



Members Report

President of Peoples Gas and North Shore Gas Appointed to EIM Board of Directors

Willard S. (Will) Evans, Jr., president, Peoples Gas and North Shore Gas, Chicago, was appointed to the EIM Board of Directors at the August meeting and will stand for election to a three-year term at the 2012 Annual General Meeting.



Will Evans

Will fills a seated vacated recently by Donald R. Chappel of The Williams Companies, Tulsa, who resigned from the EIM Board earlier in the year.

Will has been with the natural gas distribution companies for nearly 34 years, having begun his career as an engineering intern in 1974. He worked summers until joining full-time in 1977. He rose through the ranks and has held several positions in the gas operations division. He was appointed president of Peoples Gas and North Shore Gas in June 2008. Peo-

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Information Technology Bringing New Features to EIM Members

By year's end, EIM Risk Managers will be able to access their policy and claims history online, thanks to the excellent work of the Company's Information Technology team.

Formed in the first quarter of this year, the IT steering committee—Scott Goodell, Jill Dominguez, Tommy Bolton, Joan Bryant, Christine Freiherr, and India Diaz—already has revamped and launched a much-improved EIM website, one that is easier to navigate and highlights, among other subjects, the important role of the Company's Insurance Advisory Committee.

“These technological improvements—and many more over the next two years—are possible because of several infrastructure upgrades made during the first half of 2011. India Diaz, the Company's information systems manager, led that effort,” said Joan Bryant, the chair of the steering committee. The committee meets quarterly and includes, as appropriate, other business users.

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Direct Access

When 50 Isn't the “New 40”

By CEO Scott Goodell

When I reached the half-century mark, the most frequent comment I received was that “50 was the new 40.” While that didn't necessarily make me feel any younger, it did strike home that at 50 I was still able to do many of the things I enjoyed when I was 40. Actually, the advice I found most constructive was that, “At 49, you are an old, young guy. While at 50, you're a young, old guy.” Somehow I found that reassuring.

While 50 may be the new 40 for baby boomers, it does not necessarily translate to our energy infrastructure. Whether it is gas pipelines installed in the early 20th century, electric grids built in the 1950s, or oil pipelines set in river beds over the past 30 years, there is no denying that, when it comes to utilities infrastructure, “50 is 50.”

What does this mean for the industry and for EIM? First, we can see that age correlates with fre-

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Generally, all of the IT efforts are about improving productivity, lowering cost, and increasing overall efficiency within the four key areas identified in the EIM 2011-2013 Strategic Plan:

Membership:

- EIM introduced the new website interface in the first quarter of this year, improving site orientation



EIM's new homepage

includes a list of committee members, updates regarding the committee's meetings, and the annual IAC survey results.

- To improve the efficiency and effectiveness of the communication exchange between the Members and EIM personnel, a website "Portal" now being developed will give Members on-line access to their policy and claims history. In addition, there will be "members only" EIM publications. The new Portal will be accessible by year's end.

Financials:

- The Company completed a conversion project to an automated payroll system in the first quarter that provides improved compliance and reporting capabilities as well as reduces the amount of paper generated.
- In the second quarter, EIM adopted a new investment reporting application which significantly improved the timeliness and depth of the Company's investment analytics. This initiative further emphasizes that Enterprise Risk Management is a critical component of the day-to-day operations at EIM. The web-based reporting component provides advanced risk analytics in addition to standard yields and asset categories. In

addition, the new software assists in identifying, assessing, and quantifying risk inherent to the Company's investment portfolio.

Business Process:

- EIM is currently in the process of developing additional functionality for the front-end underwriting and claims administration system, which was originally released in 2005. These enhancements will focus on improving productivity within day-to-day operations as well as incorporating additional reporting and analytical capabilities, specifically in regards to various reinsurance programs and claims processing.

- With some assistance from the IT team, several departments within EIM have made considerable progress towards the Company's goal of reducing paper generation and storage. The finance department, with projects led by Christine Freiherr, has implemented an automated payroll system and a paperless monthly financial reporting package as well as electronically filing several supporting schedules and analytics previously printed and bound. Additionally, the Company has implemented several recycling strategies, has provided electronic delivery of the EIM newsletter, *Members Report*, and has established a new team to investigate additional opportunities to reduce the Company's paper-document footprint.

