



THE RISK MANAGERS INFORMATION MEETING

February 26-28, 2017

Hyatt Regency Grand Cypress, Orlando

REFLECTING ON THE PAST,
ILLUMINATING THE FUTURE.

2017 RISK MANAGERS
INFORMATION MEETING

Orlando's beautiful Hyatt Regency Grand Cypress was the setting for the 2017 Risk Managers Information Meeting (RMIM), February 26 through 28. The 334 attendees included Member Company risk managers, brokers, business partners, consultants and EIM, EIS and ECM staff. Coming together from around the country, they celebrated 31 years of risk management with the theme, "Reflecting On The Past, Illuminating The Future."

Three days of education, entertainment, camaraderie and collaboration ensued as attendees enjoyed thought-provoking presentations, updates on operational areas, discussions on emerging issues and adventurous fun. The meeting reinforced the longstanding impact that Member Companies have in defining strategic direction and shaping EIM's operating philosophy.

Among the many highlights of this year's RMIM was the announcement of a \$25 million distribution by the EIM Board of Directors and the announcement of the 2017 David L. Hadler Risk Management Award recipient. Activities included an informative company overview panel discussion along with several fascinating speakers. Author and expert on megatrends, Peter Leyden, spoke about new technologies; retired astronaut, engineer, U.S. Navy Captain and husband of former Congresswoman Gabrielle Giffords, Mark Kelly shared inspiring stories; speaker and political economist, Andrew Busch offered enlightening commentary; and construction app guru, Rob McKinney, presented informative insights about drone technology.

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

The EIM Board Authorizes a \$25 Million Distribution.

At the 2017 Risk Managers Information Meeting, EIM announced that the Board of Directors had approved a \$25 million distribution to Member Companies of record as of December 31, 2016. The distribution was paid in March 2017, bringing EIM's inception-to-date distributions to \$282 million. This distribution marks the fifth consecutive year in which EIM has returned capital to its Member Companies.

Marian M. Durkin, EIM's Chairman noted, "Returning capital to Member Companies who contribute to EIM's financial stability through solid risk management practices is a key differentiator for EIM. When members manage risk well, they share in profitable underwriting results. It is particularly gratifying to be able to provide a distribution to Member Companies in each of the last five fiscal years."

Any questions regarding the March 2017 distribution should be directed to Tommy Bolton at tbolton@eimltd.com.

The 2017 Risk Managers Information Meeting got off to a great start on Sunday evening as attendees networked through receptions and dinner, followed by recognition of the 2017 recipient of the David L. Hadler Risk Management Award. Jill Dominguez, EIM's Vice President – Chief Underwriting Officer presented the award to Robert (Bob) Frounfelker, retired Executive Director of Risk Management at Consumers Energy Company, in Jackson, MI, a subsidiary of CMS Energy Corporation.

Robert Frounfelker

SUNDAY NIGHT / FIRST-TIME ATTENDEES RECEPTION

First time attendees joined Board, Insurance Advisory Committee members and EIM staff at a reception outside on the Grand View Terrace overlooking the scenic and expansive grounds of the Hyatt Regency. Refreshments and appetizers were served. A photo on the terrace steps captured the energy and enthusiasm of the group.



From left: Genevieve Deschamps, Scott Goodell, Joanna Strokowsky



From left: Ashley Parker, Edsel Carlson, Alaina Scopp



From left: Hiranmayi Palanki, Sridhar Kocharalakota, Daniel Delac, Daniel Nelson



This group photo captures the energy and enthusiasm of first-time attendees.



From left: Tanner McAndrew, Vicki Kunz, Nathan Falkmann, Bryan Oliff



From Left: Paul Chapman, Jeff Tkacz, Tim Underwood



From left: Ann Joslin, Stephanie Rogers, Chad Yearwood, Jami Iamele

SUNDAY NIGHT / MAIN RECEPTION

All RMIM attendees gathered for the Main Reception in front of the hotel's Grand Cypress Ballroom exchanging greetings with old and new friends alike. Refreshments and appetizers were served before the start of the evening's dinner and festivities.



From left: Derek Whipple, Patti Paolucci, Derick Hembd, Rui Dai, Neil Cayabyab, Joy Gao



From left: Mike Devine, Karen McCann, Brian Sassano



From left: Jon Ball, Rick Dowling, Jill Dominguez, Tom Humphrey



From left: Lee Hartz, Jeff Grice



From left: Howell Gaines, Al Loechert, Marianna Michael, Kelly Gaines, David Layne, Lori Layne



From left: Vicki Kunz, Linda Dagostino, Bob Brandkamp, Kathleen McGlynn



From left: Jeff Butler, Jill Towell, David Manning, Sridhar Kocharlakota



From left: Tony Richardson, Nigeria Bloczynski, Rosa Coates, Richard Petter

SUNDAY NIGHT / AWARD PRESENTATION

The David L. Hadler Risk Management 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. EIM has now donated more than \$35,000 to risk management programs throughout the United States.

