % of** ~~fail to make adequate improvements in technology or~~ **our annual total revenues** ~~operations; and • Insurance companies or certain large self- insured entities may create in- house servicing capabilities that compete with our services~~ . If any of these risks materialize, our results of operations and financial condition could be adversely affected. DUE TO INHERENT LIMITATIONS, OUR SYSTEM OF DISCLOSURE AND INTERNAL CONTROLS AND PROCEDURES MAY NOT BE SUCCESSFUL IN PREVENTING ALL ERRORS OR FRAUD, OR IN INFORMING MANAGEMENT OF ALL MATERIAL INFORMATION IN A TIMELY MANNER. Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and internal controls over financial reporting and procedures will prevent all errors and fraud. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision- making can be faulty and that breakdowns can occur simply because of error or mistake. Additionally, controls can be circumvented by individual acts of some persons, by collusion of two or more people, or by management override of a control. There can be no assurance that the design of any of our systems of controls will succeed in achieving its stated goals under all potential future conditions. CERTAIN OF OUR SHAREHOLDERS HAVE SIGNIFICANT CONTROL OF THE COMPANY. At December 31, ~~2022~~ **2023** , our executive officers, directors and certain of their family members collectively beneficially owned approximately 16. ~~5~~ **3** % of our outstanding common stock, of which J. Hyatt Brown, our chairman of the board, and his sons, J. Powell Brown, our president and chief executive officer, and P. Barrett Brown, our executive vice president and the president of our Retail segment, beneficially owned approximately 15. 8 %. As a result, our executive officers, directors and certain of their family members have significant influence over (i) the election of our board of directors, (ii) the approval or disapproval of any other matters requiring shareholder approval and (iii) our affairs and policies. Risks Related to Legal, Compliance and Regulatory Matters CHANGES IN DATA PRIVACY AND PROTECTION LAWS AND REGULATIONS, OR ANY FAILURE TO COMPLY WITH SUCH LAWS AND REGULATIONS, COULD ADVERSELY AFFECT OUR BUSINESS AND FINANCIAL RESULTS. We are subject to a variety of continuously evolving and developing laws and regulations globally regarding privacy, data protection and data security, including those related to the collection, storage, retention, handling, use, processing, disclosure, transfer and security of personal data. Significant uncertainty exists as privacy and data protection laws **evolve and** may be interpreted and applied differently from country to country and may create inconsistent or conflicting requirements. These laws apply to transfers of information among our affiliates, as well as to transactions we enter into with third- party vendors. For example, the European Union adopted a comprehensive General Data Privacy Regulation (" GDPR ") in May 2016, which replaced the former EU Data Protection Directive and related country- specific legislation. The GDPR became fully effective in May 2018 and requires companies to satisfy new requirements regarding the handling of personal and sensitive data, including its processing, protection and the ability of persons whose data is stored to correct or delete such data about themselves. Failure to comply with GDPR requirements could result in penalties of up to 4 % of worldwide revenue. Complying with the enhanced obligations imposed by the GDPR may result in significant costs to our business and require us to revise certain of our business practices. Additionally, a judgement by the Court of Justice of the European Union on Schrems II has made cross border data transfers to organizations outside of the European Economic Area more onerous and uncertain. In addition, legislators and regulators in the U. S. have enacted and are proposing new and more robust privacy and cybersecurity laws and regulations in light of the recent broad- based cyber- attacks at a number of companies, including but not limited to the New York State Department of Financial Services Cybersecurity Requirements for Financial Services Companies ~~and~~ **,** the California Consumer Privacy Act of 2018 **and the California Privacy Rights Act** . Some states provide right of action for data breaches or for collection of certain categories of personal information without consent, which may result in increased litigation **. Many statutory requirements, both in the United States and abroad, include obligations for companies to notify individuals of security breaches involving certain personal information, which could result from breaches experienced by us or our vendors. