



## Risk Managers Information Meeting

February 16-18, 2014

Rosen Shingle Creek, Orlando, Florida

In mid-February, over 300 Member Company risk managers, brokers, business partners and EIM staff gathered at Rosen Shingle Creek Resort in Orlando, Florida for EIM's 2014 Risk Managers Information Meeting (RMIM). Celebrating the theme, "Defined by the Company We Keep," attendees enjoyed three days of thought-provoking presentations, discussions on emerging issues, updates on EIM's key operational areas, and adventurous fun. The meeting reinforced the longstanding impact that Member Companies have in defining EIM's strategic direction and shaping its operating philosophy.

Highlights of the RMIM included a detailed overview of EIM's strong 2013 operating results, including the announcement of a \$20 million distribution. This distribution, coupled with the \$18 million distribution relating to 2012 operating results that was paid in March 2013, brought total EIM distributions over the last two years to \$38 million. Monday's general session included an insightful presentation by Dr. Steven Wang on using statistics to make predictions based on limited data. At the Tuesday general session, EIM was joined by Stephen Dubner, co-author of *Superfreakonomics*, who shared his observations on economic and cultural developments that have shaped the U.S. and world economic landscape. Cybersecurity updates and analyses from experts Theresa Payton and Joe Weiss highlighted key considerations for web and control system security in the energy industry.

Find details on all these events and much more inside this issue of the EIM Members Report.

## EIM Announces a \$20 Million Distribution

At the 2014 Risk Managers Information Meeting, EIM announced that the Board of Directors had approved a \$20 million distribution to Member Companies of record as of December 31, 2013. The distribution reflected strong 2013 operating results that included a combination of excellent underwriting performance and strong investment returns.

In evaluating the 2013 distribution, the EIM Board considered 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.

This distribution, coupled with the \$18 million distribution authorized by the Board in connection with EIM's 2012 operating results, brought total distributions paid in 2013 to \$38 million. Since its inception, EIM has returned more than \$200 million to Member Companies.

The distribution is expected to be paid by mid-March 2014.



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# SUNDAY NIGHT

The **2014 Risk Managers Information Meeting** got off to a great start on Sunday evening as attendees networked through dinner, which was followed by recognition of the 2014 recipient of the David L. Hadler Risk Manager of the Year Award. Jill Dominguez, EIM's Vice President-Chief Underwriting Officer presented the award to Bill Powell, former **Manager-Risk Management & Environmental Services** at Salt River Project.



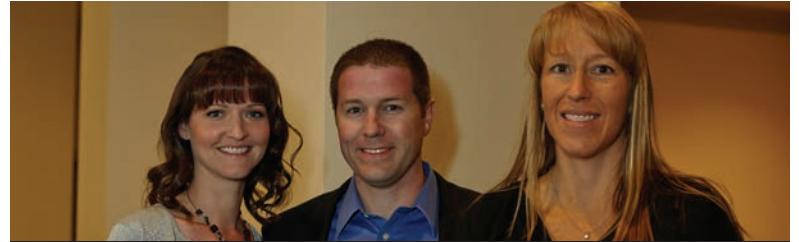
**SUNDAY NIGHT / FIRST TIME ATTENDEE RECEPTION**



From left, Kristen Brown, Gary Gresham, Justin Smith, Randy and Tammy Martin.



From left, Deana Edmonds, Roni Salo, and Sandra Imbriani



From left, Janelle and Byron Whitman, and Christine Freiherr



From left, Tommy Bolton and Theodore Cooke



From left, Jeremy Stephens, Larry Baccari, and Robert Schmid

From left, Marian Durkin, Richard LaPeter, and Robert Schmid



Tanyka Ragland and Forrest Strachan



From left, Jill Towell and Katie Schultz



From left, Narmada Nanjundan, Gregg Noji, and Jill Dominguez



From left, Jerri and Edsel Carlson, and Julie Jackson



From left, Will Evans and Gerry Hayes



Jane Murphy and Scott Leiman



Jill Dominguez and Edsel Carlson





## SUNDAY NIGHT / MAIN RECEPTION

First time attendees mingled with the Board and Insurance Advisory Committee members before joining the general reception for all RMIM attendees. The David L. Hadler Risk Manager of the Year Award, which followed dinner, opened with a video message from Missouri State University undergraduate Jennifer Richey, recipient of Missouri State's **David L. Hadler EIM Risk Management Scholarship**. The scholarship was established through the efforts of Jack Hadsall, Risk Manager, City Utilities of Springfield, Missouri (retired), the 2013 recipient of the Hadler award. Bill Powell, the 2014 award recipient, pledged continued support of risk management studies, directing EIM's \$5,000 award donation to West Virginia University.