Jill Dominguez had the honor of presenting the award to Bob Frounfelker, retired Executive Director of Risk Management at Consumers Energy Company in Jackson, Michigan, a subsidiary of CMS Energy Corp.

During his over 30 years with Consumers Energy, Bob progressed from simply purchasing insurance to becoming a key facilitator of risk mitigation through contract risk reviews and the use of captives in conjunction with insurance. Along the way he helped to elevate the risk management and insurance function to executive level awareness.

In addition, Bob gave back to the risk management community as a member of the EEI Risk Management Committee, and by serving as a NEIL member representative. He participated on EIM's Insurance Advisory Committee ('89-'96) and was active with the Society of CPCU Detroit.

Bob designated the \$5,000 donation for contribution to the Risk Management and Insurance program at his alma mater, Ferris State University in Big Rapids, Michigan.

Prior David L. Hadler Risk Management Award recipients include:

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| 2011 - J. Gary Meggs, Risk Manager, Southern Companies | 2014 - Bill Powell, former Manager, Risk Management & Environmental Services, Salt River Project |
| 2012 - Michael J. Anderson, Director of Hazard Insurance, Xcel Energy Corporation | 2015 - Linda Barnett, Director-Corporate Risk Management, Dominion Resources |
| 2013 - Jack Hadsall, Director, Risk Management, City Utilities of Springfield (retired) | 2016 - Mike Kaminski, Manager of Corporate Risk Management, WEC Energy Group, Inc. |



Catching up over dinner, before the awards presentation



After dinner, having fun with magic tricks



From left: Scott Goodell, Bob Frounfelker, Jill Dominguez

SUNDAY NIGHT / ENTERTAINMENT

Mixing magic, music and motivation, football long snapper for the NFL's Philadelphia Eagles, Jon Dorenbos, delivered a riveting and entertaining night for all. Jon has a parallel career as a professional magician and was a finalist on season 11 of the TV program America's Got Talent, performing his magic acts. In the off-season, Dorenbos also serves as a corporate motivational speaker. Jon delivered a rapid-fire mix of magic tricks involving audience participation, energizing music from the past few decades along with motivational stories about his personal experiences with family tragedy and a heart-warming connection he made with a child struck with terminal cancer. As Jon would say: "Magic is believing in yourself. If you can do that, you can make anything happen."



Jon Dorenbos

MONDAY SESSION



Monday got off to a bright start as EIM's senior management team opened the session with a "State of EIM" year-in-review and panel discussion including updates on overall Company performance, as well as specific reviews of underwriting, claims, finance and EIS and IAC activities.

MONDAY / BREAKFAST



Members enjoy mingling before the session.



From left: Gregg Crenshaw, George Keete,



From left: Brad Anderson, Frank Stanbrough, Natalie Solomon, Darren Sonderman



From left: Howell Gaines, Jill Joswiak, Patsy Alioto



From left: Erica McNabb, Chris Gregorio, David Sellars



Peter Leyden on “what’s next.”

MONDAY SPEAKER / PETER LEYDEN

Expert on new technologies and trends shaping the future, author, entrepreneur and former managing editor at the original Wired magazine, Peter Leyden constantly looks for what’s next. Leyden explained that the world is presently in a “digitalization of everything” phase, predicting the biggest challenges in the 21st century as water shortages, pandemics, mass migrations and terrorism. He spoke about the energy industry and transformations, predicting that climate change may be the tipping point. With the cost to produce solar energy dropping and technology developing to better store energy, Leyden predicts a “reinvention of energy” as an industry in the future.



A packed audience listens intently during Monday’s session.

EIM Chairman of the Board, Marian M. Durkin of Avista Corporation, Spokane, WA, started the session. She explained the theme, Reflecting On The Past, Illuminating The Future, with a nod to comedian Steven Wright and quoting Julius Caesar, "Experience is the teacher of all things." Marian added that throughout EIM's history, it has learned from the challenges it has met along the way. She announced two new directors, Marcus V. Brown of Entergy Corporation and Elizabeth Hackenson of AES Corporation. Then, Marian introduced Scott Goodell, EIM's president and CEO, who expanded on the meeting's theme and observed that learning from experiences has been integral to EIM's success.

Scott Goodell chaired the "State of EIM" panel discussion that included, Tommy Bolton, Vice President, CFO and Corporate Secretary; Ann Joslin, Vice President-Claims; Jill Dominguez, Vice President-Chief Underwriting Officer; and Randy Martin, EIS Vice President and COO. Tommy Bolton reported on the financial status of the Company, noting the growth in surplus and overall assets. Jill Dominguez reported on strong underwriting results, as well the many mergers and acquisitions impacting EIM members in 2016. Jill also provided an update on the 2016 Energy School held at the Florida State University College of Business under the auspices of the Department of Risk Management and Insurance. The week-long session was very successful with 34 attendees and a waiting list.