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self- regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. We expect that there will continue to be new proposed laws and regulations concerning data privacy and security, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Data protection laws also include strict notification requirements for organizations related to confirmed or suspected breaches. With such a limited time available to validate indicators, there is an increased risk of reporting a false alarm or immaterial breach, which may lead to reputational damage despite there not being an actual data breach** . These and similar initiatives around the world could increase the cost of developing, implementing or securing our servers and require us to allocate more resources to improved technologies, adding to our technology and compliance costs. In addition, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. The enactment of more restrictive laws, rules, regulations or future enforcement actions or investigations could impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory penalties and significant legal liability. IMPROPER DISCLOSURE OF CONFIDENTIAL INFORMATION COULD NEGATIVELY IMPACT OUR BUSINESS. We are responsible for maintaining the security and privacy of our customers' confidential and proprietary information and the personal data of their employees. We have put in place administrative, physical, procedures and technological safeguards designed to protect the security and privacy of this information; however, we cannot guarantee that this information will not be improperly disclosed or accessed. Disclosure of this information could harm our reputation and subject us to liability under our contracts and laws that protect personal data, resulting in increased costs or loss of revenues. THE RISK OF NON- COMPLIANCE WITH NON- U. S. LAWS, REGULATIONS AND POLICIES COULD ADVERSELY AFFECT OUR RESULTS OF OPERATIONS, FINANCIAL CONDITION OR STRATEGIC OBJECTIVES. In 2022, the Company acquired GRP (Jersey) Holdco Limited and its business and the general insurance operating companies of BdB Limited companies **and in 2023 Kentro Capital Limited** (the " Acquisitions "). The Acquisitions introduce us to several new geographic markets, subjecting us to additional non- U. S. laws, regulations and policies which did not previously apply to us. These laws and regulations are complex, change frequently, have become more stringent over time, could increase our cost of doing business, and could result in conflicting legal requirements. These laws and regulations include international labor and employment laws and data privacy requirements. We will be subject to the risk that we, our employees and our agents may take actions determined to be in violation of any of these laws, regulations or policies, for which we might be held responsible. Actual or alleged violations could result in substantial fines, sanctions, civil or criminal penalties, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect our results of operations, financial condition or strategic objectives. OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION AND LIQUIDITY MAY BE MATERIALLY ADVERSELY AFFECTED BY CERTAIN ACTUAL AND POTENTIAL CLAIMS, REGULATORY ACTIONS AND PROCEEDINGS. We are subject to various actual and potential claims, regulatory actions and other proceedings, including those relating to alleged errors and omissions in connection with the placement or servicing of insurance and / or the provision of services in the ordinary course of business, of which we cannot, and likely will not be able to, predict the outcome with certainty. Because we often assist customers with matters involving substantial amounts of money, including the placement of insurance and the handling of related claims that customers may assert, errors and omissions claims against us may arise alleging potential liability for all or part of the amounts in question. Also, the failure of an insurer with whom we place business could result in errors and omissions claims against us by our customers, which could adversely affect our results of operations and financial condition. Claimants may seek large damage awards, and these claims may involve potentially significant legal costs, including punitive damages. Such claims, lawsuits and other proceedings could, for example, include claims for damages based upon allegations that our employees or sub- agents failed to procure coverage, report claims on behalf of customers, provide insurance companies with complete and accurate information relating to the risks being insured or appropriately apply funds that we hold for our customers on a fiduciary basis. In addition, given the long- tail nature of professional liability claims, errors and omissions matters can relate to matters dating back many years. Our business, results of operations, financial condition and liquidity may be adversely affected if, in the future, our insurance coverage proves to be inadequate or unavailable, or if there is an increase in liabilities for which we self- insure. Our ability to obtain professional indemnity insurance in the amounts and with the deductibles we desire in the future may be adversely impacted by general developments in the market for such insurance or our own claims experience. In addition, regardless of monetary costs, these matters could have a material adverse effect on our reputation and cause harm to our carrier, customer or employee relationships, or divert employees and management resources. OUR BUSINESS PRACTICES AND COMPENSATION