

MEMBERS REPORT OCTOBER 2023



**The Blueprint for Tomorrow:
Strategic Plan Update**



**Putting the "IAC"
in Intermediacy**



**Welcome
Cindy Dobbins**



AM Best Rating



**Staff
Retirements**



**Board Member
Retirements**



**New Board Member
Amanda Rome**



Q2 2023 Financials



STRATEGIC PLAN UPDATE



Tommy Bolton
*President and
Chief Executive Officer*

THE BLUEPRINT FOR TOMORROW

As we mentioned during the February 2023 Risk Managers Information Meeting, EIM has been updating its three-year strategic plan, and, in the process, assessing the evolving economic, industry, and global factors impacting our members. While the focus remains squarely on our member companies and their need for consistent, efficiently priced, and responsive excess insurance coverage, our planning considerations contemplate myriad underlying factors, both internal and external, impacting EIM's ability

to meet these primary goals.

The first half of 2023 has delivered solid results for EIM and its members. Policyholders' surplus has increased 2% to \$1.2 billion compared to a reduction of \$113 million in 2022. Investment income has rebounded from a loss of \$165 million in 2022 to a gain of \$84 million for the first six months of 2023. Offsetting a portion of this investment gain is an underwriting loss of \$52 million (compared to a gain of \$21 million in 2022), driven primarily by additional reserving for prior underwriting year claims. It is difficult to predict what the remainder of the 2023 fiscal year will deliver, but we know that wildfires, hurricanes, and flooding, along with other potential loss events, could dramatically impact EIM's financial performance.

When you couple these contingencies with the energy industry's ongoing evolution away from carbon-based energy generation, the impact of severe weather events on energy demand, the need for new and upgraded power infrastructure, and global unrest that has caused civil and economic upheaval, you quickly recognize that the world we live in is more complex, increasingly volatile, and presenting an ever changing environment, putting a premium on effective strategic planning and execution.

An old proverb cautions that, "Man plans, and the gods laugh." Such is the nature of strategic plans. Inevitably, they are more circular than linear. Seldom does a plan move effortless from point A to point B. Effective plans are revisited on a regular basis, revised to accommodate changes in circumstances, and routinely measured for progress and relevancy. The goal is to produce a clear, well-defined strategy providing a framework for decision-making and ensuring that all company activities and initiatives are aligned with the organization's primary goals and objectives. This shared sense of purpose and direction, in turn, creates a sense of unity and cohesion between EIM and member companies, enabling them to work together toward a common goal.

Experience has taught us that planning is important, but it is equally critical to remain flexible and adaptable, prepared to adjust plans in response to changing conditions. Over the course of the last three years, we have updated our strategic direction to reflect changes within the energy industry and the unfolding needs of our members. This commitment will continue over the next three years as we position the organization to meet the emerging challenges of an industry and membership in transition.

In addition to continuing to measure key performance indicators such as member retention, risk capacity, enterprise risk, gross and net loss ratio, and investment risk, the updated strategic plan will also focus on both external (member oriented) objectives and internal (organizational) imperatives that will drive EIM's success. In its simplest terms, member focus will include meeting member company needs, both present and future, and enhancing member engagement. From an organizational perspective, we will further build and broaden our internal resources and expertise while strengthening our management capabilities and bench strength.

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OUR MEMBERS

The nexus of EIM's strategic plan will include a comprehensive review of product offerings to ensure that limits, attachment points, pricing, and lines of business are consistent with member company needs while remaining compatible with the company's mandate to maintain financial stability.

The planning process over the next three years and beyond may also include consideration of new business opportunities, both in terms of expanding existing member company relationships

Helping members better understand and avail themselves of these services would be beneficial, particularly at a time when new risks are regularly emerging in conjunction with the adoption of new technologies.

In addition to product considerations, the strategic review will also consider how member company engagement can be augmented to maximize input and feedback. This may include, among other alternatives, revamping the member portal, updating the IAC

2024-2026 Strategic Planning Overview

EIM's strategy begins with a consideration of its mission and vision

EIM Mission

*Provide members with a **financially sound organization** offering a secure, stable source of superior **long-term insurance and risk financing** products and services.*

EIM Vision

*To be the **premier provider of insurance and risk management** services to utilities and the energy services industry.*

as well as identifying emerging excess insurance needs. We may also explore newly formed businesses or organizations emerging from the evolving energy landscape. These opportunities must be consistent with EIM's long-standing commitment to the energy services industry and compatible with EIM's underwriting guidelines and risk appetite.

