



Members Report

PHI's Joseph Rigby Joins EIM Board; Exelon's Darryl Bradford Slated for Election

Joseph M. Rigby, who is chairman of the board, president, and chief executive officer of Pepco Holdings, Inc., or PHI, Washington, D.C., was appointed to Energy Insurance Mutual's Board of Directors at its November meeting. He will stand for election to a three-year term at the Company's Annual General Meeting in May.



Joseph Rigby

Also, at the 2011 Annual General Meeting, Darryl M. Bradford, senior vice president and general counsel, Exelon Corporation, Chicago, will be a nominee for a three-year Board term.

Darryl is slated for appointment to the EIM Board at its January meeting.



Darryl Bradford

Three sitting directors—Richard H. Marsh, FirstEnergy, retired; J. Barry Mitchell, ComEd, retired; and Michael W. O'Donnell, NiSource, retired—will leave the Board of Directors in May upon completion of their elected terms. They are not eligible for reelection.

Joseph Rigby

Joseph Rigby joined PHI subsidiary Atlantic City Electric in 1979 and advanced through a number of management positions. His responsibilities there included accounting, financial services, treasury operations, business transformation, human resources, and the Atlantic City Electric/Delmarva Power merger transition team. Following the merger that formed Conectiv, he was vice president/general manager of gas delivery,

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EIM To Celebrate 25th Anniversary at RMIM Next Month in Orlando

Next month's Risk Managers Information Meeting in Orlando—February 20-22—will celebrate Energy Insurance Mutual's 25th Anniversary from beginning to end.

The deadline for registering for the 25th Annual RMIM is January 14, 2011.

On Saturday night, February 19, the EIM Directors Dinner, honoring both past and present directors and their spouses or guests, will take place in Seguro 4 of the JW Marriott Orlando, Grande Lakes. Twenty-nine men and women, in addition to the 15 current members of the Board of Directors, have served as EIM directors since its formation in June 1986.

The 2011 theme for the meeting, "The Future's So Bright," is taken from a one-hit wonder of 1986, a song called "The Future's So Bright, I Gotta Wear Shades."

"We have an exciting new three-year strategic plan and a business plan for 2011 that goes to our Board this month—plans that will guide the

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then vice president/general manager of electric delivery. He was elected president of Conectiv Power Delivery in 2002. From May 2004 to September 2007, he served as senior vice president and chief financial officer of PHI.

From September 2007 to March 2008, Joseph served as executive vice president and chief operating officer. He was responsible for the day-to-day operations of Pepco, Delmarva Power, and Atlantic City Electric, along with information technology and corporate communications. In March 2008, Joe was elected president and chief operating officer, adding responsibility for the competitive energy businesses (Conectiv Energy and Pepco Energy Services). He was elected president and chief executive officer effective March 1, 2009. He was elected chairman of the board on May 15, 2009.

Joseph earned a Bachelor of Science degree in accounting from Rutgers University and an MBA from Monmouth University. He is also a licensed Certified Public Accountant in the state of New Jersey.

Joseph serves on the boards of the U.S. Chamber of Commerce, the Edison Electric Institute, the Federal City Council, the Association of Edison Illuminating Companies, the Greater Washington Board of Trade, the Greater Washington Initiative, and the Greater Washington Sports Alliance. He is chair of the finance committee of the United Way of the National Capital Area. Also, he is a member of the Rutgers-Camden School of Business Executive Advisory Board and previously served on the Delaware Governor's Energy Task Force and as Conectiv's United Way Corporate Chairman. He is a member of the New Jersey Society of CPAs and the American Institute of CPAs.

PHI is one of the largest energy delivery companies in the Mid-Atlantic region, serving about 1.9 million customers in Delaware, the District of Columbia, Maryland, and New Jersey. Subsidiaries Pepco, Delmarva Power, and Atlantic City Electric provide regulated electricity service; Delmarva Power also provides natural gas service. PHI also provides retail energy savings and renewable services through Pepco Energy Services.

Darryl Bradford

Darryl Bradford is the primary legal advisor to

Exelon's senior management and oversees the company's legal and corporate governance departments. He was named senior vice president and general counsel in July of this past year.