People:

- As part of the Company's on-going commitment to communication, EIM upgraded and increased use of mobile devices in the first quarter and is currently evaluating additional remote telecommunication solutions.

- As previously mentioned, EIM underwent a significant infrastructure upgrade in 2011 and, in turn, updated most desktop applications. As a result, all staff have attended several training seminars in 2011, both at the EIM offices in Tampa and online. A move to Microsoft Office 2010 has been completed.

All in all, EIM is continuing to improve its IT capabilities and leverage existing IT resources to support the goals contained within the 2011-2013 Strategic Plan.

Visit the EIM website and give us your feedback on how we can be more responsive to your risk management needs.

(President of Peoples Gas and North Shore Gas Appointed to EIM Board of Directors continued from page 1)

peoples and North Shore are subsidiaries of Integrys Energy Group, an EIM Member Company. From October 2004 until January 2007, Will was vice president of gas supply and engineering for Peoples Gas and North Shore Gas. From October 2003 to October 2004, he was vice president operations for Peoples Gas, and from 1997 to 2003, he served as vice president of information technology services.

In his current role, Will is responsible for strategic, tactical, and operational direction for gas distribution operations at Peoples Gas and North Shore Gas.

Will also serves on the boards of Chicago Commons (vice chairman), Lake Forest Openlands, Chicago Urban League, and LISC/Chicago. He is a member of the Midwest Energy Association, American Gas Association, American Association of Blacks in Energy, the Northwestern Club of Chicago, and the Kellogg Alumni Club of Chicago.

Will holds a bachelor's degree in electrical engineering and a master's degree in management from Northwestern University, Evanston. He and his wife live in Skokie. They have a daughter and son.

(When 50 Isn't the "New 40" continued from page 1)

quency. The older our infrastructure, the more frequent the number of spills, outages, and explosions. As of 2000, there were no occurrences resulting in payments by EIM involving oil spills or explosions related to aging infrastructure. By 2010, EIM had made or expected to make payments on five such occurrences. And, to date in 2011, four occurrences involving leaks or explosions that implicate aging gas lines or pipelines have been reported to EIM. Second, with age comes increased exposure as infrastructure becomes embedded in more developed, more densely populated areas. What was yesterday's open pasture bisected by a major gas transmission line is today's residential subdivision, shopping mall, or commercial corridor. Potential loss is multiplied; in some instances, almost exponentially. Finally, it means that capital expenditures must, of necessity, rise over the immediate ensuing years as transmission and distribution assets are upgraded and/or replaced.

For EIM, the aging infrastructure suggests a changing risk profile. If, in fact, losses will be more frequent and more severe, historical assumptions on loss exposure and development must be updated. Part of this process will involve requests for additional, more detailed information concerning current infrastructure, planned capital expenditures, and proposed upgrades to key transmission and distribution resources. As an example, EIM recently included a Pipeline Information Request as part of its underwriting application.

In addition to more detailed information requests, EIM also has begun compiling information relating to integrity management plans established by Member Companies. These plans provide detailed assessments of potential risks, along with detailed plans to address and mitigate these exposures.

Finally, EIM is building a pipeline database that will enable the Company to better understand not only the age, composition, and location of underground distribution systems but also the characteristics of the surrounding community.

While the information-gathering process may be more detailed and, perhaps, more onerous for Member Companies, it will enable EIM to better assess risk and more effectively provide insurance coverages. More efficient and effective risk assessment translates into a more stable, financially secure Company which, in the long run, aligns with EIM's founding principles of strength, stability, and longevity.

Age in and of itself does not equate to an unsafe or unhealthy state of affairs. But, age does mandate vigilance and upkeep. It brings to mind the quote (variously attributed to Eubie Blake, the great jazz pianist; Yogi Berra, the New York Yankee Hall of Fame catcher; and others), "If I had known I was going to live this long, I would have taken better care of myself." Had we known the extended tenure and increasing service demands placed on our energy infrastructure, we might have planned differently. However, it is clear that the industry has embraced the challenge, committing literally billions of dollars to upgrading and replacing aging resources. In the end, we will have rejuvenated infrastructure that responds to customer needs while contemporaneously reducing risk.



Scott Goodell

New Board Member

Litigator Darryl Bradford General Counsel at Exelon

Darryl Bradford—a newly elected EIM director—has been lawyering since 1980 and now knows the profession from the corporate perspective as well as from a law firm’s perspective.