Ann Joslin reviewed claims activity, highlighting EIM's claims history by claim type and open claim count. Ann noted that EIM has paid more than \$2 billion in Member Company claims since it was founded in 1986. Despite a rise in the number of Category 1 (precautionary) claims being reported to EIM in 2016, Ann has not seen an increase in frequency or severity for EIM claims attaching excess of \$35 million. Randy Martin discussed EIS activity in the formation and administration of protected cells for members, including new lines of business such as nuclear property co-insurance. He also reviewed a recent project completed by students at the Darla Moore School of Business at the University of South Carolina that will enable EIS policyholders to better define and track key risk management metrics.

The panel highlighted EIM's surplus growth to \$1,028 million from \$973 million in 2015, its investment return of 4.5% and its net loss ratio of 68% which, when coupled with the expense ratio of 8%, delivered a 76% combine ratio for 2016. Overall, the panel concluded that EIM is in a strong financial, operational and underwriting position to begin 2017.

Scott closed the session with a review of EIM's strategic plan for 2017-2019, noting that EIM expects to see slow and steady growth marked by a conservative investment philosophy, prudent underwriting actions, and ongoing responsiveness to Member Company risk management needs.

Dean Jobko acknowledged IAC members in the audience and gave an update on IAC task forces comprised of cyber, emerging risks (fracking, wildfires, and drones), renewables and pollution/environmental. Initiatives identified for the IAC include how to better communicate with members, new member outreach, and response to Board inquiries.

Copies of all Risk Managers Information Meeting presentations are available [here](#).



Marian Durkin



Scott Goodell



From left: Tommy Bolton, Ann Joslin, Randy Martin



Jill Dominguez



Dean Jobko

MONDAY EVENING / ILLUMINATED GLOW PARTY



From left: Jane Murphy, Shelly Jobko, Dean Jobko, Sandra Imbriani



From left: Mike Devine, Karen McCann, Tim Kiernan



From left: Scott Sink, Karmen Bittick, Linda Sink, Alastair Muir-Taylor,



Eric and Jessica Shultz



From left: Mary Guzman, Jill Dominguez



From left: Chad Yearwood, Mike Dragna, April Fournier, Hilary King, John Samuels



Narmada Nanjundan, Paul Whitstock



From left: Tanner & Heather McAndrew, Jo & Greg Umscheid, Mark Webster



From left: Christine Freiherr, Ann Joslin, Hiranmayi Palanki, Sridhar Kocharalakota, Daniel Nelson



Getting into the spirit and shining bright.



Joan and Bob Green

TUESDAY SESSION

Attendees were treated to three fascinating speakers. Captain Mark Kelly, retired astronaut, engineer, U.S. Navy Captain and husband of former Congresswoman Gabrielle Giffords, discussed the dangers of being an astronaut flying space shuttles and how he manages risk. Political economist, Andrew Busch talked about the new administration's policies and how they may affect the energy industry. Construction app guru, Rob McKinney addressed concerns about the use and control of drones, as well as new technologies. The conference closed with a very entertaining video highlighting the many and varied activities undertaken during the three-day event.

TUESDAY SPEAKERS

Captain Mark Kelly, retired astronaut, engineer, U.S. Navy Captain and husband of former Congresswoman Gabrielle Giffords, reflected on his personal life growing up in New Jersey and related experiences about serving in the Iraq war. He shared what he learned about making decisions, the group decision-making process and the dangers of “group think.” Mark spoke about the virtue and importance of patience, using an example of when he and his wife were communicating with Dr. Stephen Hawking. Mark noted the importance of compromise as well as life lessons, ending with a quote from his wife Gabby, “Be bold, be courageous and be your best.”

Andrew Busch, political economist, explored ideas about how the new administration’s policies could affect the economy and EIM member businesses. He talked about growth solutions for industry problems such as declining electricity demands with wind and solar. Andrew thinks incentivized domestic energy production will create less oil imports and more natural gas, providing the potential to positively affect the US natural gas industry. He also talked about the potential of electricity storage technology for the sustainable home of the future. Busch predicts that the future of power generation will involve robots, “out of plants and into homes.”

Rob McKinney, construction app guru, discussed how drones, sensors and integrated apps are “rewriting all the rules.” Demonstrating with videos, Rob showed what a drone can do and explained that the oil and gas industry uses drones extensively to inspect pipelines, adding that there are now drone defense systems to capture drones and retrieve them for info and identification. He mentioned a risk management tool for controlling drones and how drone technology can be used to function as “smart hard hats.”



Andrew Busch



Rob McKinney

TUESDAY CLOSING REMARKS

Tuesday’s session finished with an action-packed video capturing key moments from the three-day event of activities that included Disney’s Animal Kingdom Tour, the Universal Orlando Tour, Disney’s Keys to the Kingdom Tour, and the Zipline Adventure Tour. Scott Goodell wrapped up the meeting, thanking all of the EIM staff and, importantly, observing how well the theme of “Reflecting On The Past, Illuminating The Future” carried through the conference with all the speakers and presentations. Lastly, Scott thanked Members for their support, loyalty and commitment and invited everyone back to Orlando in February, 2018.



Audience questions concluded the speakers’ presentations.

EIM’s **Members Report** is electronically published four times per year. Comments, questions, and suggested subjects from members are sincerely welcomed.

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