Energy Insurance Services, Inc. (EIS) continues to offer tailored solutions for members seeking to better control certain loss exposures, gain more flexibility in risk management program structure, or find solutions to unique or one-off insurance issues.

member survey, building a more robust on-line presence, or using the Energy School as springboard for more "thought leadership" interaction with members, either on an individual or regional basis. Adding value to the membership outside of traditional insurance products will be an integral part of EIM's strategic plan.

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THE COMPANY

To deliver on the strategic commitments made to members, EIM must be able to work efficiently and to invest in the necessary resources to effectively “get the job done.”

Working efficiently can take many forms, not the least of which is ensuring that systems and procedures are in place to facilitate day-to-day administration of key tasks such as underwriting, claims, and finance. We will not only look to enhance existing systems in these three areas but to add new data gathering and analytical platforms that will enable EIM to better assess and anticipate emerging trends in each. By examining, at a more granular level, the data associated with these primary functions, EIM and its members can better evaluate the efficacy of their strategic direction.

In terms of EIM resources, we have invested in in-house actuarial expertise, augmented the claims team, and added underwriting and information technology professionals. In addition, we have upgraded existing operating systems and added new capabilities to better collect, track and analyze key data relating to our membership as well as the energy and insurance industries in general. As we identify areas where EIM can more effectively execute its strategic plan, we will consider further additions to staff and adoption of new technologies and analytics. Given the pace of change in the energy industry, it is imperative that we are appropriately resourced to effectively work hand in hand with our members as they meet the challenges of tomorrow.

We are working closely with the Board, Insurance Advisory Committee, member companies, and our business partners to design and implement a plan that will see us through the next three years and better position us for the long-term success of the organization. Working together, I am certain that we can achieve today's goals and best prepare for tomorrow's challenges.

Tommy Bolton • President and Chief Executive Officer
Contact Tommy at tbolton@eimltd.com

Strategic themes

EIM's strategy will be anchored around four strategic themes prioritized by core stakeholders



Meeting member needs
& preparing for the
future



Enhancing member
engagement



Management leverage
& succession



Advancing internal
capabilities





Stephanie Crochet
IAC Chair, Director,
Risk and Insurance,
Plains All American, L.P.

PUTTING THE IAC IN INTERMEDIACY

It has been a busy year for the Insurance Advisory Committee (IAC) as it carries out its goal of serving as the membership liaison with the EIM Board and EIM's senior management team. I want to thank Mike McFarland, the IAC's outgoing Chair for his deft leadership and for setting the stage for a seamless transition to my new role as IAC Chair. We recognized Mike's contributions at our September meeting and are fortunate to have his continuing service as a committee member.

The IAC continues to receive quarterly updates on EIM's underwriting activities, financial results, claims experience, and operational performance while also focusing on specific projects identified by the Board.

One current area of focus has been working with EIM to develop an updated strategic plan, maintaining the company's commitment to "member focus." The updated plan will highlight enhanced membership engagement and meeting member company excess insurance needs, both in terms of policy coverage and conditions as well as administrative support in the underwriting and claims areas. I am confident that EIM management, the Board, and the IAC have identified key strategic objectives and established relevant and meaningful key performance indicators that will be monitored on a regular basis charting a three-year course that will sustain and build on EIM's longstanding commitment to its members.

In addition to helping develop EIM's strategic planning initiative, the IAC has relied on its task forces to stay abreast of developments in key impact areas affecting our industry. The following summarizes some of the recent developments highlighted by our task forces.



Ron Rispoli and Stephanie Crochet recognize outgoing Chair, Mike McFarland

EMERGING RISKS

Task Force Members: Arnold Garcia (Chair), Ron Rispoli, Stephanie Rogers, Gordon Payne

The Emerging Risks task force continues to monitor the effects of extraordinary weather events and their impact on the energy industry. As extreme weather becomes a more common occurrence, it has triggered not only more severe consequences for customers and industry infrastructure, but is also driving increased litigation as well as constraining insurance coverages.

Changing weather patterns and the increasing mix of power generation sources make managing grid assets more challenging. A recent Wall Street Journal article discussed the decisions that utilities must make during extreme weather, particularly after the recent Maui fires, where criticism emerged for, among other things, not shutting off power. Cutting power is not an easy decision and brings with it other issues. It can affect water supply, communications, and negatively impact customers that may need electricity for medical needs.