After a year of clerking with a federal district court judge, Darryl joined the large Chicago-based law firm of Jenner & Block. He was a litigator and eventually a senior partner with a specialty in telecommunications law. When he joined the firm in



Darryl Bradford

December 1981, it was a top-five firm. There were somewhere between 120 and 130 lawyers.

The specialty in telecommunications came from Darryl’s considerable work for MCI, which became WorldCom, which is remembered largely today for its scandalous end. “It was time for me to re-invent myself,” Darryl said, with his frequent laugh that reflects a friendly man with a big sense of humor. “Until this point, the thought of practicing law on the ‘inside’ or being a corporate lawyer had not crossed my mind.”

Nevertheless, Darryl had a good friend, Randy Mehrberg, who was the general counsel at Exelon. Randy had mentioned several times to Darryl that he should consider corporate practice. “Anyway, I went to see my friend Randy,” Darryl said. “It was a new business call as far as I was concerned. Turns out, I did not get any new business for Jenner & Block, but I did get a formal invitation to join

Exelon—and, after a thorough look at the company, its commitment to solid legal practice, its considerable resources, and its sterling reputation in the community, I decided to make the move.”

Initially, Darryl was general counsel for ComEd, Exelon’s operating unit once known as Commonwealth Edison, an EIM founding Member. That was in April 2003. He has been in his present position—senior vice president and general counsel of Exelon Corporation—since July 2010.

While talking about his legal career, Darryl made a couple of points:

- Clerking for Judge Bernard Decker, who became Darryl’s valued mentor, was a huge learning experience. “There I learned to think like a judge,” Darryl said. “It was a unique opportunity for a litigator to see how a judge works and makes decisions.

- “Its people and traditions, coupled with its sterling litigation practice, and, most of all, its commitment to pro bono work were the traits that attracted me to Jenner & Block,” Darryl said.

Born in Chicago, Darryl was the second son of a father who was a graphic artist and a mother who was an educator. He has one older brother and one younger one.

After high school graduation in 1973, Darryl’s college experience began at Columbia University in New York City. “I was excited about living in the really big city and having an Ivy League experience,” Darryl said. “Quickly, I learned that what I really wanted was just the opposite—a small college community.” The following year, he transferred to Grinnell College in Grinnell, IA, with a student body that numbered 1,100 in a town with a population of 7,000. He received his undergraduate degree there in 1977, with a major in political science. He graduated Phi Beta Kappa.

Darryl went to law school at the University of Chicago, which he described as a “tremendous” institution. “It was an honor just to get in the place,” Darryl said. He served on the Law Review.

Darryl describes himself as a “family man.” He has been married to wife Lisa for 29 years. He describes Lisa as a homemaker and artist. Her art:

making jewelry, which she does mostly for her own pleasure and for sharing with family and friends, with an occasional show.

The Bradfords' oldest child is Jason, a 26-year-old who has begun recently his own legal career at Jenner & Block. The middle child is Mallory, 24, who works in Google's Chicago office's affiliate marketing organization. Kimberly, 18, the youngest child, is a freshman at Butler University in Indianapolis.

Darryl enjoys biking, reading, and movies but still finds time to sit on four boards other than EIM's:

■ Chicago Legal Clinic; Kohl's Children Museum, which focuses on creative learning for children up to age eight and now ranks number 11 in the U.S.; Illinois Respiratory Health Association; and the U.S. Supreme Court Historical Society.

Darryl became aware of EIM several years ago when helping determine some deductibles with Mike Mee, Exelon's Risk Manager Representative. Darryl also worked closely with Barry Mitchell when Darryl was at ComEd and Barry was its

president and chief operating officer. Barry, who just left the EIM Board, recommended that Darryl consider joining the EIM Board.

Appointed to the Board in January, Darryl was able to participate in the Risk Managers Information Meeting in February. Currently, Darryl is immersed in Exelon's recently announced acquisition: Constellation Energy, also an EIM Member. Is the merger going to make Exelon the largest energy services company in the country? "No, but it will make us second—and we'll just try harder," he laughed.

Exelon has one of the industry's largest portfolios of electricity generation, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. It is the largest owner/operator of nuclear plants in the United States. Exelon delivers electricity to approximately 5.4 million customers in northern Illinois and southeastern Pennsylvania. In late April, Exelon announced a merger with Constellation Energy. When completed, the combined company will be the second largest regulated distributor of electricity and gas, with 6.6 million customers in Maryland as well as Illinois and Pennsylvania.

