

# MEMBERS REPORT

ENERGY INSURANCE MUTUAL

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JUNE 2009

## Thank You, Chuck



*Jim Hatfield, right, the Company's newly elected chairman of the board, presents a Steuben bowl to Chuck Shivery, who completed his second year as EIM chairman on April 27 at a Board dinner at the Colorado Springs Fine Arts Center. The bowl sits on an engraved stand that marks the dates of Chuck's chairmanship.*

## Ed Holland, Southern Company, Elected EIM Director; Hadler, Leverett Reelected



*Ed Holland*

## Jim Hatfield Elected EIM Chairman; Dudley Reynolds New Vice Chairman

**A**t the April 28 Board meeting, EIM Vice Chairman Jim Hatfield of Pinnacle West was elected chairman of the board and Board Member Dudley Reynolds of Alabama Gas Corporation was elected vice chairman. Jim follows Chuck Shivery of Northeast Utilities as Company chairman.

The other EIM officers reelected are:

David Hadler, president and chief executive officer; Sam Garvin, vice president and chief financial officer; Jill Dominguez, vice president-underwriting; Robert Schmid, vice president-subsidary operations; Joan Bryant, secretary; and Trevor Carmichael, assistant secretary.

*(Continued on page 2)*



*David Hadler*



*Allen Leverett*

**A**t the 2009 Annual General Meeting, the EIM Members elected G. Edison (Ed) Holland, Jr., executive vice president, general counsel, and corporate secretary, Southern Company, Atlanta, to a three-year term on the EIM Board of Directors.

The Members also reelected David L. Hadler, president and

*(Continued on page 2)*

Ed Holland, Southern Company, Elected EIM Director; Hadler, Leverett Reelected

*(Continued from page 1)*



*Broadmoor Hotel, Colorado Springs, site of this year's AGM*

CEO, EIM, Tampa, and Allen L. Leverett, chief financial officer, Wisconsin Energy Corporation, Milwaukee, to new three-year terms on the Board. David was first elected in 1997; Allen, who was appointed in 2002, was elected to his first three-year term in 2003.

Voting by proxy, the Membership also approved bylaw amendments that clarify Board membership. Basically, the amendments say a director may remain on the EIM Board through the second AGM of the Company following his or her retirement from a Member Company or from the Company.

The final business of the meeting was the reappointment of Johnson Lambert & Co. LLP as EIM auditor. The Jacksonville, FL-based CPA firm was first appointed auditor in 2008.

The 2009 AGM was held April 27 at the Broadmoor Hotel, Colorado Springs.

Jim Hatfield Elected EIM Chairman;  
Dudley Reynolds New Vice Chairman

*(Continued from page 1)*

### Jim Hatfield

Jim, who was appointed to the EIM Board in 1998, was elected to his first three-year term in 1999. Until the Board committees' most recent realignment, Jim had been the long-time chairman of the Audit Committee.

In July 2008, Jim moved to Pinnacle West, Phoenix, where he is senior vice president and chief financial officer of the parent company and its operating utility, Arizona Public Service. With 29 years of electric and gas industry experience, Jim was previously at OGE Energy Corp., Oklahoma City, where he also was senior vice president and CFO. He had been in that position since 1999.

From 1980-1993, Jim worked for Aquila Gas Pipeline Corporation, a subsidiary of UtiliCorp of Kansas City, MO. While at UtiliCorp, he held several positions, including vice president-investor relations and corporate secretary, the position he held prior to joining OG&E.

Jim joined OG&E in August 1994 as treasurer. He was elected vice president and treasurer on January 15, 1997, and senior vice president and chief financial officer on November 17, 1999.

A native of Bennington, NE, Jim received a bachelor's in accounting from Central Missouri State University, Maryville, MO, and an MBA, concentration in finance, from the University of Missouri, Kansas City.

He and his wife, Eileen, have three children.

Pinnacle West has consolidated assets of about \$12 billion. Through its subsidiaries, the company generates, sells, and delivers electricity and sells energy-related products and services to retail and wholesale customers in the western United States. The company also develops residential, commercial, and industrial real estate projects.