ARRANGEMENTS WITH INSURANCE CARRIERS ARE SUBJECT TO UNCERTAINTY DUE TO POTENTIAL CHANGES IN REGULATIONS. The business practices and compensation arrangements of the insurance intermediary industry, including our practices and arrangements, are subject to uncertainty due to investigations by various governmental authorities. Certain of our offices are parties to profit- sharing contingent commission agreements with certain insurance companies, including agreements providing for potential payment of revenue- sharing commissions by insurance companies based primarily on the overall profitability of the aggregate business written with those insurance companies and / or additional factors such as retention ratios and the overall volume of business that an office or offices place with those insurance companies. Additionally, some of our offices are parties to supplemental commission agreements with certain insurance companies, which provide for commission rates in excess of standard commission rates to be applied to specific lines of business, such as group health business, and which are based primarily on the overall volume of business that such office or offices placed with those insurance companies. Various state legislatures may adopt new laws addressing contingent commission arrangements, including laws prohibiting such arrangements, and addressing disclosure of such arrangements to insureds. Various state departments of insurance may also adopt new regulations addressing these matters which could adversely affect our results of operations. WE COMPETE IN A HIGHLY REGULATED INDUSTRY, WHICH MAY RESULT IN INCREASED EXPENSES OR RESTRICTIONS ON OUR OPERATIONS. We conduct business in each of the 50 states of the United States of America and are subject to comprehensive regulation and supervision by government agencies in each of those states. The primary purpose of such regulation and supervision is to provide safeguards for policyholders rather than to protect the interests of our shareholders, and it is difficult to anticipate how changes in such regulation would be implemented and enforced. As a result, such regulation and supervision could reduce our profitability or growth by increasing compliance costs, technology compliance, restricting the products or services we may sell, the markets we may enter, the methods by which we may sell our products and services, or the prices we may charge for our services and the form of compensation we may accept from our customers, carriers and third parties. The laws of the various state jurisdictions establish supervisory agencies with broad administrative powers with respect to, among other things, licensing of entities to transact business, licensing of agents, admittance of assets, regulating premium rates, approving policy forms, regulating unfair trade and claims practices, determining technology and data protection requirements, establishing reserve requirements and solvency standards, requiring participation in guarantee funds and shared market mechanisms, and restricting payment of dividends. Also, in response to perceived excessive cost or inadequacy of available insurance, states have from time to time created state insurance funds and assigned risk pools, which compete directly, on a subsidized basis, with private insurance providers. We act as agents and brokers for such state insurance funds and assigned risk pools in California and New York as well as certain other states. These state funds and pools could choose to reduce the sales or brokerage commissions we receive. Any such reductions, in a state in which we have substantial operations could affect the profitability of our operations in such state or cause us to change our marketing focus. Further, state insurance regulators and the National Association of Insurance Commissioners continually reexamine existing laws and regulations, and such reexamination may result in the enactment of insurance- related laws and regulations, or the issuance of interpretations thereof that adversely affect our business. Certain federal financial services modernization legislation could lead to additional federal regulation of the insurance industry in the coming years, which could result in increased expenses or restrictions on our operations. Other legislative developments that could adversely affect us include: changes in our business compensation model as a result of regulatory developments (for example, the Affordable Care Act); and federal and state governments establishing programs to provide health insurance or, in certain cases, property insurance in catastrophe- prone areas or other alternative market types of coverage that compete with or completely replace, insurance products offered by insurance carriers. Also, as climate change issues become more prevalent, the U. S. and other governments are beginning to respond to these issues. This increasing governmental focus on climate change may result in new environmental regulations, new or enhanced reporting, diligence or disclosure rules that may negatively affect us and our customers and could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. This could