Prior to his current appointment, Darryl served as senior vice president, energy and regulatory policy and general counsel for Commonwealth Edison, an Exelon subsidiary known as ComEd. Before joining ComEd, Darryl was a senior partner in the Chicago firm of Jenner & Block. There, he served on the firm's management committee as co-chair of the firm's litigation committee and co-chair of the telecommunications practice, advising clients on issues associated with the transition to a competitive marketplace. He practiced at Jenner & Block for more than 20 years, arguing numerous cases before the United States Courts of Appeals and state appellate courts.

Before joining Jenner & Block, Darryl clerked for the Honorable Bernard M. Decker of the U.S. District Court for the Northern District of Illinois. He is admitted to practice law in the state of Illinois, the U.S. Supreme Court, the U.S. Courts of Appeals for the First, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, and D.C. circuits as well as district courts throughout the country.

Darryl graduated from the University of Chicago Law School in 1980 where he served on the Law Review. He received his bachelor's degree, Phi Beta Kappa, from Grinnell College, Grinnell, IA, in 1977.

Darryl is a member of the board of directors of the Chicago Legal Clinic and the Kohl's Children Museum.

Exelon Corporation, a founding Member of EIM, is one of the nation's largest electric utilities with approximately \$17 billion in annual revenues. Exelon Generation has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon is the largest owner/operator of nuclear plants in the United States. The company distributes electricity to approximately 5.4 million customers in northern Illinois and Pennsylvania and natural gas to approximately 485,000 customers in the Philadelphia area. Exelon is headquartered in Chicago.

WSJ Interview with EIM's Newest Director, Joseph Rigby

Just a few days after Joseph Rigby joined the EIM Board of Directors, the Wall Street Transcript published its Oil and Gas Production and Distribution Report. The following brief excerpt from the report are printed here as a further introduction to the Company's newest director.

Your Q2 earnings were significantly higher than for the same period in 2009. Would you summarize the factors that contributed to that increase - specifically how much was related to higher rates and how much was related to new customers?

Mr. Rigby: We certainly had a good second quarter in 2010. There were a number of key drivers to our performance. To recap, we saw the impact of the second cycle of our distribution rate case outcomes. We've finalized several rate cases throughout our jurisdictions, which contributed \$.02 of earnings in the quarter. In addition to this, we've continued to expand our transmission rate base and we had higher transmission revenues quarter-over-quarter, and without a doubt the weather helped. Also contributing to earnings was a 1% growth in our customer base. We've also maintained a strong focus on cost controls. Let me comment a little further on growth in the number of customers. In a decoupled rate structure, you achieve growth through an increase in the number of customers versus an increase in volumetric usage.

You decided to sell the Conectiv power generation business to Calpine (CPN). What was your strategy behind selling that segment of the business?

Mr. Rigby: This was not a new issue for us. From the time that we completed the merger in 2002, when Pepco (POM) acquired Conectiv Energy, this has been an issue that has been debated at both the senior level and on the board. Conectiv Energy is clearly a great set of generation assets, but the nature of that fleet - mid-merit, gas-fired units - invites a level of earnings volatility. Power price movements or spikes in weather patterns can be advantageous to these assets. We experienced several volatile earnings cycles, and we concluded that these assets did not align to our risk profile or desire for more earnings stability. In addition, we have tremendous growth opportunities in our utility business, so we thought it was the right time to step back and look at the business mix. We didn't have a bullish view of power prices going forward; we didn't have any investments that were planned for the Conectiv Energy business. Given the fact that we have to make capital trade-off decisions, we felt it was time to look into the kind of value that we might be able to get from Conectiv Energy. We went through a very deliberate process, and we were able to obtain the fair value that we negotiated with Calpine. It was simply time to make the move. As I said, Conectiv Energy is a great set of assets. It was the right business decision for us to make, and I think the market has certainly indicated that they agreed with us.

THE WALL STREET JOURNAL

2010 Survey Results Lead to Four Initiatives in 2011 Business Plan

By Jill Dominguez

The 2010 Customer Satisfaction Survey again delivered strong numbers—but also revealed four opportunities for improvement in the areas of underwriting, claims, distributions and technology that EIM will address in its 2011 Business Plan.