### Dudley Reynolds

Dudley Reynolds, president and COO, Alabama Gas Corporation, Birmingham, was appointed to the EIM Board in January 2002 and elected to his first three-year term that April. When he joined the Board, Dudley was general counsel and secretary, Energen Corporation, the parent firm of Alabama Gas. He was promoted to his current position effective January 1, 2003.

Since joining the EIM Board, Dudley has served on the Audit, Claims, and Strategic Planning committees. Most recently, he was vice chairman of Claims.

A native of Anniston, AL, Dudley attended the Anniston

Academy, graduating in 1971. He then attended Furman University in Greenville, SC, graduating in 1975 with a bachelor's degree in history. While at Furman, he was elected to Phi Beta Kappa and played varsity tennis for four years. Following graduation, he attended the University of Georgia

legal and secretary in 1987; general counsel of the company in 1991; and president and chief operating officer of Alabama Gas Corporation in 2003.

Dudley is a member of the State Bar Associations of Alabama and Georgia and the Birmingham Bar Association. He is a past chairman of the Legal Section Managing Committee of the American Gas Association, a member of the Board of Directors of the Southern Gas Association, a member of the Rotary Club of Birmingham, and the Monday Morning Quarterback Club.



*Jim Hatfield*



*Dudley Reynolds*

Law School in Athens, where he received his JD degree in 1978.

Dudley joined Energen Corporation in April 1980 as a staff attorney. From that position, he was promoted to senior attorney in 1985; assistant secretary in June 1985; vice president,

He also serves on the Board of Directors of United Way of Central Alabama, the Public Affairs Research Council of Alabama, the Metropolitan Development Board, the Regional Cultural Alliance, the Birmingham Regional Chamber of Commerce (2008-2009 chairman), Operation New Birmingham (2007 chairman), and the Board of Trustees of the Alabama Ballet.

He is also on the Board of Trustees at Furman University, the Norton Board of Advisors for Birmingham-Southern College, and the Board of Governors of the Summit Club. He is also a member of the Dean's Community Advisory Committee of the University of Alabama at Birmingham School of Optometry. He is on the Birmingham Advisory Board for Regions Financial Corporation.

In July 1990, Dudley was named one of Birmingham's "Top 40 under 40" business and civic leaders. He participated in the 1993-94 class of "Leadership Birmingham" and the 2001-2002 class of "Leadership Alabama."

Dudley and his wife, Neal, who is also an attorney, have two children, Nina and Nicholas. They live in Birmingham.

Alabama Gas is the largest gas distributor in Alabama. The company serves approximately 450,000 customers in nearly 200 Alabama cities, towns, and communities. More than 1,000 employees work in the company's seven operating divisions. Alabama Gas' parent company is Energen, which is listed on the NYSE. Energen's market capitalization is approximately \$3 billion.

## Board Committees for 2009-2010

Seven of the eight EIM Board committees have been realigned for the administrative year 2009-2010. The IAC remains unchanged.

The changes are:

**Audit Committee**—**Kim Greene** replaces **Jim Hatfield** as chairman, with Jim leaving the committee. **Allen Leverett** steps up to vice chairman. **Rich Marsh** joins the committee.

**Claims Committee**—**Barry Mitchell** leaves the committee as two board members—**Ed Holland** and **Mike O'Donnell**—join.

**Executive Committee**—**Jim Hatfield** replaces **Chuck Shivery** as chairman. Chuck remains a member. **Dudley Reynolds** joins the committee as vice chairman. Jim Hatfield had been vice chairman. **Mark Dodson** leaves the executive committee.

**Investment Committee**—**Barry Mitchell**, remains chair-

man while **Rich Marsh** steps up to vice chairman. **Jim Hatfield**, who had been vice chairman, leaves the committee as does **Mark Dodson**. **Holly Keller Koepfel** and **Chuck Shivery** join the committee.

