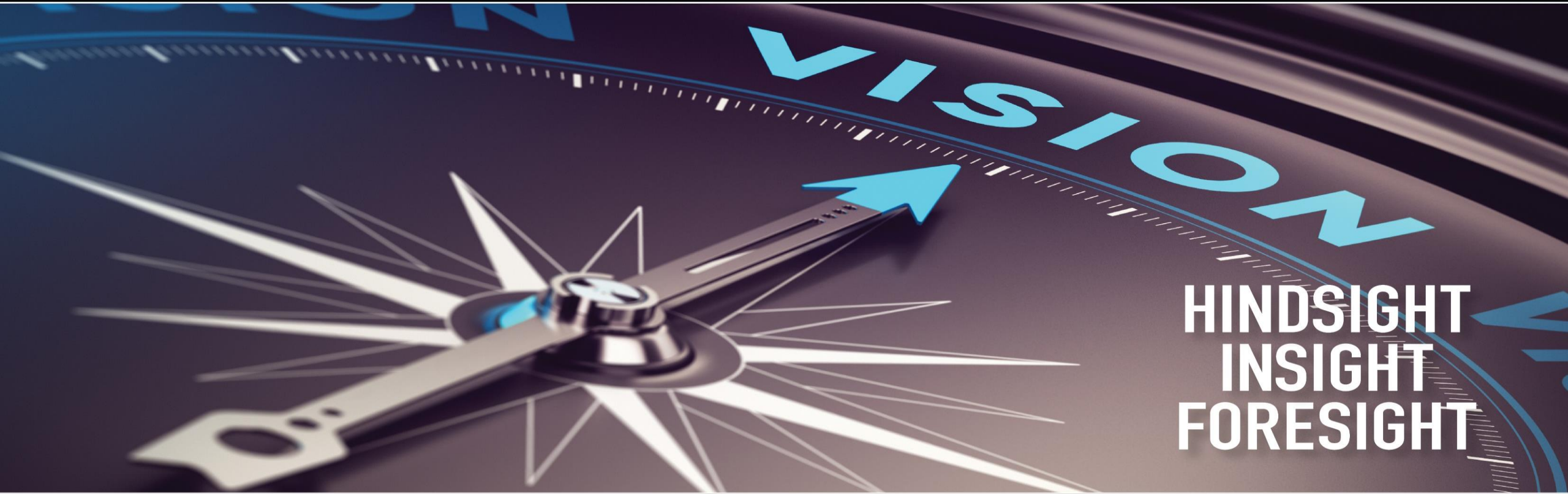


2020



**HINDSIGHT
INSIGHT
FORESIGHT**

INSURANCE ADVISORY COMMITTEE

2020 RMIM

IAC Overview

The IAC's main purpose

- respond to questions and assignments from the Board and EIM
- provide input to the Board from the EIM Member Risk Managers
- the IAC meets at least quarterly

Some key objectives of the IAC include:

- act as a liaison between the Board and Member Risk Managers
- conduct special assignments from the Board or staff regarding emerging industry risk management concerns
- be a resource for staff, referencing coverage issues
- maintain a core group within the IAC that is familiar with the history of EIM and the evolution of insurance policy coverages and exclusions

IAC Members

Edsel L. Carlson
(Chairman)-
Emera/TECO
Energy, Inc.

Mike McFarland
(Vice Chair)- Great
River Energy

Ron Rispoli-
Energy Services,
Inc.

Stephanie Rogers-
Plains All American
Pipeline, L.P.

Tim Underwood-
CMS Energy

Denise Straka-
Calpine Corp.

Chris Gregorio-
NextEra Energy,
Inc.

**Marianna
Michael-**
Algonquin Power
and Utility Corp.

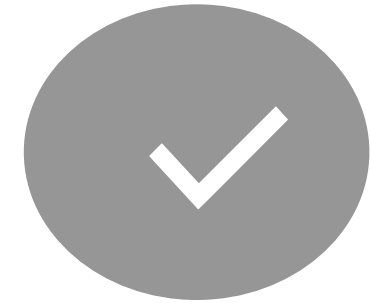
Arnold Garcia-
Duke Energy, Inc.