The Journal article highlighted the need to develop procedures addressing extreme weather events. Some industry observers have noted that, in addition to having up-to-date emergency plans, grid hardening strategies should be explored. Advanced technology along with improved information gathering and dissemination could also aid in mitigating damage to the most vulnerable aspects of the grid system.

REGULATORY

Task Force Members: Lisa Hough (Chair), Edsel Carlson, Arnold Garcia, Tim Underwood

Cyber

The Regulatory task force reported on recent Security Exchange Commission (SEC) cyber rules that signal more federal cybersecurity investigations and enforcement actions that potentially expose

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PUTTING THE IAC IN INTERMEDIACY (continued)

corporate leaders, including finance chiefs, to increased personal liability risks. Public companies must disclose “material cybersecurity incidents” to the SEC within four days of determining that such a breach has occurred. The rules also require a 10-K description of Board of Directors’ oversight of cybersecurity risks. In recent years, corporate executives have faced criminal charges over cyber disclosure questions. As some of the firm’s most senior officers, the personal scrutiny for CFOs and financial leaders may well increase under the new SEC rules.

Supply Chain

The Biden Administration has made supply chain resilience a priority, ordering a review of four especially important supply chains: semiconductors, high-capacity batteries, critical minerals, and active pharmaceutical ingredients.

Per- and Polyfluorinated substances (PFAS) are an important part of the U.S. supply chain, providing essential building blocks for production of semiconductors, pharmaceuticals, and other products. One subset of PFAS chemicals, fluoropolymers, is critical to the development of 5G technologies, Li-ion batteries for electric vehicles, hydrogen fuel cells, and a host of renewable energy generation technologies.

Regulatory uncertainty created by recent PFAS regulations could disrupt the supply chain by incentivizing product sourcing from outside the United States and driving up prices which would run contrary to the Administration’s objectives.

ENERGY MARKET EVOLUTION

Task Force Members: *Ron Rispoli (Chair), Edsel Carlson, Arnold Garcia, Mariya Coleman*

The Energy Market Evolution task force has monitored new developments within the industry, some of which are highlighted below.

Energy Storage Pilot Projects

The Electric Reliability Council of Texas (ERCOT) has a growing number of pilot projects involving small battery systems, backup generators and other distributed resources located at homes and businesses. A total of eight virtual power plants totaling 7.2 MW will participate in the Aggregate Distributed Energy Resources pilot, known as ADER.

The Energy Sector as an Outlier

While sectors like fintech and healthcare have embraced cloud-based systems, advanced analytics, and artificial intelligence, energy companies continue to rely heavily on traditional on-premises IT systems. Utilities are understandably cautious about transitioning to new technologies that may disrupt their existing operations. The fear of potential downtime, data breaches, and cybersecurity threats slows consideration of cloud-based solutions.

Moreover, the utility industry operates within a unique regulatory framework that doesn’t always align with the incentives needed to promote technological innovation. Traditional cost-of-service regulation, providing a return on equity for capitalized expenses, sometimes disincentivizes utilities from investing in more functional, cost-effective modern alternatives.

CYBER

Task Force Members: *Tim Underwood (Chair), Mike McFarland, Gordon Payne, Frank Stanbrough*

The Cyber task force has reported that the cyber insurance market is stable. Building higher-limit programs is proving less challenging and retentions remain relatively unchanged with rates generally reflecting flat to single digit increases. Ransomware losses appear to have returned to the higher levels observed in 2020 and 2021 with an average per claim between \$300k - \$400K.

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Some insurers are excluding “zero-day” attacks (meaning a security flaw for which the vendor has yet to make a patch available) or attacks identified as “Common Vulnerabilities and Exposures” that are on a list of publicly disclosed computer security flaws.

Discussions continue at the federal level through the Federal Insurance Office regarding some type of federal insurance response to cyber losses that could be loosely based on the existing TRIA program. Recent U.S. Government Accountability Office research suggests that the average cost of a data breach is \$4.45 million across the 16 countries studied, up 2.3% from 2022. Average cost in the U.S. is \$9.48 million, led by the healthcare sector at \$10.93 million. Organizations that did not involve law enforcement in ransomware attacks experienced an additional \$470K in costs and had longer recovery periods.