cause us to incur additional direct costs in complying with any new environmental regulations, as well as increased indirect costs resulting from our customers incurring additional compliance costs that get passed on to us. These costs may adversely impact our results of operations and financial condition. INCREASING SCRUTINY AND CHANGING **LAWS AND** EXPECTATIONS FROM **REGULATORS,** INVESTORS AND CUSTOMERS WITH RESPECT TO OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ ESG ”) PRACTICES **AND DISCLOSURE** MAY IMPOSE ADDITIONAL COSTS ON US OR EXPOSE US TO REPUTATIONAL OR OTHER RISKS. There is increased focus, including from governmental organizations, **regulators (including the SEC),** investors and customers, on ESG issues such as environmental stewardship, climate change, **greenhouse gas emissions,** diversity and inclusion **, human rights** , racial justice and workplace conduct. Negative public perception, adverse publicity or negative comments in social media and other forums could damage our reputation if we do not, or are not perceived to, adequately address any one or more of these issues. Any harm to our reputation could impact employee engagement and retention and the willingness of customers and others to do business with us **. Additionally, there has been increased regulatory focus on ESG and sustainability. For example, laws and regulations related to ESG issues continue to evolve, including in the U. S., the U. K. and the EU. New regulations may impose additional compliance or disclosure obligations on us. In particular, heightened demand for, and scrutiny of, ESG and sustainable- related strategies and advice has increased the risk that we could be perceived as, or accused of, making inaccurate or misleading statements, commonly referred to as “ greenwashing ” or that we have otherwise run afoul of regulation. Such perceptions or accusations could damage our reputation, result in litigation or regulatory enforcement actions, and adversely affect our business. Furthermore, perceptions of our efforts to achieve ESG goals or advance ESG and sustainable- related strategies may differ widely among stakeholders and could present**

risks to our reputation and business . Some investors have increased their emphasis on the ESG practices of companies across all industries, including with respect to climate and human capital management. Certain investors have developed their own ESG ratings while others use third- party benchmarks or scores to measure a company' s ESG practices and make investment decisions or otherwise engage with the company to influence its practices in these areas. Additionally, our customers may evaluate our ESG practices and / or request that we adopt certain ESG policies in order to work with us. Also, organizations that provide ratings information to certain investors on ESG matters may assign unfavorable ratings to the Company, which may lead to negative investor sentiment and the diversion of investment capital to other companies or industries, which could have a negative impact on our stock price and our costs of capital. New government regulations could also result in new or more stringent forms of ESG oversight and new mandatory and voluntary reporting, diligence and disclosure. Our failure to meet expectations, whether the expectations are set by us or by investors or other stakeholders, or to any other failure to make progress in this area on a timely basis, or at all, may negatively impact our reputation and our business. PROPOSED TORT REFORM LEGISLATION, IF ENACTED, COULD DECREASE DEMAND FOR LIABILITY INSURANCE, THEREBY REDUCING OUR COMMISSION REVENUES. Legislation concerning tort reform has been considered, from time to time, in the United States Congress and in several state legislatures. Among the provisions considered in such legislation have been limitations on damage awards, including punitive damages, and various restrictions applicable to class action lawsuits. Enactment of these or similar provisions by Congress, or by states in which we sell insurance, could reduce the demand for liability insurance policies or lead to a decrease in policy limits of such policies sold, thereby reducing our commission revenues. Risks Related to Our Indebtedness and Financing IF WE FAIL TO COMPLY WITH THE COVENANTS CONTAINED IN CERTAIN OF OUR AGREEMENTS, OUR LIQUIDITY, RESULTS OF OPERATIONS AND FINANCIAL CONDITION MAY BE ADVERSELY AFFECTED. At December 31, ~~2022~~ **2023** , we believe we were in compliance with the financial covenants and other limitations contained in each of the credit agreements that govern out debt. However, failure to comply with material provisions of our covenants in these agreements or other credit or similar agreements to which we may become a party could result in a default, rendering them unavailable to us and causing a material adverse effect on our liquidity, results of operations and financial condition. In the event of certain defaults, the lenders thereunder would not be required to lend any additional amounts to or purchase any additional notes from us and could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable. If the