

MEMBERS REPORT OCTOBER 2021



2021 CIO of the Year
Sridhar Kocharlakota



Welcome
Tameeka Hayward



Succession
Planning



EIS PAC Conference



Welcome New
Members

CLAIMS QUICK REFERENCE

Report all losses and refer all acknowledgment questions to our claims department at:
claims@eimtd.com

REMINER: Notice to AEGIS and/or EIS is not notice to EIM



Claims Submission Checklist:

- ☐ Member Company
- ☐ Policy Number
- ☐ Claimant Name
- ☐ Claim Made Date
- ☐ First Written Notice of Claim If Applicable
- ☐ Incident Description and Damages
- ☐ Supporting Documentation
- ☐ Member Contact for Updates

Administering Claims



Proxy Reminder



Q2 2021 Financials



Congratulations Bryan Oliff



Celebrating
15 Years



Financial Update



EIM'S SRIDHAR KOCHARLAKOTA 2021 CIO OF THE YEAR HONOREE

EIM's Sridhar Kocharalakota is Honored as Tampa Bay Business Journal CIO of the Year

EIM is pleased to share that Sridhar Kocharalakota, IT Director, has been honored by the Tampa Bay Business Journal as CIO of the Year. Tommy Bolton, EIM's President and CEO, responded to the recognition, stating, "Sridhar's contributions to EIM's IT infrastructure over the last five years have been remarkable, taking the organization to new levels of system functionality, security and accessibility. From implementation of a document management system, to installation of multi-level security measures, to transition to a cloud-based IT environment, Sridhar has been instrumental in elevating EIM, EIS and ECM system capabilities."

The following was recently published in the Tampa Bay Business Journal in recognition of Sridhar's CIO of the Year honor.



PHOTO OF SRIDHAR KOCHARLAKOTA BY NOLA LALEYE

CIO of the Year: Sridhar Kocharalakota, Energy Insurance Mutual

Sridhar Kocharalakota stepped into his role as the director of technology for Energy Insurance Mutual in 2016 and ever since, has been transforming the way the company does business. During his time there, he has led the successful migration of the company's IT services to the cloud, designed and led deployments of mobile device management solutions, and launched a state-of-the-art monitoring platform to detect performance, availability and security anomalies.

Kocharalakota is a servant leader who works hard to cultivate an atmosphere that provides IT support to the company. Under his guidance, the company was able to develop a newly defined vision that resonated well with the team and board of directors.

Before this role, Kocharalakota worked for over 11 years as a principal tech architect for AT&T. He also has over four years of experience working in management for Accenture, where he led large data migration projects.



SRIDHAR KOCHARLAKOTA

2021 CIO OF THE YEAR HONOREE (CONTINUED)

In addition to its article outlining Sridhar's achievements at EIM, Chris Erickson of The Tampa Bay Business Journal also conducted the following interview with Sri which provided insights into the foundation for his IT talent.

Meet Sridhar Kocharalakota, a 2021 CIO of the Year honoree

WHAT WAS YOUR FIRST COMPUTER?

Perhaps a Pentium III in the year 1999.

HOW DID YOU FALL IN LOVE WITH TECHNOLOGY, OR AT LEAST REALIZE YOU WANTED TO MAKE TECH YOUR CAREER?

From the first year in college when we were taught Pascal and ForTran++, there was an inclination toward programming and computers in general. However, the opportunities that came along the way paved the path for career progression in the information technology world. One of the main drivers was working for AT&T under Praful Shanghavi's leadership where I was able to express my abilities was perhaps the start. Today, I find the same culture and opportunities at EIM that keep the momentum going.

WHAT IS YOUR FAVORITE TECH GADGET?

The iPhone I guess. We can monitor the entire network, security, learn, read, play, watch movies, perform online transactions and keep kids engaged. I think the phone is the best of all.

WHAT BOOK, BLOG OR PODCAST DO YOU RECOMMEND TO OTHERS

WHO WANT TO ADVANCE IN THE TECH INDUSTRY?

