

Members Report



EIM News

EIM Declares \$18-Million Distribution

At the 2013 Risk Managers Information Meeting, EIM announced an \$18-million distribution to Member Companies of record at December 31, 2012.

“EIM has focused on building capital and positioning the organization to best meet the long-term risk management needs of its Members. This distribution reflects the successful culmination of these efforts,” said Scott Goodell, EIM president and CEO.

This is the first Member distribution since 2007 when EIM declared a \$12.5-million distribution.

The \$18-million distribution represents approximately 2 percent of EIM’s Policyholders’ surplus at year-end 2012 and is the largest distribution paid to Members since 1996. From its inception, the Company has now paid a total of \$197.5-million in distributions, including this most recent one.

In considering the distribution, the EIM Board assessed the Company’s financial stability, its ability to meet Member Company claim obligations, the effect of the distribution on regulatory and rating agency assessment of the Company, and the impact on EIM’s ability to maintain constant premium levels.

(Continued on page 12)

Three hundred thirty-six people—mostly Member Company risk managers and brokers—attended the 2013 Risk Managers Information Meeting, February 24-26, at Rosen Shingle Creek, Orlando, which had the theme: Helping Take the Mystery out of RISK.

The highlights of the conference:

The announcement of an \$18-million Policyholders’ distribution;

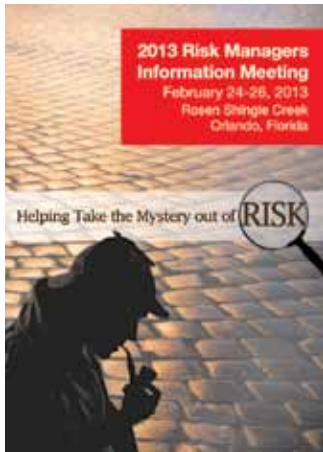
A management panel that reviewed EIM operating results for 2012, a year that was described as “very solid;”

Guest speakers on Monday, Theresa Payton, who addressed internet security, especially as it relates to crime, and on Tuesday, Ben Stein, the well-known author and commentator, who shared his view of political issues facing America; and

Three breakout sessions—one, the work of EIM’s Insurance Advisory Committee; two, how various Member Companies are using insurance programs offered by Energy Insurance Services; and three, a technical presentation on the hydraulic fracturing process.

The various presentations, as well as Ms. Payton’s PowerPoint slides, are on the Company’s website: www.eimltd.com

The 2014 Risk Managers Information Meeting will be February 16-18 at Rosen Shingle Creek, Orlando.



Sunday Night

The 2013 RMIM began with a reception for EIM representatives who were attending their first conference. A reception for all attendees began 30 minutes later. At the dinner, the recipient of the David L. Hadler Risk Management Award for 2013 was announced: Jack Hadsall of City Utilities of Springfield, MO, now retired.



From left, **Rick Bullock**, Tallgrass Energy; **Bob Dillard**, Kinder Morgan and IAC member; and **Kyilene** and **Mark Winkler**, Kinder Morgan.



From left, **Scott Leiman**, EIM; **Edsel Carlson**, TECO and IAC member; and **Luke Korner**.



From left, **Teresa Glessner** and **Sandra** and **Jay Carter**, Stephens.



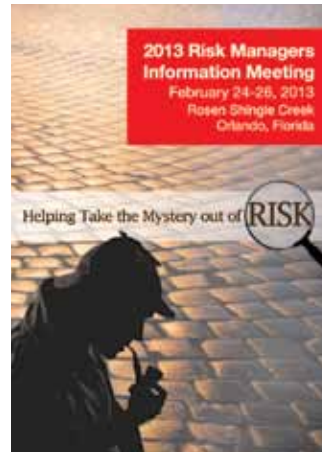
From left, **Ted Leonard**, Independent Electric Systems Operator; **Steven Beswick**, Marsh; **Karin McDonald**, Hydro One; and **John Floras**, Ontario Power.



From left, **Tim Underwood**, CMS Energy; **Cathy** and **Bob Frounfelker**, CMS Energy; and **Robert Holloway**, CenterPoint Energy.



Anil Suri, PG&E, and **Sandra Imbriani**, EIM.



From left, **Julie Jackson**, Targa Resources and IAC member; **Jane Murphy**, EIM; and **Dean Jobko**, NRG Energy and IAC member. **MaryAnn and Scott Goodell**, EIM, left, and **Joan and Bob Green**, Public Service Enterprise.