Two percent of reported breaches involved cloud data in public, private, or hybrid environments. And, when AI and automation tools were used extensively in a network, businesses were able to identify and contain breaches 108 days more quickly and, on average, save \$1.8 million in costs.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

Task Force Members: *Frank Stanbrough (Chair), Edsel Carlson, Arnold Garcia, Mariya Coleman*

The ESG task force focuses on developments in the ongoing dialogue surrounding environmental, social, and governance factors affecting investment strategies. While conceived in 2005, ESG did not receive significant attention until 2017 when rating agencies began integrating ESG into credit rating models. In 2023, the ESG bond market topped \$6 billion. Recently, however, debate has emerged regarding ESG with some suggesting that the methodology prioritizes politics over investment returns and is biased against certain industries, including oil and gas.

In January 2023, the European Union (“EU”) adopted the Corporate Sustainability Reporting Directive (“CSRD”), which requires the EU and non-EU companies with activities in the EU to file annual sustainability reports alongside their financial statements. The debate will no doubt continue with potential implications to member companies, insurers, investment advisors, and rating agencies.

NOMINATING

Task Force Members: *Mike McFarland (Chair), Edsel Carlson, Stephanie Rogers, Ron Rispoli*

The Nominating task force regularly solicits and reviews candidates for IAC service, providing input to the IAC at large and the EIM Board regarding committee membership. The committee’s efforts have enabled the IAC to maintain a full complement of experienced risk management professionals.

DAVID L. HADLER AWARD

The first David L. Hadler Risk Manager of the year award was given at EIM’s 25th annual Risk Manager’s meeting in February 2011. The idea was to continue the legacy of EIM’s pioneering early CEO by honoring the Member Company risk manager who embodies the professionalism, commitment to excellence and long-standing dedication to risk management that were the hallmarks of his career. Candidates are nominated by their peers and selected by the Insurance Advisory Committee based on those nominations. EIM directs a \$5,000 donation to the risk management program at the college or university of the recipient’s choosing. The nomination period is now open. If you know a Risk Manager you think is deserving of this honor, please click [HERE](#) for the nomination form.

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A strong and diverse IAC is essential to effective EIM member company representation. The task force encourages any member company risk managers interested in serving on the IAC to contact EIM or the IAC.

IAC COMMITTEE MEMBERS

STEPHANIE CROCHET (CHAIR)

Director, Risk & Insurance
Plains All American Pipeline, L.P.

RON RISPOLI (VICE CHAIR)

Director Risk and Insurance
Entergy Services, Inc.

EDSEL L. CARLSON, ARM, FRM
Risk Manager
TECO Energy, Inc.

MARIYA COLEMAN
Manager, Risk and Insurance
Berkshire Hathaway Energy

LISA HOUGH

Manager - Risk Management
Omaha Public Power District

ARNOLD GARCIA

Manager, Risk Management
Duke Energy

KATHY McELWAINE

Corporate Insurance Manager
PJM Interconnection

MIKE MCFARLAND

Director, Enterprise Risk
Management
Great River Energy

RANDY MURDAUGH

Risk Manager
Associated Electric
Cooperative, Inc.

GORDON PAYNE

Director, Risk Management
Fortis, Inc.

FRANK STANBROUGH

Director/Risk Management
Southwest Gas Holdings, Inc.

TIM UNDERWOOD

CMS Energy
Director Insurance Risk
Management

The IAC will continue working closely with EIM and the Board to represent the membership and ensure continued responsiveness to member company needs. On a personal note, I want to thank the committee members for their hard work and dedication. Without their involvement, insights, and support, EIM would not be the successful mutual that it is today. Thank you also to our member companies, whose ongoing commitment reflects the essence of the mutual concept.

Stephanie Crochet • IAC Chair

Contact Stephanie at stephanie.crochet@plains.com



WELCOME NEW EIM BOARD MEMBER AMANDA ROME



Amanda Rome
*Executive Vice President, Group
President – Utilities, Chief Customer
Officer • Xcel Energy*

Amanda Rome is Executive Vice President, Group President -- Utilities and Chief Customer Officer with responsibility for the overall strategy and execution of each of Xcel Energy's four operating companies as well as the customer-facing organizations including Clean Transportation, Customer Solutions and Innovation and Customer Care. In her previous role as Chief Legal and Compliance Officer, she was responsible for the company's law department and overall legal strategy. Previously she served as vice president, deputy general counsel where she lead the company's Regulatory, Commercial and Environmental Groups across all jurisdictions. Rome was previously the head regulatory attorney for Xcel Energy nationwide with responsibility for all federal and state regulatory jurisdictions.