Each year, EIM surveys Members regarding a broad array of topics ranging from underwriting, claims, and operating performance to communication, responsiveness, and value-added. As in years past, EIM received high marks in overall Member satisfaction. More than 96 percent of the Survey's 108 respondents "Strongly Agree" or "Agree" that EIM meets expectations in breadth of coverage, level of overall service, and value for money.

This year's survey also solicited commentary in addition to ratings. This commentary highlighted the four areas noted above—underwriting, claims, distributions, and technology—and provided the foundation for the 2011 initiatives.



Jill Dominguez

Underwriting

Numerous Member responses focused on a desire for increased underwriting transparency—better understanding of EIM's underwriting methodology, a clearer articulation of underwriting "hot buttons," and continued Member-specific underwriting assessments. In response to these observations, EIM has incorporated specific action items into its 2011 goals and objectives designed to address these concerns.

First, EIM is updating and will republish its

underwriting guidelines with an eye toward providing a more detailed overview of the key underpinnings of the underwriting process. In addition to this update, EIM will communicate to Member Companies any new or more detailed information requirements associated with new or renewal submissions and will highlight specific areas of concern that may impact underwriting assessment. EIM is very sensitive to the fact that many markets have requested more detailed information as part of the underwriting process and intends to work closely with underlying carriers to ensure an efficient and uniform data submission process. Finally, EIM is committed to spending more time with Member Companies and, where feasible, going on-site to see operations, meet risk managers, and better understand Member Company operations.

EIM firmly believes that the above steps will create an enhanced underwriting process that will better engage Members and underwriting staff at the company level to ensure that the underwriting process is more transparent, more efficient, and ultimately more responsive to the Membership.

Claims

A theme that resonated in survey responses was a perception that claims handling has become more "commercial" and less "mutual." While EIM has had, and will always have, claims disagreements with Members, the Company shares the view that claims disputes can be handled in a mutually respectful, constructive fashion that recognizes the shared interests of EIM and its owners. EIM is committed to resolving disputed claims in a timely and equitable fashion. In addition, EIM recognizes that one of the great advantages of the mutual structure is that we can, and should, engage in a dialogue concerning pending claims as soon as they are reported. With regard to claims that may have coverage issues, EIM is committed to discussing potential claim issues at the outset, and if coverage issues remain, advising Members in advance of issuing detailed reserva-

tion of rights or denial letters.

Incorporated into EIM 2011 goals and objectives is ensuring that claims, particularly disputed or complex claims, are handled in a manner that fairly balances the overarching interests of the Membership-at-large against the specific facts and cover terms associated with the loss. The process need not be adversarial, even when there is disagreement. EIM is committed to distinguishing itself from commercial insurers through respectful communication, ongoing dialogue, and a firm commitment to equitable and expeditious handling of claims.

Distributions

In response to a survey question regarding Membership Distributions, respondents made it clear that distributions at the expense of increased premiums makes little or no sense. However, a number of respondents expressed an interest in better understanding EIM's distribution philosophy and urged EIM to develop and publish a formal policy on when and under what circumstances Members could expect to receive a distribution. EIM agrees with this observation and is currently developing and will present to the Board in January a distribution philosophy that will be communicated to Members at or prior to the February 2011 Risk Managers Information Meeting.

While still in its draft stages, the Distribution Philosophy will consider the need for certain threshold surplus levels against the clear expectation of Members that ownership interest in EIM should provide a reasonable return. Consistent with EIM's commitment to long-term sustainability, the Distribution Philosophy will balance required strength and stability with distribution of equity to Membership.

Technology

When asked about technology, Members' responses suggested that EIM is adequate, but certainly not cutting-edge on technology. These observations encompassed areas ranging from

EIM's website, to its submission process, to its claims handling procedures.

As part of its 2011 goals and objectives, EIM will be updating its website to provide an updated look and feel, as well as offer more timely and relevant content that provides value to Members. In addition, we are committed to developing and implementing an on-line submission capability that will enable Members to streamline the renewal process. Further, EIM is investigating options

As in years past, EIM received high marks in overall Member satisfaction. More than 96 percent of the Survey's 108 respondents "Strongly Agree" or "Agree" that EIM meets expectations in breadth of coverage, level of overall service, and value for money.

to provide digital claim administration capabilities that would enable Member Companies to electronically submit, update, and finalize claims. Finally, EIM is working to develop individual Member Company portals within the EIM website that would enable Members to review and compile company policy, premium, claims, and distribution history. The ultimate goal is to capitalize on new technology and use this technology to make the EIM relationship with Members more efficient, more productive, and, ultimately, more valuable.