From left, Paul Antal, Rob Battenfield, Robert Schmid, and Leo Walter



From left, Mary Guzman and Elizabeth Nichols



From left, Paul Bernardino, Keith Bone, and Chick Jordan



From left, Dan McGarvey, Tim and Joy Rogers, and Tommy Bolton



From left, Bob Carleton, Sandy Meyers, and Dan McGarvey



From left, David Abernathy, Darren Sonderman, and Alan Maguire



From left, Julie Reinhardt, Mark Fishbaugh, Dani and Mark Webster



From left, Frank and Nona Atilas, Mary Kate Stoller, and Gregg Noji

From left, Belinda Lopez, Jill Dominguez, Will Persyn, Sarah Hicks, and Aly Clark





**SUNDAY NIGHT / MAIN RECEPTION**



From left, Andrew Steptowe, Andy Hamilton, and Jon Ball



From left, Mike Brower, Randy and Sherri Murdaugh, and Shelby Wintz



From left, Matthew McKay, Paul and Teresa Glessner



From left, Steve Verbeski, John Frank, Rich Sayette, Tim O'Connor, Danielle Pitts, Carla and Rob Kuhn

From left, Rich Stevens, Sandi Hart, Jerry Rhoades, and Gary Hart



From left, Karen Larson, Lorilee Medders, and Gary Meggs



From left, Erica McNabb, Stuart Adam, Jeremy Stephens, Natalie Solomon, and Sufia Fleming



From left, Joe Meaney, Paul Whitstock, Rich Straney, and Mike Swan





## SUNDAY NIGHT / AWARD PRESENTATION

The **David L. Hadler Risk Manager of the Year Award** is presented each year to the Member Company risk manager who embodies the professionalism, commitment to excellence, and long-standing dedication to risk management that were the hallmarks of David's career. EIM directs a \$5,000 donation to the risk management program at the college or university of the recipient's choosing.

Jill Dominguez presented the award to this year's recipient, Bill Powell, former Manager-Risk Management & Environmental Services at Salt River Project.

Bill spent 40 years in safety management and risk management, mostly in the energy industry. He served as a member of the EIM Insurance Advisory Committee for eight years, four as Committee Chairman. He also served as a member of EIM's Strategic Planning Committee.

He also served the energy industry as a member of the AEGIS RMAC for 14 years, actively participating on many Task Force assignments, and played an instrumental role in co-leading the APPA Insurance Committee by developing agendas and promoting/attending/leading their annual meetings.

Among his many other accomplishments, Bill was named to the 1997 Risk Management Honor Roll by Business Insurance.

In 2013, Bill established the Safety Management Alumni Scholarship Program at West Virginia University's Statler College of Engineering and Mineral Resources, where he directed the \$5,000 Hadler award donation.

Prior David L. Hadler **Risk Manager of the Year Award** recipients include: 2011-J. Gary Meggs, Risk Manager, Southern Companies; 2012-Michael J. Anderson, Director of Hazard Insurance, Xcel Energy Corporation; and 2013-Jack Hadsall, Director, Risk Management, City Utilities of Springfield (retired).



Bill Powell proudly accepts his award



Scott Goodell and Jill Dominguez with Bill Powell, the David L. Hadler Risk Manager of the Year Award recipient

## SUNDAY NIGHT / ENTERTAINMENT

Master storyteller and nationally known stand-up comedian Rik Roberts brought his down home humor to EIM's Sunday night after-dinner entertainment. He kept the crowd laughing with everything from dealing with Arkansas in-laws to precocious 18-month olds to the crazy cops of Kansas.



Comedian Rik Roberts entertains the crowd

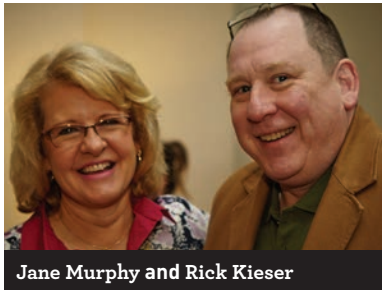
# MONDAY SESSION

Monday's agenda began with a "State of EIM" address where EIM's senior management team provided updates on overall Company performance, as well as specific reviews of underwriting, claims, finance and Energy Insurance Services, Inc. activities.





## MONDAY / BREAKFAST



Jane Murphy and Rick Kieser



From left, Bob Dillard, Mark and Kylee Winkler



From left, Henry Martin, Lee Hartz, Brennan Ford, and Rob Battenfield

From left, Daniel Nelson, Byron Whitman, Hilton Berger, Edsel Carlson, Jack Eans, Nancy Meunier, and Jill Towell



From left, Rich Stevens, William Chappell, Elizabeth Nichols, Tobias Burke, Deborah Gaffney, Natalie Solomon, and Paul Wendler



From left, Mike Gaudet, Matt McCabe, Terry Novatnack, Jim Loesner, and Forrest Strachan

## MONDAY SPEAKER / STEVEN WANG

For his presentation **How We Know What We Don't Know: Using Statistics to Discover the Unknown**, Professor Steven Wang (who the Princeton Review named "One of America's 300 Best Professors") used examples from WWII and dinosaur fossil discoveries to demonstrate how statistics can be creatively applied to make more accurate predictions even with limited data.