I read a book on computer architecture and fundamentals after graduating from college. It discussed every component of the computer system including the RAM, NVRAM, Queuing theory, Paging and many more topics in the system bus architecture. It provides a clear view of how data flows in the system and how things get processed. I would pick up any popular book on computer architecture. For example, David Patterson and John Hennessy have a good text similar to what I read.

WHAT DO YOU DO WHEN YOU ARE NOT WORKING?

Most of the time reading news, updating with the current trends and market conditions, working on pet projects and conducting research and development, working out, going out for dinners with family, traveling, cooking, watching movies, and meeting friends and family.

WHAT ADVICE WOULD YOU GIVE TO YOUNG PEOPLE INTERESTED IN A CAREER IN TECHNOLOGY?

The technology industry is a fast-changing world. One thing that remains static is the foundational blocks of TCP/IP and how systems and software work. They may come in different formats, sizes, display screens, etc. but the approach is mostly similar. Once the fundamentals are strong, staying with technology gets exciting every day.

WHAT IS YOUR FAVORITE MOVIE OF ALL TIME?

"A Few Good Men"

WHAT IS YOUR GUILTY PLEASURE?

Spicy food

WHAT'S A HIDDEN TALENT FEW PEOPLE KNOW ABOUT YOU?

My hobby is to learn about cultures and communities from a historical standpoint.

IF YOU WEREN'T A CIO, WHAT WOULD YOU BE?

Perhaps an engineer on the shop floor in the manufacturing world. (I'm a mechanical engineer by training)

WHAT WAS YOUR FIRST-EVER PAID JOB?

Sales engineer for refrigerators



Sridhar and Family

Please join us in congratulating Sridhar for his well-deserved recognition from the Tampa Bay business community.



LET'S TALK EFFECTIVELY ADMINISTERING CLAIMS

At EIM's 2021 virtual Risk Managers Information Meeting (RMIM), we discussed the increased frequency of claim events the company has experienced in recent years. Through the first half of 2021, we have seen Category 2 and 3 claims remain relatively flat, totaling 45 and evenly balanced between Cat 2 and 3 events. Nonetheless, we recognize that the need to actively manage these loss occurrences remains paramount and that effective and ongoing communication is essential to successful claim resolution.

During the RMIM, we highlighted EIM's commitment to meeting with risk managers and claims representatives, not only to ensure ongoing communication regarding existing claims, but also to encourage early notification of loss events having the potential to impact EIM's excess of loss coverage.

It has been said that we are "stronger when we listen and smarter when we share."

EIM is committed to an ongoing dialogue designed to facilitate the efficient and effective resolution of covered claims and to sustain the member company trust and confidence that is the foundation of EIM's business philosophy.

While the pandemic has made in-person meetings more challenging, EIM remains committed to virtual meetings to review claims reporting procedures, highlight "red flags" that may identify potential excess of loss coverage involvement, and provide updates on any existing or potential claims. To assist our discussions, we have created a Claims Quick Reference guide that we use during our claims meetings. We are hopeful that in-person meetings can be resumed before year end.

We look forward to meeting with you in the near future.

CLAIMS QUICK REFERENCE

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REMINDER: Notice to AEGIS and/or EIS is not notice to EIM

Report any developments that indicate potential exposure to EIM

Claims Submission Checklist:

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- ☐ Supporting Documentation
- ☐ Member Contact for Updates

RED FLAGS - GL CLAIMS

- Deep pocket targeting
- Excessive demands for single plaintiff, especially electric contact
- Refusal to settle at mediation; media recognition/high profile plaintiffs' firm
- Bad results on jury research or mock juries; sympathetic plaintiffs
- High dollar life care plans

CLAIMS CONTACTS
claims@eimltd.com

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Vice President - Claims
Melissa Puglia
Claims Attorney
Betsy Santana
Claims Associate
Katie Imm
Claims Administrative Assistant