Thanks goes to the Insurance Advisory Committee for overseeing the Customer Satisfaction Survey and the substantial response received from Members. Thanks also to those Member Companies that provided a thoughtful and candid assessment of EIM. These thoughts and assessments provide the foundation for EIM's short- and long-term goals. EIM looks forward to making progress on the four areas outlined above and to continuing the collective dialogue for ongoing improvement.

Eight Members Name New EIM Representatives

Eight Member Companies—City of Richmond, Department of Public Utilities; Enbridge Inc.; ITC Holdings Corp; Midwest Independent Transmission System Operator; Modesto Irrigation District; New York Independent System Operator; NV Energy; and Pepco Holdings, Inc.—have each named a new EIM representative.

City of Richmond

Keith D. Barron, chief, risk management, City of Richmond, Richmond, VA, is now EIM Risk Manager Representative.



Keith Barron

Keith was born in Highland, IL, and raised in Geneva and Elmira, NY. Keith received in 1982 a bachelor's in accounting from Elmira College, Elmira; and in 1984, a master's, also in accounting, from Binghamton University, Binghamton, NY, a unit of the State University of New York. From June 1977 to June 1980, Keith served in the U.S. Army.

Keith began his risk management career in February 1984 with Geisinger System Services, a multi-corporate health care organization in Danville, PA. In March 1991, he became risk manager, Broome County, NY. From August 1992 to February 2000, he was risk manager, State of Delaware. In March 2000, he worked in risk management for the City of Virginia Beach, VA. He was there until October 2008. He moved to the City of Richmond in November 2008.

Keith is a past treasurer and president of the Central Penn Chapter, RIMS. He is currently a director of the Virginia Chapter of RIMS.

Enbridge

Selina Gail Lim, manager, insurance risk management, Enbridge, Calgary, Alberta, Canada, is this Member's new EIM Risk Manager Representative.



Selina Lim

A native of Calgary, Selina received her business diploma in 1999 from the University of Calgary. Selina began her career in 1984 with Wawanesa Mutual, a Canadian P&C insurance company, where she became a senior commercial underwriter. In 1999, she joined Marsh Canada Ltd., also in Calgary, where she worked as a risk management broker from September 1999 to June 2003. That is when she moved to Enbridge as senior advisor in the company's corporate insurance risk management department. She has been in her present position since March 2010.

Selina is a Fellow Chartered Insurance Professional (FCIP) of the Insurance Institute of Canada and also has her Canadian Risk Management (CRM) designation. She is a past director and current member of the Southern Alberta Chapter of RIMS.

ITC

Donovan E. Greening, director of risk management and insurance, ITC Holdings, Novi, MI, is this Member's recently named EIM Risk Manager Representative.



Donovan Greening

A cum laude graduate of Williams Tyndale College, Farmington Hills, MI, with a bachelor's degree in business, he also has a law degree from William Howard Taft University, Santa Ana, CA. Donovan's postgraduate studies also include the Executive Management Program at Harvard University, Boston, and the Center for Creative Leadership in North Carolina.

Donovan's utility career began in electrical system operations with Detroit Edison, where he worked 23 years. He joined ITC in 2004. Over the past 30 years, he has worked in compliance, regulatory policy, union relations, contract negotiations, dispute resolution, nuclear and fossil operations, project management, and emergency management.

Donovan is certified as a corporate compliance and ethics professional. In the State of Michigan, he is certified as a general civil mediator and serves as board president for the Wayne Mediation Center. He also serves on the Midwest ISO dispute resolution committee which covers 15 Midwestern states.

Midwest ISO

Ross D. Baker, manager, credit and risk management, Midwest ISO, Carmel, IN, is recently named EIM Risk Manager Representative.

A native of Indianapolis, Ross received his bachelor's degree in finance from the University of Mississippi, Oxford, MS, in 1997. He earned a master's in finance in 2008 from Butler University, Indianapolis.