.....

Jack Hadsall Receives David Hadler Risk Management Award

Jack Hadsall, retired, City Utilities of Springfield, MO, and recent member of EIM’s Insurance Advisory Committee, received the David L. Hadler Risk Management Award for 2013—the third risk manager so honored.

The award includes a \$5,000 donation from EIM to a risk management or energy-related program at a college or university of the recipient’s choice. Jack selected Missouri State University, Springfield.

In accepting the award, Jack announced that the \$5,000 gift would create the David L. Hadler, EIM Risk Management and Insurance Scholarship, with the intent of endowing the fund at a \$25,000 level. Then, the fund will provide a \$1,000 scholarship annually to a junior or senior, with an overall GPA of 3.0, who is pursuing a major in risk management/insurance at Missouri State’s College of Business.

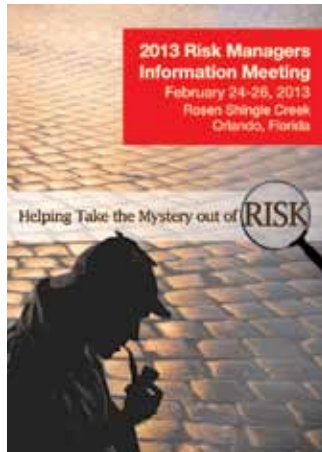
Jill Dominguez, who introduced the 2013 recipient, said there had been eight outstanding nominees for the award but Jack’s selection was “crystal clear” based on “his unwavering commitment to personal and professional integrity and excellence in everything he had done for our insurance industry.”

In 2011, Jack completed 33 years of service to City Utilities where his winning strategies remain the cornerstone of CU’s risk management program today. A graduate of Oklahoma State University, Jack holds the CPCU, ARM, and ALCM professional designations.



Jack Hadsall, center, the recipient of the David L. Hadler Risk Management Award for 2013, with **Scott Goodell** and **Jill Dominguez**, the presenters.

Sunday Night



Sandra Imbriani, EIM, and Steve Cordova, Continental Energy.



From left, Christine Freiherr and Byron Whitman, EIM; and Jeremy Stephens, Citizens Energy Group and IAC member.



Ellen Connor, Tri-State G&T, and Darren Olagues, Cleco and EIM director.



Scott Goodell, EIM, and Tarik Bezuneh, Oglethorpe Power.



From left, Ann Joslin, EIM; and Peter and Jill Joswiak, Alliant.



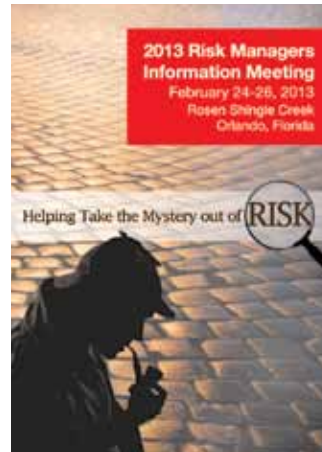
Mike Donovan, Washington Gas Light, left, and Robert Schmid, EIS.



From left, John Hernick, Xcel; Gerry Hayes, Baker & McKenzie; Robert Schmid, EIS; and Ed Holland, Southern Company and EIM chairman.

Monday's Business Session

EIM Chairman Ed Holland of Southern Company welcomed attendees to Energy Insurance Mutual's 27th annual Risk Managers Information Meeting. The first business session featured: a five-person EIM management panel—Ann Joslin, Tommy Bolton, Scott Goodell, Jill Dominguez, and Robert Schmid; IAC Chairman Randy Martin of AEP; and guest speaker, Theresa Payton, one of America's most respected authorities on internet security. The morning began with a breakfast where tables were hosted by IAC members who led informal conversations with other attendees.



Breakfast with tables hosted by IAC members.



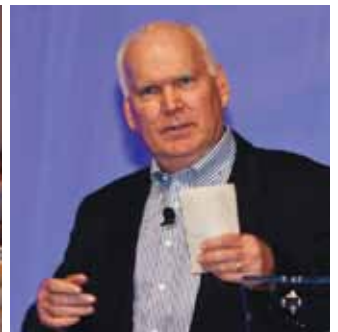
Attendees going to meeting room.



Ed Holland, EIM chairman.



Monday's session begins with EIM management panel.



Scott Goodell, EIM president.