Frank Stanbrough-
Southwest Gas

IAC Member Terms



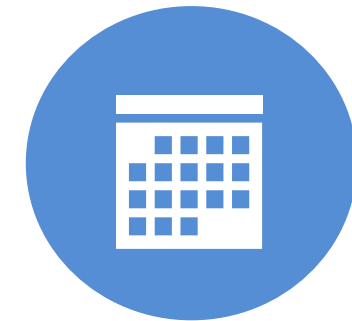
12 MEMBERS



3 YEAR TERMS



BOARD
APPROVAL
REQUIRED



MAY BE
EXTENDED TO
ONE ADDITIONAL
THREE-YEAR
TERM

TASK FORCE

Taskforce Development

- Board, EIM Management, Members/IAC
 - Issue to Resolve
 - Question to answer
 - Specific Task
 - Monitoring on opportunity/issue
- Taskforce Outline
 - Clear purpose and objectives of the task-force
 - Roles and responsibilities
 - Expected work products/Deliverables
 - Timeline
 - Needed resources

Current Task Forces



CYBER



EMERGING
RISK



RENEWABLES



REGULATORY



NOMINATING



TRIPRA

Cyber Task Force

Purpose: Monitoring the development of the Cyber Insurance Market and reporting on cyber loss activity and evolving risk exposures

Members:

- Mike McFarland (Chair)
- Marianna Michael
- Denise Straka
- Tim Underwood

Some of the items this Task Force reported on this year:

- Cyber insurance market capacity remains plentiful and markets are seeing relatively low loss ratios
- First cyber-attack on solar and wind assets which caused grid weaknesses
- Cyber-attacks on USB ports are usually found in airports, airplanes or public spaces
- Ransomware attacks are on the increase
- A “cyber event” disrupted U.S. grid networks in the Western U.S. in a March 5 incident which lasted from 9:00 a.m. until 7:00 p.m. but didn’t lead to any power outages.
- Biggest U.S. power grid operator suffers thousands of attempted cyber attacks per month, estimating 3 to 4,000 hack attempts every month.

Emerging Risk Task Force

Purpose: Monitoring of emerging risk and to inform EIM of evolving issues and/or opportunities

Members:

- Arnold Garcia (Chair)
- Chris Gregorio
- Ron Rispoli
- Stephanie Rogers

Some of the items this Task Force reported on this year:

- Driverless Cars
- Battery Storage
- Artificial Intelligence
- Macroeconomic currency war
- Deregulation
- Bots

Renewables Task Force

Purpose: Monitor the development of renewable energy sources, their insurance markets and reporting on loss activity and evolving risk exposures

Members:

- Marianna Michael (Chair)
- Edsel Carlson
- Chris Gregorio
- Mike McFarland
- Ron Rispoli
- Denise Straka

Some of the items this Task Force reported on this year:

- The onshore renewables market continues to grow; however, the insurance market is undergoing a turbulent and delayed adjustment
- Solar panel hail damage totaling \$60M+ loss has made hail coverage either drastically sub-limited or no longer covered
- Issues driving claims are contractor errors and negligence and increasingly large equipment (wind turbines) causing insurer declinations to quote
- Increased competition among wind and solar manufactures and contractors is putting pressure on both parties to price their equipment and services aggressively, leading to several insolvencies which impacts project completion

Regulatory Task Force

Purpose: Monitor the energy regulatory trends and inform EIM of evolving issues and/or opportunities

Members

- Stephanie Rogers (Chair)
- Edsel Carlson
- Arnold Garcia
- Marianna Michael
- Tim Underwood

Some of the items this Task Force reported on this year:

- The EPA has rolled back Obama-era regulations on clean water
- The Trump administration is undoing rules that gave federal government oversight of shallow wetlands and protection for smaller waterways
- The world is off track from cutting emissions consistent with the Paris Climate Agreement despite rapid growth in renewables
- Shifting to cooperative federalism in which states establish their own pollution control programs based on federal environmental law requirements
- A bill is being set up to limit the use of PFAS containing firefighting foams and to set up a clear disposal mechanism for the materials. Fire Departments would be required to report when such foams are used and bar firefighters from training with the foams.