Prior to joining Xcel, Amanda worked as a federal court litigator at Winston & Strawn in Chicago and Faegre Baker Daniels in Minneapolis.

Amanda also serves on the Advisory Board of the University of Idaho Energy Executive Council, along with several other boards including the Executive Boards of Twin Cities Diversity in practice. She also served on the 2022 Women's Basketball Final Four. She also serves on the board of directors for the Minnesota chapter of the Trust for Public Lands.

Amanda attended Penn State University where she was the starting outside hitter on a Penn State women's volleyball team that won a national championship. After graduating from Penn State, she received her law degree from the Georgetown University Law Center.

A strong proponent of the industry mutuals, Amanda looks forward to working with EIM board members and helping to sustain the mission and vision established by the company's founders more than 35 years ago.

AM BEST AFFIRMS EIM'S "A" RATINGS



On June 28, 2023, A.M. Best affirmed EIM's Financial Strength Rating (FSR) and Issuer Credit Rating (ICR) of "A" (Stable) and "a" (Stable), respectively. As in past years, A.M. Best noted that EIM's sound balance sheet reflected a strong level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR). Further supporting EIM's ratings, were solid capitalization relative to current business and investment risks, sound pre-dividend operating results for the most recent five-year period through year-end December 31, 2022, and an effective enterprise risk management process designed to identify and monitor the various risks attendant to the company's business activities. EIM is pleased to offer excess of loss capacity that has been continuously rated "Excellent" by A.M. Best since 1993 and remains committed to maintaining a long-term, stable underwriting, financial, claims, and operational foundation upon which to meet member company risk management needs.



BOARD MEMBER RETIREMENT

JIM HATFIELD



Jim Hatfield joined the EIM board in August 1998. He retired from the board in December 2022. With 25 years board service, Jim is the second-longest tenured Board member in EIM's 37-year history, topped only by our founding director, Sir Trevor Carmichael. Jim has quite literally "seen it all" at EIM and we have been extremely fortunate to benefit from his leadership, wisdom, and business expertise over the years.

Jim was interviewed for EIM's June 1999 Members Report where he gave us his perspective on EIM and mutual insurers in general. It is worthwhile to revisit Jim's comments and to reflect on the ensuing 25 years:

WHY DID YOU CHOOSE TO SERVE ON THE BOARD?

"EIM is an important part of the energy industry, and I wanted to be part of that. Additionally, I like to work with talented people, which certainly describes the members of the EIM Board."

Jim was spot on regarding EIM's role in the energy industry along with his take on EIM Board members. During his time on the EIM Board, Jim has served on virtually every Board committee, but most importantly was EIM's Chairman from 2009 through 2012. Some will recall that this was a tumultuous time that included the fallout from the 2008 financial crisis, the illness of EIM's President David Hadler, and an IRS determination regarding the tax status of Energy Insurance Services. Jim guided us through it all with a calm hand, level-headed direction, and solid business instincts.

WHAT ARE YOUR PRIMARY INTERESTS OUTSIDE OF WORK?

"Besides my family, I do enjoy golfing – even though I still struggle at the game. In the fall, I referee college football in the Western Athletic Conference."

While Jim's football officiating days from the Big XII Conference and Western Athletic Conference, as well as the Arena Football League and 2004 Rose Bowl, ended years ago, he has remained active in

the sport, serving as the interim CEO of the 2022 Fiesta Bowl. He still loves - and continues to struggle with - the game of golf.

WHAT MAKES A WORKDAY A GOOD ONE?

"Leaving the office in the evening and knowing you have made a meaningful contribution."

Not a bad observation, and probably one shared by all of us. Jim's workdays included serving as senior vice president and chief financial officer of OGE Energy Corporation before joining Pinnacle West in 2008 as senior vice president and chief financial officer of the parent company and its operating utility, Arizona Public Service. It was there that he retired as Executive Vice President and Chief Administrative Officer. Quite an impressive career of "good workdays."

But Jim has done better than that – he has provided EIM with 25 years of meaningful contributions that have enabled the company to achieve its reputation for responsiveness to members and establish the respect with which EIM is held by its peers, regulators, rating agencies, and business partners.