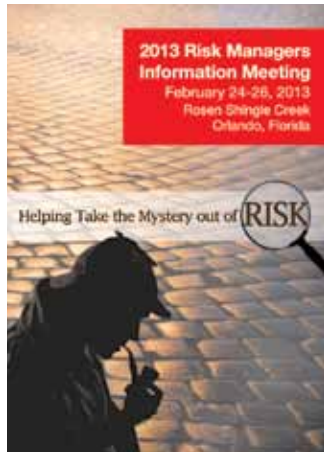


The management panel, from left, Ann Joslin, Tommy Bolton, Scott Goodell, Jill Dominguez, and Robert Schmid.



Randy Martin, IAC chairman.

Monday's Business Session



From left, **Ross Baker**, MISO; **Dale Sobba** and **Tony Richardson**, Lockton; and **Don Lukes**, Citizens Energy.



From left, **Wayne Soza**, El Paso Electric; **Brenda Aiken**, Calpine; and **David Layne**, Empire District Electric.



Gary Gresham, EIM, left, and **Chris Williams**, TVA.



From left, **Hilton Berger**, MSW; **Linda Barnett**, Dominion Resources; and **Scott Sink**, McGriff.



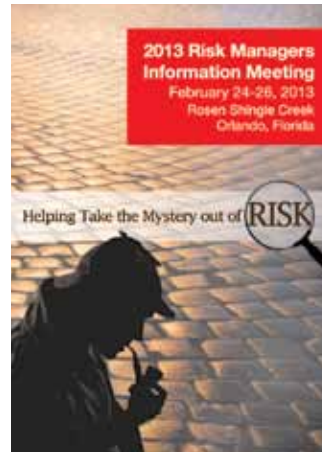
From left, **Andy Hamilton** and **Chris Clark**, Spectra, and **Sean Faulkner**, Marsh.



Janina Cole, Southwest Gas, left, and **Lena Bono**, New Jersey Resources.



From left, **Michael Swan**, Marsh; **Steve Cordova**, Continental Energy; and **Rich Straney**, Semco.



Jane Murphy, EIM.



From left, **Rich White**, NEIL; **Vicki Harkleroad** and **Chris Williams**, TVA; and **Ron Santaniello**, Marsh.



Beverly Utter, The Williams Company, left, and **Lenore DuBaldo**, WPX Energy.



From left, **Roni Salo**, ALLETE and IAC member; **Ellen Leffak**, DPL; **Christine Palomba**, Aon; **Cindy Blank**, Northeast Utilities; and **Mary Kate Stoller**, AES.



Michelle Wieler, Iroquois GTS.



Theresa Payton, guest speaker.

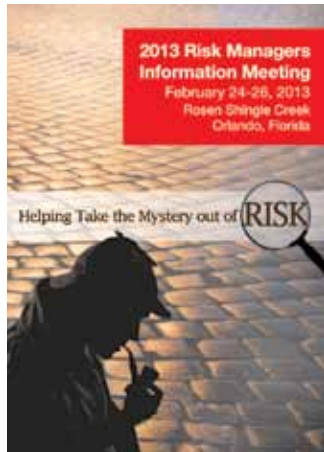


Theresa Payton signing a copy of her book for **John O'Marra**, Marsh.



From left, **Scott Goodell**, EIM; **Theresa Payton**, guest speaker; and **Jane Murphy**, EIM.

Monday Night



From left, **Angela and Jeff Butler**, NEIL, and **Carol and Larry Baccari** and **Scott Leiman**, EIM.



From left, **Dan and Debbie Jo Maust**, Central Arizona Water Conservation District, and **Paul Clayton**, Energy Transfer, and **Kim Clayton**.



From left, **Mike Gaudet** and **Jim Loesner**, Marsh; **Terry Novatnack**, PPL; **Jerry Rhoades**, PGE and IAC member; **Will Persyn**, Willis; and **Forrest Strachan**, PJM Interconnection and IAC member.



Stephen DiCenso, Milliman, guest panelist.



Maury De Bont, Edison International, left, and **Tommy Bolton**, EIM.



From left, **Tim Pasik**, AEGIS; **Paul Whitstock**, Marsh; and **Jim Hatfield**, Pinnacle West and EIM director.



From left, **Taniyka Erb, Jeanne Allen, Scott Leiman, and Deana Edmonds**, all EIM.