Two New Members, IPA and Energy Transfer, Join EIM

Since the June *Members Report*, EIM has two new Members: Intermountain Power Agency, Delta, UT, and Energy Transfer, Dallas, TX. Total EIM Membership is now 160.

IPA

IPA is the owner of the Intermountain Power Project (IPP), located in the Great Basin region of western Utah. IPP, which began commercial operations in 1986, generates an average of more than 13 million megawatt hours of energy each year from its two coal-fired units.

The energy is delivered over the project's two transmission systems to 36 participants in the project that principally serve Utah and Southern California. Additional generation capacity at the IPP site is now being studied.

Also, there is a microwave communication system and a railcar service center, all built as a joint undertaking of the 36 utilities that are involved.

Energy Transfer

Energy Transfer, now with more than 5,000 employees across the country, is a Texas-based energy company that began in 1995 as a small intra-state natural gas pipeline company. Today, Energy Transfer is one of the country's fastest-growing natural gas transportation companies with widespread business operations in nine states.

Energy Transfer owns and operates a diversified portfolio of energy assets. Its operations include the gathering, treating, processing, marketing, and transportation of natural gas. The company is also one of the nation's largest distributors of propane.



Intermountain
Power Agency



Energy
Transfer

New Xcel Energy Chairman, President, and CEO Plans to Continue Company's Good Track Record

EIM Director Ben Fowke, of Xcel Energy Inc., became the company's chairman, president, and chief executive officer in late August. A member of Xcel Energy's board of directors, Ben had served as president and chief operating officer since 2009. The article below comes primarily from an Xcel Energy publication titled Xtra.



Chairman, President, and CEO Ben Fowke is optimistic as he starts his new job. Xcel Energy is strong, its employees are engaged, and its customers are happy. But Fowke also sees challenges ahead, especially as the company works to modernize its infrastructure and adapt to a changing workforce.

“Our balance sheet is strong, and our focus on operations is paying off,” Fowke says. “We have a good track record of making the right investments. We bring projects in on time and on budget. Our environmental leadership is second to none, and we swing above our weight in Washington.”

He plans to build on those strengths and looks forward to the task, however daunting. Hard work is nothing new to the man whose first job as a teenager was pumping gas. He put himself through college working two jobs. At night, he worked at UPS—as a member of the Teamsters—and during the spring and summer, he worked as the owner of a pool construction company.

“Coming out of college at a time when the economy was in terrible shape was very challenging—particularly with a young family to provide for,” Fowke says. “There were plenty of times I would check the old sofa for loose change.”

Born in Baltimore, he grew up just outside of Annapolis, MD. In 1981, Fowke earned a bachelor of science degree in finance and accounting from Towson University in Maryland. He obtained his CPA in 1982.

After college, he worked at an accounting firm and at KPMG, an international auditing corporation. His first job in the energy industry was at Florida Power & Light.

“The energy industry is so complex, so challenging, and so important,” Fowke says. “We really provide something that is absolutely essen-

tial to everyone. It's a challenge but it's a rewarding challenge to be making decisions today that will prove to be the right ones 10 or 20 years from now. It's a fun industry to be part of."

Ben, 53, has held a variety of executive positions at Xcel Energy, including executive vice president and chief financial officer from December 2008 to August 2009; vice president and CFO from May 2004 to December 2008; vice president, CFO, and treasurer, October 2003 to May 2004; vice president and treasurer, November 2002 to October 2003; and vice president and CFO of Energy Markets business unit, August 2000 to November 2002.

Prior to the 2000 merger of Northern States Power Co. and New Century Energies (NCE) to form Xcel Energy, Ben was a vice president in the NCE Retail business unit.

As President and COO, Fowke spent time getting to know Xcel Energy employees.

"Having a chance to get out in the field and meet with employees has really been refreshing," Fowke says. "What impressed me the most is their level of commitment and engagement. Employees really do care about what's happening in the business; they care about their communities, and they care about our customers. They want to get the job done right, efficiently, and in a timely fashion."

He hopes that same engaged and dedicated workforce will become ambassadors for the company.

"We have to let customers know the kind of value that we bring," he says. "Our systems are safe and reliable. That funds economic development and keeps jobs in our states."