**Nominating Committee**—**Holly Keller Koepfel** moves up to chairman, replacing **Jim Hatfield**, and **Barry Mitchell** moves up to vice chairman. There was no vice chairman in 2008-2009. **Ed Holland** and **Allen Leverett** join the committee.

**Reinsurance Committee**—**Ed Holland** joins the committee as vice chairman. **Mark Dodson** also joins the committee as **Barry Mitchell** leaves the committee.

**Strategic Planning Committee**—**Chuck Shivery**, who had been vice chairman, becomes chairman. **Mark Dodson**, who had been chairman, is now vice chairman. **Barry Mitchell** joins the committee, while **Dudley Reynolds** leaves.

### Audit Committee

Kimberly S. Greene, chairman  
Allen L. Leverett, vice chairman  
Holly Keller Koepfel, Richard H. Marsh  
Michael W. O'Donnell, Dudley C. Reynolds

### Claims Committee

Mark S. Dodson, chairman  
Dudley C. Reynolds, vice chairman  
David L. Hadler, G. Edison Holland, Jr.  
Michael W. O'Donnell

### Executive Committee

James R. Hatfield, chairman  
Dudley C. Reynolds, vice chairman  
David L. Hadler, Charles W. Shivery

### Insurance Advisory Committee

Deborah S. Gaffney, chairman  
Randall L. Martin, vice chairman  
Mark E. Blair, Robert W. Dillard, Jack R. Hadsall  
Sandra K. Hart, Julie R. Jackson, Gary Y. Little  
John E. Luley, Robert J. Semet

### Investment Committee

J. Barry Mitchell, chairman  
Richard H. Marsh, vice chairman  
Holly Keller Koepfel, Allen L. Leverett  
Charles W. Shivery

### Nominating Committee

Holly Keller Koepfel, chairman  
J. Barry Mitchell, vice chairman  
Kimberly S. Greene, G. Edison Holland, Jr.  
Allen L. Leverett

### Reinsurance Committee

Richard H. Marsh, chairman  
G. Edison Holland, Jr., vice chairman  
Mark S. Dodson, Kimberly S. Greene  
David L. Hadler

### Strategic Planning Committee

Charles W. Shivery, chairman  
Mark S. Dodson, vice chairman  
Deborah S. Gaffney, David L. Hadler, J. Barry Mitchell  
Michael W. O'Donnell, William R. Powell

## Southwest Power Pool and Oglethorpe Power Move EIM Membership to 174

**T**hus far in 2009, EIM has gained two new Members— Southwest Power Pool, Little Rock, AR, and Oglethorpe Power Corporation, Tucker, GA—and lost one, bringing total Membership to 174.



SPP has members in nine states: Arkansas, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. The members serve more than five million customers,



have 47,000 miles of transmission lines, and cover 370,000 square miles. There are more than 370 SPP employees.

SPP dates to 1941 when 11 regional power companies came together to keep an Arkansas aluminum factory powered around the clock to meet critical defense needs. After the war, SPP's executive committee decided the organization should be retained to maintain electric reliability and coordination.

After the Northeast power interruption in 1965, other reliability councils were organized.

In 1968, SPP joined 12 other entities to form what became the North American Electric Reliability Corporation (NERC). SPP incorporated as an Arkansas not-for-profit organization in January 1994. The Federal Energy Regulatory Commission (FERC) approved SPP as a Regional Transmission Organization (RTO) in 2004 and a Regional Entity in 2007.



Oglethorpe Power Corporation (OPC) is the nation's largest power supply cooperative with approximately \$5 billion in assets, serving 38 electric member-



ship corporations which, collectively, provide electricity to 4.1 million Georgians.

A proponent of conscientious energy development and use, OPC balances reliable and affordable energy with environmental responsibility and has an outstanding record of regulatory compliance. Its diverse energy portfolio includes natural gas, hydroelectric, coal, and nuclear generating plants with a

combined capacity of approximately 4,700 megawatts as well as purchased power.

OPC was established in 1974 and is owned by its 38 member systems. Tucker is in metropolitan Atlanta.