From left, **Gary and Angela Cool, Westar, and Greg McCollister and Natalie Solomon, McGriff.**



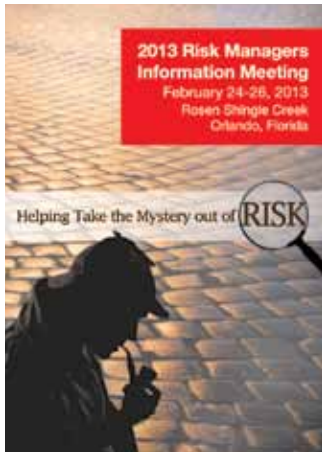
From left, **Jane and James Cox, Vectren; Kim Jacobs, Otter Tail Power, and Mark Jacobs; and Kevin Lundin, Willis.**

From left, **Jill Dominguez, EIM; MaryAnn Goodell; and Debbie Gaffney, Southern Company.**



From left, **Greg Steele, Chesapeake Energy, and Kimberly Steele and Lisa and Michael McDonald, Gallagher.**

Renee Rasmussen, EIM, and Edsel Carlson, TECO and IAC member.



Tuesday's Business Session

The second business session of the conference began with a guest speaker, Ben Stein, noted economist, author, journalist, commentator, teacher, and actor, who worked as a speech writer and lawyer in the Nixon and Ford administrations. After Mr. Stein shared his view of American life today, there were three breakout sessions—Demystifying the Hydraulic Fracturing Process, Investigating the Practical Benefits of EIS, and Clueing in on the IAC. Each session was repeated. There was a wrap up of each session when the attendees reconvened in the main meeting room to conclude the 2013 Risk Managers Information Meeting.



Scott Goodell, EIM, and Ben Stein.



Ben Stein, guest speaker.



Gil Gould, AEGIS, and Ben Stein.



From left, Mike Dragna, Entergy; Jay Carter, Stephens; and Jill Joswiak, Alliant.



From left, Paul Sparks, McGriff; Mark Johnson, NRG; and L. D. Hollingsworth, City Public Service of San Antonio, Texas.



From left, Dan McGarvey, Marsh; Angela Cool, Westar; and Mike Higley, Great Plains Energy.



Will Dahlem, McGriff, left, and Justin Brown, Southwest Gas.



Jay Foreman, Piceance Completions Manager, WPX Energy, led the presentation on hydrofracking.

The speakers at the EIS sessions included: **David Robinson**, **Leo Walters**, and **Paula Jordon**, Aon; **Cathy Hundley**, AEP; **Ron Rispoli** and **Mike Wilson**, Entergy; **Stephen DiCenso**, Milliman; and **Tom McDonnell**, FirstEnergy.



The IAC panel for the breakout sessions, from left, **Dean Jobko**, **Edsel Carlson**, **Mark Webster**, **Julie Jackson**, and **Randy Martin**.

Scott Goodell at wrap-up session.



Rob Reader, Guy Carpenter, wrapped up the EIS session.

Steve Walti, Northwest Natural Gas, was the wrap-up speaker for the IAC panel.

Wayne Soza, El Paso Electric, summarized the session on hydrofracking.



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

(EIM News continued from page 1)

A.M. Best Confirms “A” Rating for EIM

The A.M. Best Company has confirmed EIM’s “A” rating with a “stable” outlook. In confirming EIM’s rating, Best noted, “The rating reflects Energy Insurance Mutual Limited’s (EIM) excellent capitalization, historically strong operating returns, and conservative leverage position.” Best further observed, “A.M. Best anticipates that EIM will continue to produce profitable overall operating results, exhibit strong Member retention, and maintain solid capitalization levels.” Additionally, Best was, “encouraged by management’s implementation of an enterprise-wide risk management framework.”

Scott Goodell, EIM president and CEO, stated in response to the Best confirmation that, “the rating reflects the hard work and dedication of everyone at EIM, as well as the ongoing support and commitment of EIM Member Companies. Without such dedication at the Board, IAC, and individual Member Company levels, EIM could not achieve the meaningful accomplishments highlighted by A.M. Best.”

Proxy To Recommend Compensation for Directors

The 2013 Proxy Statement will include a recommendation that Member Company Board representatives receive a stipend for Board service—\$5,000 per quarterly meeting, including attendance at various committee meetings.

This compensation recommendation is consistent with policies currently in effect at similar insurance organizations and is commensurate with the substantial commitment Board members are asked to make to the oversight, operation, and strategic direction of EIM. The stipend will enable EIM to continue attracting senior executives from its Membership ranks, as well as recognize the significant time, effort, and responsibility associated with Board service.

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