indebtedness under these agreements or our other indebtedness, were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full. CERTAIN OF OUR AGREEMENTS CONTAIN VARIOUS COVENANTS THAT LIMIT THE DISCRETION OF OUR MANAGEMENT IN OPERATING OUR BUSINESS AND COULD PREVENT US FROM ENGAGING IN CERTAIN POTENTIALLY BENEFICIAL ACTIVITIES. The restrictive covenants in our debt agreements may impact how we operate our business and prevent us from engaging in certain potentially beneficial activities. In particular, among other covenants, our debt agreements require us to maintain a minimum ratio of Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted for certain transaction- related items (" Consolidated EBITDA "), to consolidated interest expense and a maximum ratio of consolidated net indebtedness to Consolidated EBITDA. Our compliance with these covenants could limit management' s discretion in operating our business and could prevent us from engaging in certain potentially beneficial activities. OUR BUSINESS, AND THEREFORE OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION, MAY BE ADVERSELY AFFECTED BY FURTHER CHANGES IN THE U. S. CREDIT MARKETS. The failure of any lender under our revolving credit facility (which matures in 2026) (the" Revolving Credit Facility") could adversely affect our ability to borrow on that facility, which over time could negatively impact our ability to consummate significant acquisitions or make other significant capital expenditures. Tightening conditions in the credit markets in future years could adversely affect the availability and terms of future borrowings or renewals or refinancing. We also have a significant amount of trade accounts receivable from some insurance companies with which we place insurance. If those insurance companies were to experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us, which could have a significant adverse impact on our financial condition and results of operations. ~~WE ARE SUBJECT TO RISKS ASSOCIATED WITH THE CURRENT INTEREST RATE ENVIRONMENT AND TO THE EXTENT WE USE DEBT TO FINANCE OUR INVESTMENTS, CHANGES IN INTEREST RATES WILL AFFECT OUR COST OF CAPITAL AND NET INVESTMENT INCOME. As of July 2017, the UK Financial Conduct Authority (" FCA ") has urged banks and institutions to discontinue their use of the London Interbank Offered Rate (" LIBOR ") benchmark rate for floating rate debt, and other financial instruments tied to the rate after 2021. To help with the transition, the Federal Reserve Board and New York Fed have commissioned the Alternative Reference Rates Committee (" ARRC "), composed of a diverse set of private- sector entities that have an important presence in markets affected by USD LIBOR and a wide array of official- sector entities, including banking and financial sector regulators, as ex- officio members. The ARRC has recommended the Secured Overnight Financing Rate (" SOFR ") as the best alternative rate to LIBOR post discontinuance and has proposed a transition plan and timeline designed to encourage the adoption of SOFR from LIBOR. On March 5, 2021, the ICE Benchmark Administration, which administers LIBOR, and the FCA announced that all LIBOR settings will either cease to be provided by any administrator, or no longer be representative immediately after December 31, 2021, for all non- U. S. dollar LIBOR settings and one- week and two- month U. S. dollar LIBOR settings, and immediately after June 30, 2023 for the remaining U. S. dollar LIBOR settings. As of December 31, 2022, the Company' s primary exposures are debt instruments referencing LIBOR- based rates, which include the Second Amended and Restated Credit Agreement (the " Second Amended and Restated Credit Agreement ") term loan balance of $ 234. 4 million outstanding and matures in October 2026, as well as the term loan credit agreement (the " Term Loan Credit Agreement ") which had an outstanding balance of $ 210. 0 million and matures in December 2023. As such, any potential effect of any such event on our cost of capital, interest rate exposure and net investment income cannot yet be determined. In addition, any further changes or reforms to the determination or supervision of LIBOR~~

~~may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR- linked securities, loans, and other financial obligations or extensions of credit held by or due to us and could have a material adverse effect on our business, financial condition and results of operations. The Company entered into the Second Amended and Restated Credit Agreement in October 2021, which includes provisions regarding the transition from LIBOR to SOFR. The new benchmark for our USD borrowings will be SOFR, in which the Company is taking active measures to transition and replace LIBOR. The shift to SOFR from LIBOR is complex and may adversely affect our business, financial condition, results of operations, liquidity and cash flows.