### Four EIM Members have changed their names:

E.ON AG to E.ON U.S. LLC, effective January 6.

EnergyCo, LLC to Optim Energy LLC,  
effective February 2.

Equitable Resources, Inc. to EQT Corporation,  
effective February 9.

Reliant Energy to RRI Energy Inc., effective May 2.

### Hatfield, Reynolds Step Up at EIS

As EIM chairman and vice chairman, Jim Hatfield and Dudley Reynolds also step up at Energy Insurance Services as the EIM subsidiary's new Board chairman and vice chairman, respectively.

Also, for the 2009-2010 administrative year, the other EIS officers continue to serve:

David Hadler, president and CEO; Robert Schmid, vice president and COO;

Sam Garvin, vice president and CFO; and Joan Bryant, secretary.

## Chairman Jim Hatfield

# An EIM Perspective from 1998 to 2009



**A**fter serving two years as vice chairman of EIM's Board of Directors, Jim Hatfield—senior vice president and CFO of Pinnacle West and its operating company, Arizona Public Service—was elected EIM chairman at the April 28 Board meeting in Colorado Springs.

An active Board member for almost 11 years, Jim has chaired the Board's audit committee for a number of years and also served in recent years on the executive, investment, and nominating committees.

In August, you will have served on the EIM Board of Directors for 11 years. Only two of the 13 directors have longer tenure. So, let's first look back to August 1998, when you were appointed:

### **What did you find appealing when asked to join the EIM Board?**

*The most attractive benefit of being on the Board was the ability to learn from my peers at other Member Companies. There*

*are opportunities at the meetings to find out what other companies may be doing about a particular issue. All of us, for the most part, are rate regulated, so having the benefit of knowing what others may have done, or are considering, can help you develop a solution to your particular issue.*

*Also, I would be remiss if I did not acknowledge all of the personal relationships that develop over time.*

### **What were your first impressions of EIM?**

*My first impression was that of a well-run, Member-focused company providing a product of need to the industry.*

### **How has the Company changed during this time?**

*I think EIM has and will continue to change as the factors that affect our business continue to change. Just looking at the time period since I joined the Board, there has been go/no-go*



*deregulation of the industry, merchant generation, the Enron era, growth in capital spending, the financial meltdown, and now we are preparing for unprecedented change to our business models with carbon, renewables, the smart grid, plug-in hybrids, and the changing of consumer habits. All of these required EIM, based on Membership needs, to offer different products and services. The future will require the same.*

### **What corporate characteristics distinguish EIM?**

*In my opinion, it's the high-touch, high-quality people.*

Now, let's look forward a few years, maybe as many as five:

### **What might EIM be like in 2014?**

*While I think the foundation of what has made EIM great will not change, I can envision EIM having additional products based on Member needs. With the losses in the financial markets, additional claims experience, and changes to other industry mutuals' financial profiles, we will need to look at*

our attachment points, etc., to be sure we continue to maintain a sound financial profile so we can respond to the needs of our Members. I know the Strategic Planning Committee is keenly focused on this.

**What are the Member Companies' biggest challenges in this five-year time frame?**

The Members' biggest challenge will continue to be planning for the long-term in an environment that is so uncertain. For example, will we have cap-and-trade for carbon or will we have a carbon tax? Both have implications for cost recovery. Is nuclear a production option going forward? If not, how will we satisfy the electric power needs of our customers? How will energy-efficiency efforts change all of the above?

When you joined the Board, you were living in Oklahoma City, working for OGE Energy Corp. You had gone there in 1994, having been at Aquila Gas Pipeline Corporation, a unit of UtiliCorp United, working in San Antonio. Now, you are with Pinnacle West in Phoenix. So, let's talk a little bit about these companies and the places in which you have worked:



**What have been your primary challenges in your various jobs?**

Of course, each had unique challenges. However, the primary focus of the job is always one of leadership. Ensuring the organization has the proper skill sets to be as productive as possible and training people for the future and ensuring succession is in place. Additionally, liquidity has become such a focus since the financial meltdown. One must allocate appropriate time to ensure the board that the company can operate even in the most challenging times. Also, there is a huge regulatory challenge and all that it brings to the long-term financial plan. At OGE, it was the volatility of the midstream business that was the bigger threat to the long-term plan.

