



Our Members, Our Focus®

The EIM IAC is available to respond to specific questions and assignments from EIM's Board and to reflect input to the Board from the EIM Member Risk Managers (you and your companies). The IAC meets quarterly.

The following is a summary of discussion items from the fourth quarter IAC meeting held on December 5, 2023:

Discussions centered on potential costs related to wildfires with a detailed discussion and internal analysis anticipated to predict the emerging risks and costs.

As a result of recent wildfires and other claims projections indicate a loss ratio above 100%.

Investments are contributing to surplus growth despite the underwriting loss.

Despite a favorable surplus position, efforts are directed toward reducing investment risk while maintaining a balanced portfolio to optimize surplus growth with the increased underwriting risk and volatility we have been seeing.

The current membership count stands at 163.

The IAC task force committee chairs discussed the following:

- Cyber Liability – Commercial underwriters express concerns about cyber insurance rate adequacy, with 80% worried about primary and excess coverage.
- Regulatory – SEC's enforcement of cybersecurity disclosure requirements in milestone cases and actions against public company officials raises scrutiny levels.
- Emerging Risk – Advancements in AI, particularly Generative AI, present potential global GDP elevation but also highlight significant privacy and security risks.
- Energy Market Evolution – Discussions on AI's potential impacts on jobs and the challenges of aligning advancements with existing regulatory frameworks.
- ESG – SEC's climate disclosure regulations face delays, expected to push the final rule into 2024, with a workaround strategy in progress and an anticipated one-year gap post-finalization for rule implementation.
- Nominating – Application for the IAC is going to be posted on the EIM website once finalized.

The next IAC meeting is March 26, 2023.

Please tell us any input you may have and what you want the IAC to evaluate for EIM Board and/or management consideration. It will be our pleasure to discuss and answer questions you may have regarding the activities of the IAC and EIM.

Thank you for your continued support of EIM.

IAC COMMITTEE MEMBERS (as of 12/2023)

Stephanie Crochet – Chair - Plains All American Pipeline - Stephanie.Crochet@plains.com
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