And Jim's contributions don't end there. He has given back to the community with his service on the board of Phoenix's oldest and largest hospital, St. Joseph's Hospital and Medical Center, as well as the board of the University of Central Missouri Foundation and the Board of Directors for college football's Fiesta Bowl.

WHAT WOULD YOU LIKE TO BE DOING 10 YEARS FROM NOW?

"I would hope to be doing something that continues to be challenging and fun."

Little did Jim know that EIM would continue to be a part of his life more than 20 years later; we hope he has always viewed his time with us as challenging and fun. His contributions to the success of EIM for the last 25 years have created a lasting legacy and a model for all those interested in giving back to the energy industry.

Congratulations, thanks, and best wishes to Jim and his family on his retirement.



BOARD MEMBER RETIREMENT

DAVE MEADOR



Dave attended his first Board meeting in November 2019, just prior to the global bout with the COVID 19 pandemic and was formally elected by the membership for a three-year term at the May 2020 annual EIM meeting, just as social distancing and working from home became standard operating procedure. It wasn't until January 2022, over a year later, that Dave was able to attend his second in-person EIM Board meeting.

Despite the lack of in-person contact, Dave has been valuable board member. His insights and thoughtful questions have been impactful – both from a financial perspective as well as information technology.

Dave's career has been one of many achievements. He is the recently retired vice chairman and chief administrative officer of Detroit-based DTE Energy, having joined DTE Energy in 1997 as vice president and controller. From 2001 to 2013, Dave served as DTE's chief financial officer, focusing on improving the company's systems and processes while keeping energy affordable for customers. After he took on leadership of DTE's Supply Chain organization, the company became a national leader in supporting local businesses and expanding opportunities for woman- and minority-owned businesses.

Equally noteworthy has been Dave's involvement in the community:

- He co-chaired Detroit's Workforce Development Board on its journey to connect 100,000 Detroiters with meaningful jobs.
- He was a co-founder of the Autism Alliance of Michigan, where he drove landmark legislation expanding access to autism-based therapies and raised over \$40M to assist people on the autism spectrum.

Dave's statement in his retirement announcement truly captured what he is all about, personally and professionally. He explained: "You might say that I'm not retiring, I'm refiring. My goal is to make Michigan a top 10 place to live, work and raise a family. Not just for my five grandchildren and my adult daughter with autism, but for everyone. To do that, we must truly act on diversity, equity, and inclusion."

Dave's wealth of experience, his collegial attitude, and his commitment to teamwork have been invaluable to EIM. We thank him for his accomplishments, not just at EIM, but in the communities which we all serve. EIM is a better company because of his contributions, and for that, we are truly grateful.

SAVE THE DATE

2024 Risk Managers Information Meeting

March 24 - 26, 2024

JW Marriott Hotel • Tampa, FL



CINDY DOBBINS JOINS EIM AS VICE PRESIDENT AND CHIEF CLAIMS OFFICER



Cindy Dobbins
*Vice President -
Chief Claims Officer*

Cindy Dobbins joined Energy Insurance Mutual on September 10, 2023, assuming the role of Vice President - Chief Claims Officer, succeeding Ann Joslin, who will retire on December 31, 2023.

Most recently, Cindy served as Vice President, Professional Lines and Specialty Cyber, Technology, Media, Fidelity, MPL, Directors and Officers and EPL for Hiscox USA in Chicago. Prior to Hiscox, Cindy held several positions during her ten-year tenure with CNA in Chicago that included oversight as Claim Director of cyber, technology, media and fidelity.

Cindy also previously held positions at the Zurich Insurance Group in excess casualty claims and as an attorney in private practice with a Chicago law firm.

After earning a B.A. from Purdue University, Cindy received her Juris Doctor from the John Marshall Law School. She is admitted to the bar in Illinois and the federal district court for the Northern District of Illinois.

Tommy Bolton, EIM's President and CEO, announced the new hire stating, "Cindy is a poised and strategic leader with 19 years of experience including 17 years within an insurance carrier environment. She brings a holistic approach to strategic thinking and possesses an innovative and collaborative approach to problem solving, representative of EIM's mutual company core values. Cindy has demonstrated the ability to drive optimal results by partnering with key stakeholders to create solutions and add value."

In turn, Cindy noted, "I am very excited to take on a new role at EIM. I look forward to continuing to deliver outstanding claims service, strategic thinking and adding value to EIM members."

