



Quarterly Newsletter from Energy Insurance Services, Inc., Volume 6, Issue 2

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View on the Creek



Captive Optima



EIS Financials & Operations



Save the Date

View on the Creek



EIS is working closely with several EIM Members to help find solutions for a variety of coverage challenges and enhanced risk financing efficiencies.

What are your program challenges?

- High retentions
- Price increase
- Narrow coverage terms
- Aggregation of retained risk
- Uninsured or uninsurable risk



Alternative risk financing with a captive insurance program may be a great solution for your organization. Proof that EIS is delivering solutions includes increased premium written in 2021 of 30%, a 29% increase of policies written in 2021, and the addition of two new cells. Don't miss the Captive Optima section – What are your insurance program challenges?

Anniversary Announcements

Please join us in congratulating Kim Jenkins on her seventh anniversary and Megan Ogden on her second anniversary with Energy Captive Management and Energy Insurance Services, both were in April. EIS and ECM are poised for the growth that will come to meet the market challenges and new risk financing strategies of EIM Members.

Captive Optima – What are your insurance program challenges?

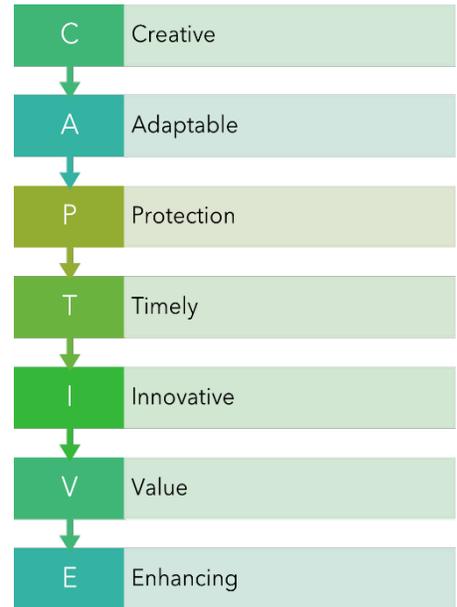


The COVID-19 pandemic forced more change in the insurance industry in the past two years than in the previous several years combined, at an accelerated pace with constant challenges.

Continued change is inevitable with post pandemic challenges, a continued hard market, climate concerns, and increased frequency and severity of natural disasters. Pricing and capacity are predicted to be unstable for years to come. How your organization rides the wave of change is what will matter most in the coming years.

Many, if not most, captives are established as a tactical response to an immediate problem faced by a risk manager. As EIM Members face evolving challenges, now is the time to explore how a captive solution may be implemented to meet those challenges.

When done well (using rational risk management practices and modeling methods), a captive insurance solution can create value for an owner or participant by meeting tactical challenges and contributing to the participant's strategic mission.



EIS is posed and structured to assist EIM Members with emerging challenges quickly while offering flexible and innovative solutions. Establishing a new cell is a very efficient tool to meet your organization's immediate challenges and long-term goals. Our current participants are able to add risks and grow at a pace that fits their strategic vision and risk management needs. Recent challenges addressed in EIS cells include:

- Wildfire
- Cyber
- Directors & Officers
- Excess Liability
- Terrorism
- Renewables / Solar

Over time, with attentiveness to underwriting and investment risk, a captive solution will evolve into a strategic advantage for many companies. The benefits of an EIS cell go beyond just meeting the immediate insurance needs and challenges of an organization. While a captive is a useful tool to reduce insurance costs, customize premiums, and insulate a program from market fluctuations, there are also benefits through risk and safety controls, control of claims management, and profit potential. Proper management and positive claim experience will allow a captive's capital and surplus to grow. Excess surplus can result in distributions back to the participant organization, decreased funding at renewal, and additional opportunities when new challenges arise.

8 Benefits of a Captive Insurance Company



EIS Financials



General Account	As of March 31		Year-End		
	2022		2022		2021
<i>In thousands</i>	Actual	Budget	Forecast	Budget	Actual
Revenue	\$493	\$485	\$1,925	\$1,940	\$2,002
Expenses	\$477	\$483	\$1,814	\$1,819	\$1,856
Surplus	\$4,518	\$4,508	\$4,604	\$4,609	\$4,503

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**2022 Program Advisory
Committee Meetings and General
Conference**

**November 7-11
The Sanctuary at
Kiawah Island, South Carolina**

Our 2022 PAC Conference is scheduled for early November in Kiawah Island, SC. Our signature event brings Program Advisory Committee members and professional associates together to meet and discuss their specific programs. Along with the PAC meetings, a General Session will cover several risk, insurance and captive topics. This is always a great networking opportunity for all program Participants to share ideas with each other and for EIM Members exploring captives and EIS.