Customers don't necessarily understand the complexity of the energy business, which is understandable but somewhat unfortunate, he thinks. "When the lights go on, we know what it takes," Fowke says, "but customers take it for granted."

Fowke believes that if the community as a whole understands the value Xcel Energy brings, it will be easier to get the kind of regulatory treatment the company needs to tackle the challenges ahead, especially the job of modernizing

our infrastructure.

"We have aging infrastructure across the board," Fowke says. "It's in all of our jurisdictions—both gas and electric. Our regulatory relationship is important as we replace aging infrastructure."

Another challenge is the fact that 36 percent of employees will be eligible to retire within the next five years. The company expects that about 20 percent of those eligible will actually retire.

"That's a lot of knowledge walking out the door," Fowke says. The company has to ensure it is able to capture that knowledge and get new employees up to speed quickly.

"We probably won't have the luxury of taking several years to train new people," he says. Fowke hopes Xcel Energy can use new technology to help accomplish that task.

The company's overall corporate strategy works, and its *Responsible By Nature* tagline continues to resonate because it captures the company's obligation to its customers, communities, and shareholders.

Preparing Xcel Energy for a successful future is Fowke's ultimate goal and it's a work in progress. Much will depend on employees. "I look forward to the challenges," he says. "But employees will make the difference."

EIM Member Xcel Energy is a major U.S. electricity and natural gas company that provides a comprehensive portfolio of energy-related products and services to 3.4 million electricity customers and 1.9 million natural gas customers through its regulated operating companies in eight Western and Midwestern states: Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas, and Wisconsin. Company headquarters are located in Minneapolis. Xcel has revenue of more than \$10.3 billion annually and owns nearly 300,000 miles of conductor miles of transmission and distribution lines and more than 35,000 miles of natural gas pipelines.

EIS Turns Five in December—Improved and Growing

This December 1st will mark the fifth anniversary of Energy Insurance Services coming ashore with a new leader, a new name, and a new sense of direction.

Established in 1992 as Energy Insurance (Bermuda), EIB operated from Bermuda until November 30, 2006. As the 2011 anniversary approaches, Robert Schmid, who joined EIM in May of 2006, was asked about the Company's progress since moving to South Carolina as well as what the future might hold for EIS and the EIM Members served by EIS. Robert, EIM vice president-subsidary operations, is the chief operating officer of EIS.



Robert Schmid

WHY DID EIM DECIDE TO MOVE THE COMPANY?

The Board and management of EIM decided it would be difficult to provide the level of service Members deserve unless we brought the company to the U.S., identified and appointed the best insurance management company available, and provided additional support in terms of management. In some ways, we simply outgrew the island's captive management capabilities.

WHAT WERE THE IMMEDIATE GOALS FOR EIS?

We needed to deliver significant and sustainable levels of service improvement. In order to do that, we had to capitalize on the benefits technology brings to operations and essentially get better at everything we did.

IS EIS "THERE" AT THIS POINT?

While EIS is a lot better in terms of our execution, there always will be opportunities to improve. The IRS tax exam that lasted almost three full years set our improvement schedule off course as resources were diverted to deal with that laborious issue. Yet, even that ordeal made EIS stronger and provided useful information we have adapted to our operations.

We know we are heading in the right direction because those we serve tell us what they think. Ultimately, the best indicator of EIS' fundamental improvement is the fact that we are growing.

ANYTHING NEW RELATED TO USA RISK?

Any captive is only as good as its appointed manager. EIS is fortunate to have an excellent team of six experienced and seasoned people in the Greenville office looking after and supporting the policyholder's business. The USA Risk team is committed to EIM Member's successes. USAR and EIS moved under one roof recently in downtown Greenville, further streamlining operations and reducing costs.

WHAT IS HAPPENING TODAY AT EIS?