TRIPRA Task Force

Purpose: Monitor the reauthorization of TRIPRA that is set to expire on December 31, 2020. Work with EIM to develop a strategy to prevent potential disruption to member coverages.

Members:

- Chris Gregorio (Chair)
- Edsel Carlson
- Ron Rispoli

Some of the items this Task Force reported on this year:

Discussions with EIM on options to procure standalone terrorism reinsurance in the insurance market

TRIPRA passed the House and will be renewed for seven more years subject to a final Senate vote in December. In February, the Committee will decide whether it is necessary to continue this Task Force.

IAC Nominating Task Force

Purpose: To review the current IAC selection process and to enhance/improve to ensure that the committee is a balanced, representative body reflective of the diverse interests, resources, operations, geography and expertise of EIM Membership

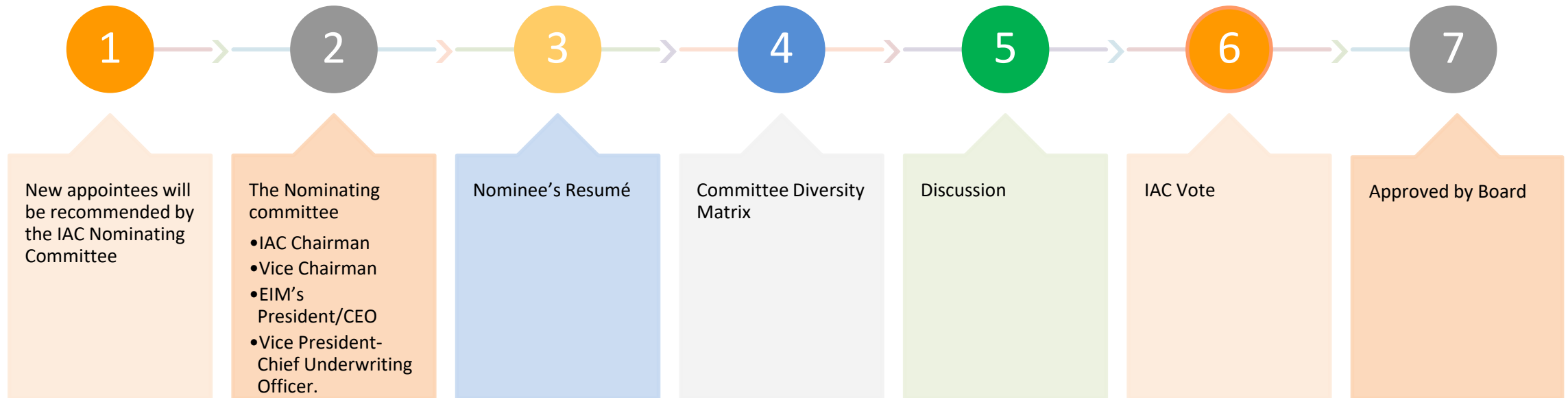
Members:

- Ron Rispoli (Chair)
- Arnold Garcia
- Chris Gregorio
- Frank Stanbrough

Some of the items this Task Force reported on this year:

Reviewing the process and will make recommendation to EIM and the IAC

Selecting New IAC Members



IAC Diversity Matrix

- **Geography**
 - Northeast
 - Midwest
 - West
 - Southeast
 - Southwest
 - International
- **Energy Type**
 - Gas
 - Electric
 - Combined
 - Midstream
- **Diversity**
 - Male/Female
 - Ethnicity
- **Current Titles**
 - Risk Manger
 - Director
 - VP
- **Degree/Education**
 - Masters
 - Bachelors
 - Associates
 - Professional Designations
- **Experience**
 - Management
 - Claims
 - Finance
 - HR
 - Insurance
 - Engineering
 - Law



Questions???