**How are the cities different and/or alike?**

The cities are very different. Of course, the weather in Phoenix is always great so that's a plus. There is always so much to do—hiking, golfing, biking. Phoenix is bigger and has grown so much that most people are transplants which makes assim-

ilation into the city much easier.

**Each must be a far cry from Bennington, NE, your hometown?**

Yes. Actually, I still have a couple of friends there, but most of us have gone our separate ways.

In the December 1998 issue of *Members Report*, the story of your Board appointment concluded, "Jim and his wife, Eileen, have three children: Sara, 16; a high school sophomore; Megan, 8, a third grader; and Daniel, 6, a first grader."

**Update us on the family. Who is doing what and where?**

I will start by saying I am very proud of my family. They have sacrificed much, in terms of my time, for all of the travel and other commitments I have had to fulfill. Sara is now 26, married, and living in Kansas City. We have two grandsons—Mason, 4, and Lincoln, 5 months. Megan, now 19, has just concluded her freshman year at the University of Nebraska where she is a pre-dental major. Danny, 17, is a junior at Brophy College Prep in Phoenix and has demonstrated some

swimming prowess.

Finally, as we close this interview:

**What would you like to see EIM do or achieve on your watch?**

I think we must demonstrate a continual ability to adapt to the changes of our Members and marketplace. We will continue to focus on maintaining the required level of surplus and a strong financial profile so we can offer the products and capacity that our Members have come to expect.

**Is there anything, which we haven't discussed, that you would like to share?**

Just know the Board is working only for its Members. We hear you—the Members.

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## Five Member Companies Name New Representatives

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**F**ive EIM Members—E.ON U.S. LLC; City Public Service of San Antonio, Texas; Deseret Generation and Transmission Cooperative; OGE Energy Corporation; and Tennessee Valley Authority—have each named a new EIM representative.

### E.ON U.S.

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*Dan Arbough*

**Daniel K. Arbough**, treasurer, E.ON U.S., Louisville, KY, is this Member's recently appointed EIM

Risk Manager Representative.

A native of Denver, Dan received in 1983 his bachelor's degree in business administration from the University of Denver. In 1998, he received an MBA with a focus on finance, also from the University of Denver.

Dan began his career in November 1983 at Boise Cascade Office Products, Denver, where he worked until September 1987. In June 1988, he moved into corporate finance at Conoco, Inc., in Houston. He was there until May 1994. He joined his current employer in Louisville in June 1994.

Dan is board president of the Louisville Central Community Center, and he is a member of the Association of Financial Professionals. He and his wife Melinda are the parents of two children.

### CPS Energy

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**Jimmy E. Garcia**, manager, insurance services, City Public Service of San Antonio, which does business as CPS Energy, is the Member's new EIM Risk Manager Representative.

Born in Floresville, TX, Jimmy graduated in 1980 with a bachelor's in marketing and finance from the University of Texas at San Antonio. After graduation, he joined Aetna Life & Casualty in San Antonio and worked there until 1988, when he moved to Clayburne Insurance Agency as operations manager, still in San Antonio. He joined CPS Energy in 1990 as insurance administrator and has since advanced to his current position.

From 1970 to 1976, Jimmy served in the United States Marine Corps. He attained the rank of sergeant.

Jimmy's professional memberships include Texas Life, Accident, Health, & Hospital Service Insurance Guaranty Association, where he has served on the board as well as audit and personnel committees. He also served as a board member of the Surplus Lines Stamping Office of Texas. He is a member of RIMS and its South Texas Chapter.

Jimmy and his wife Elizabeth are the parents of five children.

### Deseret Power

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*Bob Dalley*

**Robert R. (Bob) Dalley**, vice president and chief financial officer, Deseret Generation and Transmission Cooperative dba Deseret Power Electric Cooperative, South Jordan, UT, is the EIM Member's new Member Representative.