~~ Risks Related to Our Industry CHANGES IN CURRENT U. S. OR GLOBAL ECONOMIC CONDITIONS, INCLUDING AN EXTENDED SLOWDOWN IN THE MARKETS IN WHICH WE OPERATE, MAY ADVERSELY AFFECT OUR BUSINESS. If economic conditions were to worsen, a number of negative effects on our business could result, including declines in insurable exposure units, declines in insurance premium rates, the financial insolvency of insurance companies, or the reduced ability of customers to pay. Also, if general economic conditions are poor, some of our customers may cease operations completely or be acquired by other companies, which could have an adverse effect on our results of operations and financial condition. If these customers are affected by poor economic conditions, but yet remain in existence, they may face liquidity problems or other financial difficulties that could result in delays or defaults in payments owed to us, which could have a significant adverse impact on our consolidated financial condition and results of operations **. Additionally, decreased underwriting capacity for insurance and reinsurance may create difficulty for us to place business, which may adversely impact our ability to earn revenue** . Any of these effects could decrease our net revenues and profitability. OUR CURRENT MARKET SHARE MAY DECREASE AS A RESULT OF DISINTERMEDIATION WITHIN THE INSURANCE INDUSTRY, INCLUDING INCREASED COMPETITION FROM INSURANCE COMPANIES, TECHNOLOGY COMPANIES AND THE FINANCIAL SERVICES INDUSTRY, AS WELL AS THE SHIFT AWAY FROM TRADITIONAL INSURANCE MARKETS. The insurance intermediary business is highly competitive and we actively compete with numerous firms for customers and insurance companies, many of which have relationships with insurance companies or have a significant presence in niche insurance markets that may give them an advantage over us. Other competitive concerns may include the quality of our products and services, our pricing and the ability of some of our customers to self- insure and the entrance of technology companies into the insurance intermediary business. A number of insurance companies are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to agents and brokers. In addition, and to the extent that banks, securities firms, private equity funds and insurance companies affiliate, the financial services industry may experience further consolidation, and we therefore may experience increased competition from insurance companies and the financial services industry, as a growing number of larger financial institutions increasingly, and aggressively, offer a wider variety of financial services, including insurance intermediary services. In addition, there has been an increase in alternative insurance markets, such as self- insurance, captives, risk retention groups and non- insurance capital markets, and we cannot be certain that such alternative markets will provide the same level of insurance coverage or profitability as traditional insurance markets. OUR BUSINESS, AND THEREFORE OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION, MAY BE ADVERSELY AFFECTED BY CONDITIONS THAT RESULT IN REDUCED INSURER CAPACITY. Our results of operations depend on the continued capacity of insurance carriers to underwrite risk and provide coverage, which depends in turn on those insurance companies' ability to procure reinsurance. Capacity could also be reduced by insurance companies failing or withdrawing from writing certain coverages that we offer to our customers. We have no control over these matters. To the extent that reinsurance becomes less widely available or significantly more expensive, we may not be able to procure the amount or types of coverage that our customers desire and the coverage we are able to procure for our customers may be more expensive or limited. QUARTERLY AND ANNUAL VARIATIONS IN OUR COMMISSIONS THAT RESULT FROM THE TIMING OF POLICY RENEWALS AND THE NET EFFECT OF NEW AND LOST BUSINESS PRODUCTION MAY HAVE UNEXPECTED EFFECTS ON OUR RESULTS OF OPERATIONS. Our commission income (including profit- sharing contingent commissions and supplemental commissions) can vary quarterly or annually due to the timing of policy renewals and the net effect of new and lost business production. We do not control the factors that cause these variations. Specifically, customers' demand for insurance products can influence the timing of renewals, new business and lost business (which includes policies that are not renewed), and cancellations. In addition, we rely on insurance companies for the payment of certain commissions. Because these payments are processed internally by these insurance companies, we may not receive a payment that is otherwise expected from a particular insurance company in a particular quarter or year until after the end of that period, which can adversely affect our ability to forecast these revenues and therefore budget for significant future expenditures. Quarterly and annual fluctuations in revenues based upon increases and decreases associated with the timing of new business, policy renewals and payments from insurance companies may adversely affect our financial condition, results of operations and cash flows. Over the last three years our profit- sharing contingent commissions generally have been in the range of 3. 