Ross began his career at Wells Fargo Financial, working there from 1997 to 2001. He was branch manager. From 2001 to 2006, he worked at ACES Power Marketing and was lead credit analyst when he left to join the Midwest ISO.

A member of RIMS, Ross serves on the membership committee of the International Energy Credit Association.

Modesto Irrigation District

Kimberlin C. Griffin, risk and property analyst, Modesto Irrigation District, Modest, CA, is her company's new EIM Risk Manager Representative.

A native of Bakersfield, CA, Kim went to work for Modesto on April 1, 1981, making her a 30-year veteran of the company. Before her move to risk and property analyst, she had worked as an energy management representative, meter reader, customer biller, and customer service representative.



Kim Griffin

NYISO

Wayne Michael Bailey, vice president, enterprise services and chief compliance officer, NYISO, Rensselaer, NY, is this Member's new Risk Manager Representative.

Wayne, who is a native of Troy, NY, graduated in 1983 from Georgetown University School of Foreign Services, Washington, D.C., with a bachelor's in foreign service. In 1988, he received a master's in strategic intelligence from the Defense Intelligence College, also in Washington.

From August 1983 to April 1991, he served in the U.S. Army, working in military intelligence. He left the service with the rank of captain.

From May 1991 to December 1992, Wayne was a senior analyst at SAIC (Science Applications International Corporation), a Fortune 500 company based in McLean, VA. Then, from January 1993 to May 2000, he was chief project manager and system engineering architect at Litton TASC, Annapolis Junction, MD. He has been at NYISO since June 2000 where he was initially manager, strategic planning; then director, compliance and risk enterprise management; before being selected vice president, enterprise services.



Wayne Bailey

NV Energy

John J. Vinski, director, corporate insurance and ERM, NV Energy, Las Vegas, NV, is the company's new EIM Risk Manager Representative.

A native of Pittsburgh, John received in 1989 a bachelor's degree in business administration, with a major in accounting, from Bethany College, Bethany, WV, and is a Certified Public Accountant.

John began his career at Deloitte & Touche, Las Vegas, as a senior audit and tax consultant. He worked there from 1989 to 1993. In 1993, John joined predecessor companies of NV Energy, which were Nevada Power Company and Sierra Pacific Resources. The two companies merged in 1999 and



John Vinski

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began doing business in 2008 as NV Energy. John has been in his present position since May 2010.

John was 2009 chairman and 2008 vice chairman of the North American Power Credit Organization. Also, he has served since 2007 as treasurer of NV Energy Employee Political Action Committee.

PHI



Kevin McGowan

Kevin M. McGowan, vice president and treasurer, Pepco Holdings, or PHI, Washington, D.C., is the company’s new EIM Member Representative.

A native of Utah, Kevin received in 1984 a bachelor’s degree in business administration from the University of Texas at San Antonio; a master’s in business in 1991 from the University of Chicago.

Kevin joined PHI in 2004 as vice president, financial planning and budgeting. He was promoted to his present position in 2009. Before PHI, Kevin worked from 1998 to 2004 for Potomac Capital Investment Corporation, initially as vice president and treasurer. He was senior vice president and chief financial officer when he left to join PHI. Kevin was initially employed in 1992 for Duty Free International. When he left there in 1998, he was director of treasury, tax, and financial analysis.

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Company’s future, which I do think is so bright,” said CEO Scott Goodell. “And each plan has been shaped, in part, by what we learned from the 2010 Customer Satisfaction Survey.”

For RMIM attendees who have signed up for all-day tours, the tours will begin Sunday morning, February 20. There will be business sessions on Monday and Tuesday mornings. The first David L. Hadler Risk Management Award will be presented Monday morning.



JW Marriott Orlando, Grande Lakes

Three break-out sessions have been scheduled for Tuesday morning, and it will be possible for attendees to participate in two of the three sessions. The subjects are: Emerging Issues, EIS, and Enterprise Risk Management.

The Sunday night dinner and entertainment will be preceded by a reception for First-Time Attendees. The 25th Anniversary Dinner for all attendees and guests will be Monday night. A number of guests Monday night will receive EIMMy awards for various “distinctive achievements.”