A native of Montana, Bob graduated in 1978 from Brigham Young University, Provo, UT, with a bachelor's degree in accounting. In May 1978, he joined PacifiCorp, Portland, OR, and Salt Lake City, UT. When he left in March 2001, Bob was controller. His second employer was Beneficial Life Insurance Company, Salt Lake City, where he was senior vice president and CFO until his leaving in April 2008. That is when he joined Deseret Power.

Bob is a member of the AICPA and is volunteer vice president and treasurer of the Great Salt Lake Council, Boy Scouts of America.

Bob and his wife Sharon have five children and eight grandchildren.



## OGE Energy



*Jerry Peace*

**Jerry A. Peace**, chief risk officer, OGE Energy, Oklahoma City, is the recently named EIM Member

Representative.

Born in Bartlesville, OK, Jerry graduated in 1985 from Oklahoma Baptist University, Shawnee, OK, with a bachelor's in accounting. In 1990, he earned his JD degree from Oklahoma City University College of Law.

From 1994 to 2001, Jerry worked in several management positions at Enogex, Oklahoma City. He joined OGE Energy in 2002 in his present position.

Jerry and his wife Shelley are the parents of two children.

## TVA



*John Hoskins*

**John M. Hoskins**, senior vice president and treasurer, TVA, Knoxville, is TVA's recently named

EIM Member Representative.

A native of Knoxville, John graduated in 1977 from Tennessee Technological University, Cookeville. In 1987, he completed his MBA, with a focus on finance, at the University of Tennessee, Chattanooga.

John has worked for TVA's treasury office since 1989. He began as program manager, finance; then became senior manager, finance; and was named vice president and treasurer in 1995. He has been in his present position since 2000.

A member of AICPA, John is on the board of trustees of Tennessee Tech's College of Business.

John and his wife Karen have two grown children and a daughter-in-law.

## IAC Roundup

### 2009 Customer Satisfaction Survey To Be Conducted Electronically

*From Debbie Gaffney, IAC Chairman*

During the summer of each year, the IAC conducts a survey of the EIM Risk Manager Representatives to determine Member satisfaction with EIM. This year we will be conducting the survey electronically. Please take a few minutes to complete it as EIM truly values its Members' feedback.

■

EIM's Annual Risk Managers Information meeting had a total of 312 attendees. The meeting was well received with 100 percent of the respondents commenting that the meeting exceeded or met their expectations.

■

Mark your calendars for the third annual Energy School—Sunday, October 25, through Friday, October 30. This insurance and risk management program is tailored to the energy industry risk management professional and is sponsored by EIM, NEIL, and OIL and hosted by St. Joseph's University in Philadelphia. IAC members, Bob Semet, Exelon, and Debbie Gaffney, Southern Company, participate on the Energy School steering committee, assisting with the planning and preparation of the program.

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Julie Jackson is chairing the cyber liability task force which is analyzing changes in this area of risk and insurance capacity needs. Others participating on this task force are Bob Dillard, Gary Little, John Luley, and Randy Martin.

■

Randy Martin is heading up a task force with John Luley and Jack Hadsall on carbon capture and sequestration to evaluate the risk and what EIM's role should be on this risk in the future.

■

The next meeting of the IAC will be on June 9 in Tampa.

## EIM'S Balance Sheet at March 31, 2009

(Unaudited and Expressed in Thousands of U.S. Dollars)