Three important themes keep us occupied:

1. Reducing expenses where possible. We all want a lean and profitable operation so our Surplus grows sufficiently. This is the second year without a general increase to participation fees; if we improve the value proposition to the Members we are fortunate to work with today, good things happen for everyone.
2. Developing an efficient, structured, and financially driven method for EIM Members to use as they investigate alternative risk options, including EIS. When Risk Managers have evidence that supports a beneficial, cost-effective alternative to commercial or self-insur-

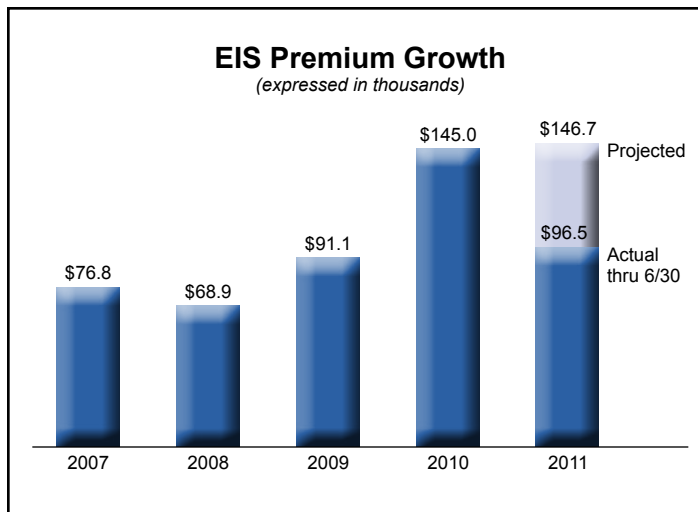
ance, formation discussions become much more organized and projected results can be revisited and measured over time.

3. Continuing to add functionality for Members. Whether it is providing expanded information in financial statements, supporting programs as they investigate options in the current investment environment to prudently improve yields, or exploring new lines of coverages with EIS. Participants and everyone associated with EIS are committed to improvement.

In terms of new lines and policy development, EIS has seen significant uptake in the TRIPRA Wrap program that is now resident in several cells and under investigation by others. Reinsurance of employee benefits lines, including LTD and Life, is being investigated. These lines have ERISA regulatory obligations for the premium provider so the length and breadth of the review will be extensive. In July, EIS amended its filed business plan with the South Carolina Department of Insurance by adding Medical Stop Loss coverage for major medical plans. Depending on the terms elected, this policy provides some protection against larger-than-expected individual or aggregate claims.

On a more immediate basis, we are getting ready for this year's series of annual meetings during the week of October 17 in Greenville. Any EIM Member exploring alternative risk in an effort to improve their risk management platform is invited and encouraged to visit Greenville and review EIS capabilities.

If you have any questions whatever, please give Robert Schmid a telephone call. The number is 864-527-5908.



Bob Carleton New Risk Manager Representative for City Utilities of Springfield, MO



Bob Carleton

Robert (Bob) James Carleton, risk manager, City Utilities of Springfield, MO, is the Member Company's new EIM Risk Manager Representative.

A native of Springfield, Bob graduated from Willard High School, Willard, MO, in 1985. He served in the U.S. Navy from May 1986 to May 1992. He was a nuclear machinist mate (submarines) and a nuclear prototype instructor.

In June 1992, Bob joined City Utilities of Springfield. For nine years, he was a power plant mechanic; then, for another nine, he worked as a power system technician. He was promoted to risk manager in March 2010.

Bob graduated in 2008 with a bachelor's of business administration degree in management from Evangel University, Springfield.

A member of RIMS, Bob's professional certifications include: AINS, ARM, and CPQ.

Balance Sheets

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

	6/30/11	12/31/10
<u>Assets</u>		
Investments	\$ 1,188,122	\$ 1,207,125
Cash and cash equivalents	64,506	12,010
Reinsurance paid in advance	41,659	42,714
Insurance balances receivable	1,323	1,339
Reinsurance recoverable on unpaid losses and IBNR	382,522	411,268
Other assets	14,527	14,243
Total assets	<u>\$ 1,692,659</u>	<u>\$ 1,688,699</u>
<u>Liabilities and policyholders' surplus</u>		
Liabilities:		
Reserves for losses and loss adjustment expense	\$ 768,624	\$ 801,392
Unearned premiums	90,199	94,053
Reinsurance balances payable	28,295	16,978
Deferred income tax	35,555	25,645
Accrued expenses	4,928	5,770
Income taxes payable	5,850	17,609
Total liabilities	<u>933,451</u>	<u>961,447</u>
Policyholders' surplus:		
Members' account balance	642,814	624,009
Accumulated other comprehensive income	116,394	103,243
Total policyholders' surplus	<u>759,208</u>	<u>727,252</u>
Total liabilities and policyholders' surplus	<u>\$ 1,692,659</u>	<u>\$ 1,688,699</u>