RED FLAGS - D&O CLAIMS

- High legal budgets for defending claims
- Unfavorable rulings on motions to dismiss or summary judgment
- Tag-a-long to catastrophic GL loss
- Adverse press coverage of event
- Excessive demands by plaintiffs
- Unusual circumstances surrounding a merger or acquisition (not a typical M&A claim)



Ann Joslin
Vice President - Claims
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MEGAN OGDEN TO SUCCEED RANDY MARTIN UPON HIS RETIREMENT IN MARCH 2022



Randy Martin

In August 2021, Energy Insurance Mutual (EIM) announced that Megan Ogden will succeed Randy Martin, COO of Energy Insurance Services (EIS), upon Randy's retirement on March 31, 2022.

Randy celebrates 30 years in the energy industry, with roles prior to his joining EIS as an insurance broker and risk manager. Under Randy's leadership, EIS participated in a first-of-its-kind, insurance-backed catastrophe bond for wildfire indemnity and other tailored, alternative risk solutions for EIS participants. EIS formed five new cells and witnessed gross premium growth of 48% during Randy's time at the helm.

"It has been a privilege to be part of this Company," Randy stated, "and I have truly enjoyed my time working with our Members and staff."

EIM congratulates Randy on his upcoming retirement. His professional and personal contributions will leave a lasting legacy.

Megan currently serves as Controller for EIM subsidiary Energy Captive Management (ECM), having joined the team in April 2020. She previously held positions of increasing responsibility in captive insurance management for more than fifteen years, including as senior vice president of Marsh Captive Solutions and head of the Charleston, SC office of JLT Insurance Management.

"Megan brings a powerful combination of skills and experience to this role. She has strong expertise in alternative insurance, finance, and business development. She also has established meaningful relationships

with EIS participants and in the captive community, having recently served as Chair of the South Carolina Captive Insurance Association (SCCIA)," said Tommy Bolton, EIM's President and CEO. "We are pleased to have Megan join the leadership team in the EIM family."

Reflecting on their time together serving on SCCIA's board of directors and since Megan has joined the Company, Randy commented, "I have great respect for Megan's abilities and experience with a wide array of captive and other alternative risk vehicles. Working together through this transition and having Megan assume this important role will reinforce the stability and consistency that are among the hallmarks of the EIS Member experience. Megan and I share a passion for enhancing that Member experience, which is at the center of the Company's strategic plan."

Megan is energized by her new role and remarked, "I am very excited to take on a new role at EIS. I look forward to meeting our community in person and continuing to deliver outstanding service, financial stability, and stable insurance capacity to EIS Members in the future."



Megan Ogden



Looking Forward to Charleston

Energy Insurance Service's (EIS) PAC Conference is scheduled to take place from October 25-28, 2021 in Charleston, South Carolina at the Hyatt Place located at 560 King Street. For those who are able to attend in person, we look forward to seeing you at the conference.

In addition to conducting annual Program Advisory Committee (PAC) meetings for individual Mutual Business Programs, the conference will include a General Session on the morning of October 26 addressing EIS and Energy Captive Management (ECM) performance and operations, updates from EIS and ECM business partners, and overviews of current issues impacting the alternative risk marketplace.

While in Charleston, we will take advantage of its many low country activities and venues, including world class cuisine and southern hospitality.

For those unable to attend, we look forward to scheduling your PAC meetings in the week following our in-person conference via Teams or a similar virtual platform.



Randy Martin
Vice President - COO of EIS
Contact Randy at
rmartin@eimltd.com



WELCOME NEW MEMBERS



The **LONGVIEW POWER** plant is a 700 net megawatt electric power generating facility located in Madsville, West Virginia, close to Morgantown. The plant produces enough electricity to continuously power more than 500,000 homes. Longview's mission is to produce clean, economic, and reliable power in an environmentally sustainable manner using low cost, locally mined coal.

Longview is a clean coal facility with best-in-class air pollution control systems that result in much lower emissions than its permit limits, which are among the lowest in the nation for coal plants. In addition, Longview emits significantly less CO₂ than most other coal plants because of its high energy conversion efficiency.