This black-and-white portrait of David Hadler, EIM’s late president and CEO, now hangs in the EIM Boardroom at Bayport Plaza. On a shelf beneath the portrait will be a plaque listing the recipients of the David L. Hadler Risk Management Award.

IAC Establishes Pollution Task Force

The Insurance Advisory Committee created in December a Pollution Task Force that will review the pollution coverage now provided in the EIM policy.

The Company has asked the task force to study the coverage and provide feedback as to its applicability in today's environment—and to make recommendations, if any changes are warranted,

describing the extent of those changes and at what cost. In addition, the task force will evaluate pollution coverage alternatives.

Mark Webster, Duke Energy, is chairman of the task force. Working with him are Debbie Gaffney, Southern Company; Jack Hadsall, City Utilities of Springfield; and Randy Martin, AEP.

IAC, Member Brokers Exchange Information



From left, Jack Hadsall, City Utilities of Springfield, and Jon Ball, Marsh. Gary Little, Progress Energy, and Donna Melvin, McGriff.



From left, Pat Burke, Stephens; Jon Ball, Marsh; and Terri Barnes, Lockton. From left, Pat Burke, Stephens, and Jill Dominguez and Larry Baccari, EIM.

Following its December meeting, the Insurance Advisory Committee met with six invited Member Brokers for an information exchange. The agenda included such subjects as: the state of the market, product liability, aging infrastructure, offshore drilling, pollution regulation, and emerging risks, among others. The Member Brokers who participated were Jon Ball, Marsh; Terri Barnes, Lockton; Pat Burke, Stephens; Roger Fertelmes, Willis; Donna Melvin, McGriff; and David Robinson, Aon.

BALANCE SHEETS

(unaudited and expressed in thousands of U.S. dollars)

	9/30/10	12/31/09
ASSETS:		
Investments	\$ 1,125,540	\$ 1,071,587
Cash and cash equivalents	50,787	50,771
Reinsurance paid in advance	43,791	49,161
Insurance balances receivable	1,328	905
Reinsurance recoverable on unpaid losses and IBNR	370,744	356,218
Other assets	9,377	3,128
TOTAL ASSETS	\$ 1,601,567	\$ 1,531,770
LIABILITIES AND POLICYHOLDERS' SURPLUS		
LIABILITIES:		
Reserves for losses and loss adjustment expenses	\$ 817,575	\$ 725,778
Unearned premiums	85,274	102,735
Reinsurance balances payable	14,166	11,259
Deferred income tax	16,329	9,585
Accrued expenses	3,114	2,085
Income taxes payable	-	28,539
TOTAL LIABILITIES	936,458	879,981
POLICYHOLDERS' SURPLUS:		
Members' account balance	573,421	568,449
Accumulated other comprehensive income, net	91,688	83,340
Total policyholders' surplus	665,109	651,789
TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS	\$ 1,601,567	\$ 1,531,770

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited and expressed in thousands of U.S. dollars)

	9/30/10	9/30/09
REVENUES		
Net premiums earned	\$ 68,400	\$ 71,311
Other underwriting income	1,821	1,897
Revenues from underwriting	70,221	73,208
Investment income	41,694	28,513
Total revenues	111,915	101,721
EXPENSES		
Net losses and loss adjustment expenses	97,938	15,861
Policy acquisition costs	1,473	1,631
Administrative expenses	9,407	7,366
Total expenses	108,818	24,858
Income before policyholders' distribution	3,097	76,863
Policyholders' distribution	-	-
Income before income taxes	3,097	76,863
Federal income tax (benefit) expense	(1,875)	23,145
NET INCOME	4,972	53,718
OTHER COMPREHENSIVE INCOME		
Change in unrealized gain/(loss) on securities, net	8,348	72,592
Comprehensive Income	\$ 13,320	\$ 126,310

At EIS

Opportunities Replace Obstacles

Robert Schmid reports that Energy Insurance Services, which celebrated last month its four-year anniversary of operating from South Carolina, is “now dealing with opportunities instead of obstacles.” Robert is EIS vice president and chief operating officer.

In other words, with the conclusion late last year of the IRS tax examination and a positive resolution of the tax issues surrounding the examination, EIS now is well positioned to provide risk management solutions to EIM Member Companies.