Professor Steven Wang gives his presentation





## MONDAY / GENERAL SESSION

After breakfast and an opening video, Ed Holland, President and CEO, Mississippi Power Company and Chairman of the EIM Board of Directors, introduced the rest of the Board then welcomed first time attendees and the entire audience.

Scott Goodell then did his best Alex Trebek impression as he led a *Jeopardy*-themed **Senior Management Discussion Panel** that featured categories like Risky Business, Covering Our Assets, and It's A Wrap. As the audience picked categories, Robert Schmid, Ann Joslin, Tommy Bolton, Jill Dominguez, and Scott filled them in. Scott wrapped it all up by emphasizing that "EIM is not a revolutionary company, it's an evolutionary company."

IAC Chairman Randy Martin, of American Electric Power Service Corp., took attendees through the **IAC Year in Review** before presenting a **Service Award** to Sandi Hart, Northwest Natural Gas Company, for her exceptional service on the IAC from 2006 to 2013.



Ed Holland introduces the EIM board



Sandi Hart receives a Service Award



**MONDAY EVENING / CHEERS PARTY**



Relaxing at the Cheers bar and enjoying the Guitar Hero Show

Foosball anyone?



From left, Kimberly Radt, Ann Joslin, and Pete Kokolakis

From left, Wayne Soza and Patrick Maguire



From left, John and Christine O'Marra, and David Scott



Danielle Pitts and Rich Sayette



From left, John Frank, Steve Verbeski, Mike and Ginny Mee



From left, Greg Steele, Lori Budde, and Michael McDonald



From left, Tim and Kellie Underwood, and Ellen Connor



Show offs! Recognize any of them?



From left, Alison Gaudet, Terry and Mary Ann Novatnack, and Faye Strachan



From left, Jim Lordon, Steve Cordova, and Bjorn Ostlund





## TUESDAY SESSION

On Tuesday, attendees received a wealth of information and knowledge from speakers **Stephen Dubner**, Theresa Payton, and Joe Weiss. After an engaging panel discussion addressing risk management opportunities available through EIM subsidiary, Energy Insurance Services, Inc., the conference closed with a very entertaining video highlighting the many and varied activities undertaken during the three-day event.



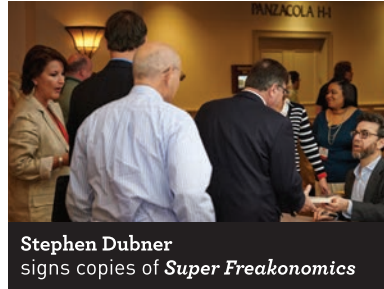


## TUESDAY / GENERAL SESSION

Gary Gresham moderated a panel discussion of Energy Insurance Services, Inc. (EIS) protected cell participants, Tom McDonnell, First Energy Corp., Mike Anderson, Xcel Energy, and Randy Martin, American Electric Power Service Corp., who discussed alternative risk value drivers. Each of these organizations has successfully partnered with EIS to craft unique solutions to risk management issues facing the energy industry.

## TUESDAY / SPEAKERS

Best-selling co-author of *Super Freakonomics*, **Stephen Dubner**, entertained the crowd with stories of how there's always been a big demand to predict the future, but economics and technological innovation often dramatically change outcomes. As Stephen reminded everyone, "Risk can be assessed. Certainty cannot."



Stephen Dubner signs copies of *Super Freakonomics*

One of America's most respected authorities on cybersecurity, information technology and e-crime, **Theresa Payton** returned to give the audience the knowledge they need to help their companies look at cybersecurity differently. Theresa's big prediction: "Where you'll get bit the most is with the big data you're collecting; where you have it and how you're protecting it."



Theresa Payton speaks on Cybersecurity

In his insightful presentation "What Risk Managers Need to Know About Control System Cybersecurity", **Joe Weiss** emphasized the huge potential security risk of having 11,000,000 control system devices tied to the internet. Posing the question: "Will there be a Cyber Pearl Harbor?" Joe answered, "Probably yes."



Joe Weiss discusses control system cyber risks

## TUESDAY / CLOSING REMARKS

Finally, Scott Goodell brought the 2014 Risk Managers Information Meeting to a close with a fun video looking back at key moments from the event and a grateful thanks to everyone who made it such a success. "We are truly an organization that is defined by the company we keep. See you again next year, right here at Rosen Shingle Creek," said Scott.



The EIS Panel Discussion

**Planning ahead?** The 2015 Risk Managers Information Meeting will be held at Rosen Shingle Creek in Orlando, Feb 22 - 24.

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

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