DT MIDSTREAM is an owner, operator and developer of natural gas midstream interstate and intrastate pipelines; storage and gathering systems; and compression, treatment and surface facilities. It provides clean, natural gas to gas and electric utilities, power plants, marketers, large industrial customers and energy producers across the Southern, Northeastern and Midwestern United States and into Canada.

The company offers a comprehensive, wellhead-to-market array of services, transporting production from world-class, low-cost dry gas formations to growing, high-quality markets.



TENASKA began as a five-person operation in 1987 with plans to build just one or two power plants. Today, Tenaska is one of the largest privately held companies in the United States, a 700-person-strong organization focused on natural gas marketing, power management, development and acquisition of generation assets, operation of power plants and more.

The company's generating facilities are recognized in the industry for efficiency, state-of-the-art technology and superior emissions performance while continuing to grow its renewables business. Tenaska's safety record is among the best in the energy industry and has been recognized numerous times for safety achievement.



PROXY VOTE REMINDER

RETURN YOUR PROXY VOTE BY OCT. 18



As described in the proxy statement sent to Members on September 16, Members are being asked to vote whether to amend the Company's bylaws and articles of incorporation. The Board of Directors has recommended voting **FOR** the proposed amendment.



WELCOME TAMEEKA HAYWARD



TAMEEKA HAYWARD JOINS THE ECM/EIS TEAM

Please welcome **Tameeka Hayward** to the ECM/EIS team in Mount Pleasant, South Carolina. She has joined the team as a Senior Accountant and is looking forward to meeting EIS Participants and working in insurance management for ECM. Tameeka comes to us from her position as a Senior Accounting Manager of Boingo Wireless and has 15 years of accounting experience in a broad range of specialties. She has a BS in Business Administration (*cum laude*) from Morris College and an MBA from Charleston Southern University.

Tameeka has lived in New York and currently lives in South Carolina with her husband. She enjoys reading and traveling with friends and family. She is currently working on obtaining her CPA designation.

Tameeka will work on several Mutual Business Programs (MBP) as she transitions into ECM operations and before she assumes responsibility for the management of specific MBPs. In this interim period, she will be working on financial statement preparation, policy issuance and documentation, and other captive management functions alongside Megan Ogden and Kim Jenkins.



15-YEAR ANNIVERSARY



Celebrating 15 Years with EIM

Jeanne Allen, Assistant Underwriter, joined EIM in August 2006 with 18 years of experience in commercial underwriting and marketing. She also has deep knowledge of insurance forms, rating rules, state regulations, and loss control principles. Immediately prior to joining EIM, Jeanne was underwriting lead for the commercial unit at Poe Financial Group, a long-time Tampa agency.

Since joining EIM, Jeanne has been an integral part of the underwriting team, focusing on General Liability, Directors and Officers, Property and Cyber coverages. In addition to her underwriting duties, Jeanne has also served on the Company's team building and holiday committees while playing a key business champion role in the development and rollout of EIM's document management system. She also provides regular input on updates to EIM's underwriting system and transition to the cloud work environment.

Over the years, Jeanne has experienced an underwriting environment that has seen both hard and soft markets, always providing excellent service to EIM members and brokers. Along the way she has built exceptional working relationships with member companies and EIM business partners. Her contributions over the years have helped maintain EIM's commitment to quality, integrity and service.

Congratulations to Jeanne for a job well done, many thanks for her commitment and dedication to EIM, and best wishes for many more anniversaries to come.



CONGRATULATIONS BRYAN OLIFF



BRYAN OLIFF RECEIVES CPCU DESIGNATION

Congratulations to **Bryan Oliff** for successfully completing the rigorous Chartered Property Casualty Underwriter (CPCU) requirements and receiving his CPCU designation. This professional designation in property-casualty insurance and risk management, administered by The Institutes (also known as the American Institute for Chartered Property Casualty Underwriters), requires completion of eight courses covering topics such as risk management, insurance operations, business law, finance and accounting, property insurance, and liability insurance. Held by fewer than 65,000 people (less than 4% of the insurance industry), the CPCU designation is widely considered the most distinguished designation offered in the insurance industry.