“Going forward,” Robert said, “I can see EIS experiencing significant premium growth as we demonstrate added value to EIM Members. Through the third quarter of 2010, EIS doubled the written premium over 2009. He enumerated three opportunities for growth:

1. Write new lines of business within existing cells;
2. Expand existing programs within mature cells; and
3. Initiate new cells.

For the first time, EIS received regulatory approval and issued TRIA coverage for an existing cell, and was able to get reinsurance in the London market on advantageous terms, according to Robert. Several other cells are now reviewing this program for possible inclusion.

An example of the second opportunity: “We consolidated a Member’s entire property book and reinsured it as a whole, thereby providing significant savings,” Robert said. “The cell has been utilized to place a portion of the risk, but this comprehensive approach provided the Member additional control, capacity, and cost-reduction features.”

One of EIS’ most recent examples of new coverage in a new cell relates to an EIM Member that needed significant additional capacity to insure a difficult peril that required access to the worldwide reinsurance markets. EIS issued coverage and entered into a reinsurance agreement for \$600-million limits on an excess basis.

EIS, which is EIM’s sole subsidiary, was originally incorporated in Bermuda in May 1992. It

operated as Energy Insurance (Bermuda) Ltd. Upon completing domestication requirements and moving onshore to South Carolina, EIB was renamed Energy Insurance Services, or EIS, effective Dec. 1, 2006. USA Risk Group of South Carolina is the captive manager for EIS in Greenville.

“To accommodate the continued growth we are experiencing, EIS and USA Risk will relocate into new offices in downtown Greenville early in 2011,” according to Robert.

“We are always pleased when EIM Members visit Greenville, and our new downtown offices will continue to be a convenient location for discussing and transacting business.”



Robert Schmid

SCANA Ready for Earl this Past September

“When Hurricane Earl came roaring up the East Coast in early September, aimed at the Carolinas and Virginia but eventually whacking our neighbors to the north, our parametric hurricane cover for transmission and distribution, using an EIS cell, looked more prudent than ever,” according to David Abstance, manager, corporate insurance, SCANA, Columbia, SC.

“With each passing year, we believe the market for this type coverage will continue to develop and future enhancements are possible,” David said. “Not only is our company pleased with the program, our PUC commissioners remain supportive in their belief that this is a proactive approach to protecting our customers from large losses that otherwise would result in substantial rate increases. And the uniqueness of our T&D program being based on a model for premium and losses has allowed underwriters to become more comfortable with providing this sort of coverage.”

David, who will be retiring in mid-2011 after more than 40 years with SCANA, also said, “Over all of these years, our purpose has been to insure perils at reasonable cost to benefit the company and its customers, and I believe this program fits that mold perfectly.”





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

Christine Freiherr Hired as EIM Accounting Manager

Christine M. Freiherr, CPA, who began her accounting career in Atlanta in October 2000 and has been working in Tampa since June 2002, joined the EIM staff October 25, 2010, as accounting manager.



Christine Freiherr

Christine, who reports to the Company’s controller and chief accounting officer, Tommy Bolton, is responsible for providing support to the finance department in matters related to accounting, financial reporting, corporate controls, budgeting, treasury, forecasting, financial analysis, business insurance risk management, and working capital management.

Immediately prior to joining EIM, Christine was vice president—financial reporting operations manager, Citigroup, Tampa. She joined Citigroup in September 2008. She was a senior associate at PriceWaterhouse Coopers, Tampa, from June 2002 until she moved to Citigroup. She began her accounting career at Arthur Andersen, Atlanta, in 2000 and worked there until her move to Tampa in May 2002.

A native of northern Virginia, Christine graduated from James Madison University, Harrisonburg, in 2000 with a bachelor’s in business administration. Her major was accounting; her minor, accounting information systems.

“I am excited about this career move to EIM,” Christine said, “because it gives me an opportunity to see how much my job day-in-and-day-out contributes directly to the success of the entire organization.”



EIM’s *Members Report* is published 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.

Energy Insurance Mutual
Bayport Plaza, Suite 550
3000 Bayport Drive, Tampa, FL 33607-8418
1-800-446-2270 ■ 813-287-2117
Fax: 813-874-2523
www.eimltd.com