	3/31/09	3/31/08
<b>ASSETS</b>		
Investments	\$ 917,763	\$ 1,126,430
Cash and cash equivalents	13,371	33,143
Accrued interest	6,486	6,663
Income taxes recoverable	12,298	1,498
Deferred income tax	51,840	0
Deferred acquisition costs	832	1,050
Reinsurance paid in advance	44,479	39,865
Insurance balances receivable	2,063	3,036
Prepaid expenses	164	145
Reinsurance recoverable on unpaid losses	447,814	396,842
Investment in subsidiary	1,702	1,861
Property and equipment	460	679
Total Assets	<u>\$ 1,499,272</u>	<u>\$ 1,611,212</u>
<b>LIABILITIES</b>		
Reserve for losses and LAEs	\$ 972,027	\$ 831,280
Unearned premiums	74,324	78,263
Reinsurance balances payable	5,017	5,302
Deferred income tax	0	46,802
Policyholders' distribution payable	0	12,500
Accrued expenses	2,525	2,513
Total Liabilities	<u>\$ 1,053,893</u>	<u>\$ 976,660</u>
<b>POLICYHOLDERS' SURPLUS</b>		
Retained earnings	\$ 475,350	\$ 511,572
Accumulated other comprehensive (loss)/income	(29,971)	122,980
Total Policyholders' Surplus	<u>445,379</u>	<u>634,552</u>
Total Liabilities and Policyholders' Surplus	<u>\$ 1,499,272</u>	<u>\$ 1,611,212</u>

## Statement of Operations for the Period

January 1, 2009 to March 31, 2009

(Unaudited and Expressed in Thousands of U.S. Dollars)

	3/31/09	3/31/08
<b>UNDERWRITING INCOME</b>		
Gross premiums earned	\$ 44,483	\$ 45,679
Reinsurance premium assumed	907	638
Reinsurance premium ceded	(21,251)	(20,617)
Net Premiums Earned	<u>24,139</u>	<u>25,700</u>
<b>UNDERWRITING EXPENSES</b>		
Losses and LAE incurred - direct	28,875	3,272
Losses and LAE incurred - assumed	524	1,981
Reinsurance recoverable	(7,250)	3,150
Net losses and LAE	<u>22,149</u>	<u>8,403</u>
Administrative expenses	3,770	3,521
Total Benefits and Expenses	<u>\$ 25,919</u>	<u>\$ 11,924</u>
(Loss)/income from underwriting	(1,780)	13,776
Net investment income	<u>6,473</u>	<u>11,611</u>
Income before Policyholders' Distribution	4,693	25,387
Less: Policyholders' Distribution	<u>0</u>	<u>0</u>
Income before income taxes	4,693	25,387
Less: Income taxes	85	7,293
Net Income	<u>\$ 4,608</u>	<u>\$ 18,094</u>

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## Two EIM Directors, Marsh and Mitchell, Announce Retirements

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*Rich Marsh*



*Barry Mitchell*

**T**wo EIM Directors—Rich Marsh, senior vice president and chief financial officer, FirstEnergy, Akron, and Barry Mitchell, president and chief operating officer, ComEd, Chicago—have announced their retirements.

Rich will retire July 1. Barry retired May 8. Each of these directors will continue as members of EIM’s Board of Directors.

### Rich Marsh

Rich joined FirstEnergy in 1980 and has served in a number of positions in the financial areas. He was named treasurer in 1991, vice president of finance in 1997, vice president and CFO in 1998, and to his current position in 2001. He is responsible for accounting, auditing, benefit investment, investor relations, enterprise risk management, and treasury.

Rich has a bachelor’s degree from Kent State University and two master’s degrees from The University of Akron. He is a Chartered Financial Analyst and a member of the Cleveland Society of Security Analysts and holds a Certificate in Management Accounting.

In addition to serving on the EIM Board, Rich is a member representative of Nuclear Electric Insurance Limited. He is chairman of the board of directors of Summa Health System and a member of the Advancement Council of the College of Business Administration at The University of Akron.

FirstEnergy is the parent firm of seven electric utility operating companies that comprise the United States’ fifth largest investor-owned electric system, based on 4.5 million customers served within a 36,000-square-mile area of Ohio, Pennsylvania, and New Jersey; and its generation subsidiaries control more than 14,000 megawatts of capacity.

### Barry Mitchell

As president and COO of ComEd, Barry was responsible for overseeing the day-to-day operations of the company, which delivers electric service to approximately 3.8 million customers throughout northern Illinois. ComEd has 5,900 employees and revenues of approximately \$6.1 billion.