Statements of Income and Comprehensive Income

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

	6/30/11	6/30/10
<u>Underwriting income</u>		
Net premiums earned	\$ 86,953	\$ 91,184
Ceding commission	(39,954)	(44,759)
Total underwriting income	<u>46,999</u>	<u>46,425</u>
<u>Underwriting expenses</u>		
Net losses and loss adjustment expenses	37,415	18,730
Policy acquisition costs	958	980
Administrative expenses	5,712	6,970
Total underwriting expenses	<u>44,085</u>	<u>26,680</u>
Income from underwriting	2,914	19,745
Investment income	<u>25,209</u>	<u>23,062</u>
Income before policyholders' distribution	28,123	42,807
Policyholder distributions	-	-
Income before income taxes	28,123	42,807
Federal income (benefit) tax expense	<u>9,318</u>	<u>12,910</u>
Net income	18,805	29,897
<u>Other comprehensive income</u>		
Change in unrealized gain on securities, net	13,152	(23,819)
Comprehensive income	<u>\$ 31,957</u>	<u>\$ 6,078</u>

EIM in the Community

Your donation of 28 Dinner Done dinners is greatly appreciated

This headline comes from a thank-you letter to EIM employees from Ronald McDonald House of Tampa Bay. It recognizes the EIM staffers who prepared meals at Dinner Done and then gave them to Ronald McDonald House.



Jill Dominguez and Gary Gresham



Jeanne Allen and Deana Edmonds



Scott Goodell and Cindy Prosser



Christine Freiherr and Ann Joslin

Also, EIM employees completed several “Backpacks of Hope,” which was a back-to-school drive sponsored by Metropolitan Ministries.

The photos below come from team-building events enjoyed by the EIM staff during the past several months:



At a Rays baseball game are, front row, from left, India Diaz, Jill Dominguez, Ann Joslin, Gary Gresham, Jane Murphy, Scott Lieman, and Jeanne Allen; second row, from left, Cindy Prosser, Scott Goodell, and Jill Towell.



At Tampa's Lowry Park Zoo this past spring, kneeling, from left, Cindy Prosser, Deana Edmonds, and Jane Murphy; middle row, at center, Jill Dominguez, Gary Gresham, and Scott Lieman; and back row, from left, Taniyka Erb, Jeanne Allen, Ann Freiherr, Jill Towell, Ann Joslin, Tommy Bolton, and Scott Goodell.



Jane Murphy's chapter of Meeting Professionals International held a charity recently for Children's Cancer Center of Tampa Bay. The event included a meal with patients at Chick-Fil-A and creating a stuffed animal at Build a Bear. While the kids were being entertained, the parents were given a gift certificate to nearby restaurants.



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

Celebrating EIM Anniversaries

Two EIM staffers, both in the underwriting department—Jeanne Allen and Larry Baccari—are celebrating in the second half of 2011, a five-year anniversary and a 10-year anniversary, respectively. Jeanne, underwriting assistant, came to work for EIM on August 28,

2006, then with 18 years of experience in commercial underwriting and marketing. Larry, senior underwriter-property, joined the Company November 12, 2001, with 28 years of experience, again in underwriting and marketing as well as insurance management.

Jill Dominguez, vice president-underwriting, had this to say:

“Jeanne has been an asset to EIM for the five years she has worked here. She is always ready to help with projects, extra work, and takes pride in what she does. EIM is fortunate to count Jeanne among its valued employees.”

“Larry built the Property book from the early days in 2001. Larry is hardworking, analytical, and conscientious. These qualities are reflected in the performance and longevity of EIM’s Property book. Larry is invaluable as a resource to EIM and its Members.”



Jeanne Allen



Larry Baccari



Renee Rasmussen New Receptionist



Renee Rasmussen

Renee Marie Rasmussen, who lived much of her life in Southern California but grew up in the Tampa Bay area (St. Petersburg), joined the EIM staff July 6 as receptionist. She also assists the claims and underwriting departments.

Martee Halloran, EIM’s previous receptionist, has moved to a new position focused on document and information coordination. She will drive the Company’s effort to become a less paper-intensive organization.

Most recently, Renee worked in the Phoenix area for Wells Fargo Bank’s fraud department. Before that, she was a receptionist at a law firm in Scottsdale.

When not working, Renee enjoys Zumba® fitness, snow skiing, horseback riding, fishing, and reading.

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