0 % to 3. ~~5~~ **6** % of our previous year' s total core commissions and fees. Due to, among other things, potentially poor macroeconomic conditions, the inherent uncertainty of loss in our industry and changes in underwriting criteria due in part to the high loss ratios experienced by insurance companies, we estimate the amount of profit- sharing contingent commissions we have earned for policies we have bound and are effective. Further, we have no control over the ability of insurance companies to estimate loss reserves, which affects our ability to make profit- sharing calculations. Supplemental commissions are paid by insurance companies based upon the volume of business that we place with them and are generally paid over the course of the year. Any decrease in their payment to us could adversely affect our results of operations, profitability and our financial condition. WE ARE EXPOSED TO INTANGIBLE ASSET RISK; SPECIFICALLY, OUR GOODWILL MAY BECOME IMPAIRED IN THE FUTURE. As of the date of the filing of our Annual Report on Form 10- K for the ~~2022~~ **2023** fiscal year, we have $ ~~6.~~ 7 **. 3** billion of goodwill recorded on our Consolidated Balance Sheet. We perform a goodwill impairment test on an annual basis and whenever events or changes in circumstances indicate that the carrying value of our goodwill may not be recoverable from estimated future cash flows. We completed our most recent evaluation of impairment for goodwill as of November 30, ~~2022~~ **2023** and determined that the fair value of goodwill exceeded the carrying value of each reporting unit. A significant and sustained decline in our stock price and market capitalization, a significant decline in our expected future cash flows, a significant adverse change in the business climate or slower growth rates could result in the need to perform an additional impairment analysis before the next annual goodwill impairment test. If determined that a future write- down of our goodwill is necessary, the appropriate adjustment would be recorded which could result in material charges that are adverse to our operating results and financial position. See Note 1- " Summary of Significant Accounting Policies " and Note 4- " Goodwill " to the Consolidated Financial Statements and " Management' s Report on Internal Control Over Financial Reporting. " Additionally, the carrying value of amortizable intangible assets attributable to each business or asset group comprising the Company is periodically reviewed by management to determine if there are events or changes in circumstances that would indicate that its carrying amount may not be recoverable. Accordingly, if there are any such circumstances that occur during the year, we assess the carrying value of our amortizable intangible assets by considering the estimated future undiscounted cash flows generated by the corresponding business or asset group. Any impairment identified through this assessment may require that the carrying value of related amortizable intangible assets be adjusted. There have been no impairments recorded to either goodwill or amortizable intangibles for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . ~~THE COVID- 19 PANDEMIC, AS WELL AS~~ FUTURE PANDEMICS, EPIDEMICS OR OUTBREAKS OF INFECTIOUS DISEASE, AND THE RESULTING GOVERNMENTAL AND SOCIETAL RESPONSES MAY MATERIALLY AND ADVERSELY AFFECT THE COMPANY' S BUSINESS, LIQUIDITY, CUSTOMERS, INSURANCE CARRIERS AND THIRD PARTIES. The COVID- 19 pandemic created significant volatility, uncertainty and economic disruption, which could further adversely affect our business and may materially and adversely affect our financial condition, results of operations and cash flows. ~~The extent to which COVID- 19 impacts our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence. In addition, if COVID- 19 creates disruptions or turmoil in the credit or financial markets in the future, or impacts our credit ratings, it could adversely affect our ability to access capital on favorable terms and continue to meet our liquidity needs, all of which are highly uncertain and cannot be predicted.~~ We cannot predict the impact that ~~COVID- 19, or~~ future pandemics, epidemics or outbreaks of infectious disease, will have in the future on our customers, insurance carriers, suppliers and other third- party contractors, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Even after a pandemic, epidemic or outbreak of infectious disease has subsided, we may experience materially adverse impacts to our business as a result of the global economic impact of these events. Further, these events may affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider as presenting significant risks to our operations. These and other disruptions related to pandemics, epidemics or outbreaks of infectious disease could materially and adversely affect our business, financial condition, results of operations and cash flows. Further, the potential effects pandemics, epidemics or outbreaks of infectious disease also could impact and, in some cases, magnify many of our risk factors described in this Annual Report on Form 10- K. Additionally, any potential effects of pandemics, epidemics or outbreaks of infectious disease may lag behind the developments related to such events.