Barry joined PECO Energy Company, Philadelphia, as an analyst in the finance department in 1971. He progressed through various positions in finance and corporate planning until he was named vice president and treasurer in December 1994.

In October 2000, Exelon Corporation was created as a result of a merger between PECO and Unicom Corporation, Chicago. Barry was named vice president and treasurer of Exelon. In April 2002, Barry was promoted to senior vice president and treasurer; in September 2003, he also was named business unit chief financial officer; and in March 2005, he was named chief financial officer. In November 2005, Barry was appointed president of ComEd; and in September 2007, he also was named chief operating officer.

Barry graduated from Lehigh University, Bethlehem, PA, in 1970 with a bachelor’s degree in business administration and then received an MBA in finance in 1971. He also is a 1987 graduate of the Executive Development Program at the Darden School of the University of Virginia.

Barry’s industry activities also have included: chairman, Illinois Energy Association, and advisory board, Factory Mutual Insurance Company. His civic activities have been: executive committee, Juvenile Diabetes Research Foundation (Illinois chapter); board member, Merit School of Music; the Chicago Urban League; and the Chicagoland Chamber of Commerce.



Energy Insurance Mutual  
Bayport Plaza, Suite 550  
3000 Bayport Drive  
Tampa, FL 33607-8418

## Ed Holland, Lawyer, Came to Southern Via Savannah Electric and Gulf Power

G. Edison Holland, Jr., the newly elected EIM director who goes by the name of Ed, is Southern Company's chief compliance officer as well as EVP, general counsel, and corporate secretary.

Southern Company, one of EIM's 17 founding Members, has 4.4 million customers in four southeastern states and more than 42,000 megawatts of generating capacity. There are more than 500,000 stockholders and about 26,000 employees. Southern Company is headquartered in downtown Atlanta.

Prior to assuming his current position in May 2001, Ed was president and chief executive officer of Savannah Electric from July 1997-April 2001. Savannah Electric was merged into Georgia Power in July 2007.

Ed joined Southern Company subsidiary Gulf Power, Pensacola, FL, in 1992 as vice president and corporate counsel and served concurrently as Southern Company system compliance officer until 1995. He then was named Gulf Power's vice president of power generation and transmission, a position he held along with corporate counsel until 1997.

Prior to joining Gulf Power, Ed was a partner in the law firm of Beggs & Lane, Pensacola, where he served as general counsel to Gulf Power.

A native of Rutherfordton, NC, Ed received a bachelor's degree in political science from Auburn University, Auburn, AL, and earned a Juris Doctor from the University of Virginia School of Law.

In addition to EIM, Ed is a member of the boards of directors of First Chatham Bank Financial Corporation, Georgia Applesseed, the Georgia Aquarium, and the Southern Golf Association.

He is the immediate past chair of the Edison Electric Institute's Legal Committee, is a director of the Institute for Legal Reform of the U.S. Chamber of Commerce, and is a member of the Electricity Committee of the Public Utility,

Communications, and Transportation Law Section of the American Bar Association.

Ed is married to the former Elizabeth (Betsy) Bird of Marietta, GA. They have two daughters, Laura and Caroline. Laura is an attorney in Washington, DC. Caroline is in graduate school in Charlotte, NC. Ed's hobbies include golf, boating, and hunting.



## EIS' Rob Schmid Elected Director of SCCIA

**R**ob Schmid, EIM vice president-subsidary operations and chief operating officer of Energy Insurance Services, Greenville, SC, was elected late last year to the seven-person board of directors of the South Carolina Captive Insurance Association.

The SCCIA promotes the formation and growth of captive insurance programs in South Carolina. In early February, the state's insurance department hosted a special event to celebrate the licensure of South Carolina's 200<sup>th</sup> captive insurance company. The state became a domicile for captives in 2000.

## MEMBERS REPORT

EIM's *Members Report* is published up to four times per year. The Company's annual report is published in May. Comments, questions, and suggested subjects from Members are sincerely welcomed.

Please send information to the EIM office in Tampa.

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