Welcome to the EIM family, Cindy!

WELCOME

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STAFF RETIREMENTS



ANN JOSLIN



JANE MURPHY

Ann Joslin, VP-Claims and Jane Murphy, Office Manager have announced their retirements from EIM. With combined decades of service, Ann and Jane have contributed much to the company. With a focus on evolutionary change rather than revolutionary transformation, Ann and Jane were at the forefront of many advances that have made EIM a more efficient and effective company.

Ann, who joined the Company on July 12, 2004, as the claims manager, graduated in 1983 from the University of Connecticut. She subsequently received her juris doctorate from Fordham University School of Law in 1994 and was later admitted to practice law in Florida, New York, and Connecticut. Ann came to EIM from AIG where she held a variety of management positions in the environmental claims department, as well as a division counsel and legal auditor.

During her almost 20 years with EIM, Ann has resolved more than \$2 billion in member company-related claims while overseeing the design and implementation of EIM's claims tracking module for the homegrown EPIC system. She also served on the multidisciplinary team that evaluated, tailored and, ultimately, implemented EIM's paperless claims administration software which provided members with real-time access to claims status.

In addition to her contributions in the claims area, Ann served as a representative on various EIM internal committees, including community giving, and continuing education.

Many thanks to Ann for her service to EIM and best wishes to her and her husband, Frank, in retirement.

Jane Murphy joined EIM in November 1998 as receptionist and administrative assistant 18 months after moving from Ohio to Tampa where she was group services coordinator for Hercules Tire & Rubber Company in Findlay, Ohio.

During her more than 20 years with EIM, Jane wore many hats; managing the office, coordinating Board and Insurance Advisory Committee meetings, while spearheading the annual Risk Managers Information Meeting. She also effortlessly completed countless other tasks and projects that contributed to EIM's success. And who could forget her many starring roles in EIM's annual RMIM videos!

Jane and her husband, Clayton, will be relocating to Ohio with their two high-spirited labrador retrievers to enjoy their retirement years.

Thank you, Jane, for all that you have contributed to EIM.



Q2 2023 FINANCIALS

As of and For the Period Ending June 30, 2023

Balance Sheets (Unaudited) (Expressed in Thousands of U.S. Dollars)

	06/30/23	12/31/22
Assets		
Investments	\$ 2,053,732	\$ 1,908,275
Cash and cash equivalents	85,937	125,258
Reinsurance recoverables on losses	513,056	504,725
Prepaid reinsurance premiums	29,831	28,232
Premiums receivable	39,414	16,846
Income taxes recoverable	4,425	4,568
Other assets	3,911	3,609
Total assets	\$ 2,730,306	\$ 2,591,513
Liabilities and policyholders' surplus		
Reserves for losses and loss adjustment expenses	\$ 1,338,061	\$ 1,178,465
Unearned premiums	168,883	194,382
Reinsurance premiums payable and funds held	2,324	2,364
Net deferred tax liability	30,555	24,717
Policyholder distributions payable	0	25,000
Accounts payable and accrued expenses	16,598	18,513
Total liabilities	1,556,421	1,443,441
Policyholders' surplus	1,173,885	1,148,072
Total liabilities and policyholders' surplus	\$ 2,730,306	\$ 2,591,513

Statements of Income YTD (Unaudited) (Expressed in Thousands of U.S. Dollars)

	06/30/23	06/30/22
Underwriting revenue		
Net premiums earned	\$ 156,236	\$ 128,998
Other underwriting income	(75)	268
Total underwriting revenue	156,161	129,266
Underwriting expenses		
Net losses and loss adjustment expenses	200,232	100,367
Policy acquisition costs	1,133	1,382
Administrative expenses	7,226	6,504
Total underwriting expenses	208,591	108,253
Income (loss) from underwriting	(52,430)	21,013
Investment income (loss)	84,224	(165,338)
Income (loss) before income taxes	31,794	(144,325)
Income tax expense (benefit)	5,981	(31,305)
Net income (loss)	\$ 25,813	\$ (113,020)



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

	06/30/2023	12/31/2022
Policyholders' surplus, beginning balance	\$ 1,148,072	\$ 1,248,011
Net income (loss)	25,813	(99,939)
Policyholders' surplus, ending balance	\$ 1,173,885	\$ 1,148,072

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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