Great job, Bryan!

FINANCIAL UPDATE

A SOLID FIRST SIX MONTHS

Energy Insurance Mutual Limited ("EIM") recorded a gain on surplus of \$57.4 million for the six months ended June 30, 2021 compared to \$3.3 million for the same period in 2020. Income from underwriting totaled \$0.5 million compared to a loss of (\$3.7) million in the prior year.

EIM had investment income of \$70.6 million for the first six months of 2021 compared to a loss of (\$3.1) million for the same period in 2020. Current year investment results were impacted by favorable equity market performance.

Highlights from 2021 include:

- Distribution of \$50.0 million paid in March 2021 to members of record at December 31, 2020.
- Policyholders' Surplus of \$1.2 billion, an increase of \$57.4 million or 4.8% for the first half of the year.
- Combined ratio of 99.5% for the first six months 2021 as compared to 103.6% for the same period prior year.
- Membership retention of 99% was achieved in the first six months of 2021.

EIM returned 4.08% on investments compared to a benchmark return of 4.12%. The return is a result of gains on US equities of 14.48%, international equities of 9.83%, alternative investment securities of 4.35% and losses on fixed income securities of (.01%).

Overall, a solid first half of the year.

Christine Freiherr
Director of Treasury

Contact Christine at cfreiherr@eimltd.com



Q2 2021 FINANCIALS

As of and For the Period Ending June 30, 2021

Balance Sheets

(Expressed in Thousands of U.S. Dollars)

	06/30/21	12/31/20
Assets		
Investments	\$ 1,904,621	\$ 1,790,148
Cash and cash equivalents	90,175	58,589
Reinsurance recoverables on losses	433,795	461,929
Prepaid reinsurance premiums	47,689	53,754
Premiums receivable	45,848	20,109
Income taxes recoverable	-	27,162
Other assets	3,054	3,241
Total assets	\$ 2,525,182	\$ 2,414,932
Liabilities and policyholders' surplus		
Reserves for losses and loss adjustment expenses	\$ 1,037,758	\$ 905,086
Unearned premiums	150,605	181,141
Reinsurance premiums payable and funds held	8,842	18,085
Net deferred tax liability	66,937	58,815
Policyholder distributions payable	-	50,000
Accounts payable and accrued expenses	12,932	13,087
Income taxes payable	1,980	-
Total liabilities	1,279,054	1,226,214
Members' account balance	1,246,128	1,188,718
Total policyholders' surplus	1,246,128	1,188,718
Total liabilities and policyholders' surplus	\$ 2,525,182	\$ 2,414,932

Statements of Income YTD

(Expressed in Thousands of U.S. Dollars)

	6/30/21	6/30/20
Underwriting revenue		
Net premiums earned	\$ 108,891	\$ 104,150
Other underwriting income	2,427	1,537
Total underwriting revenue	111,318	105,687
Underwriting expenses		
Net losses and loss adjustment expenses	102,597	101,299
Policy acquisition costs	1,776	1,717
Administrative expenses	6,472	6,404
Total underwriting expenses	110,845	109,420
Income (loss) from underwriting	473	(3,733)
Investment income (loss)	70,639	(3,054)
Income (loss) before income taxes	71,112	(6,787)
Income tax expense (benefit)	13,702	(10,116)
Net income	\$ 57,410	\$ 3,329



Statements of Changes in Policyholders' Surplus (Expressed in Thousands of U.S. Dollars)

	Members' Account Balance	Total Policyholders' Surplus
Balance at January 1, 2020	\$ 1,152,970	\$ 1,152,970
Net income	35,748	35,748
Balance at December 31, 2020	1,188,718	1,188,718
Net income	57,410	57,410
Balance at June 30, 2021	\$ 1,246,128	\$ 1,246,128

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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