



Our Members, Our Focus®

The EIM IAC is available to respond to specific questions from Member Companies, as well as respond to specific assignments from EIM's Board. Our goal is to communicate to the Board the thoughts, insights and suggestions received from EIM Member Risk Managers (you and your companies). The IAC meets quarterly and below are the highlights from the fourth quarter meeting.

The following is a general summary of discussion items from the fourth quarter IAC meeting held on December 3, 2019

- EIM Policyholders' Surplus is \$1.185 billion through October 2019.
- A supplemental distribution of \$50M was approved by the Board and paid out in November to the Membership.
- Current membership count stands at 151. EIM insures all Fortune 500 utility companies.
- New business opportunities since January 1 include 15 GL submissions, 5 D&O submissions; 35 Property submissions and 9 Cyber submissions.
- EIM and NEIL partnership on increased GL limits is seeing growth as it moved from five members last year to 23 members this year. EIM and NEIL have provided valuable capacity on Excess General Liability in a market where commercial capacity is shrinking.
- The IAC task forces discussed the following topics:
 - Cyber Liability – In November, the first cyber-attack on solar and wind generation assets was reported. The attack caused intermittent disruption of service. NERC's fifth grid security exercise known as GridEx took place in November with many utilities participating.
 - Regulatory – The deadline for closing coal ash impoundments was proposed in an EPA rule. Climate change risks were discussed.

- Renewables – The onshore renewables market continues to grow; however, the insurance market is undergoing a turbulent and delayed adjustment. More than \$60M in damage to solar panels has made hail coverage either drastically sub-limited or no longer covered.
 - TRIPRA – Was renewed by the House for seven more years and will go to a final Senate vote in December.
 - Nominating – New methods in nominating IAC candidates are being designed.
- The IAC discussed the additional limits on excess GL. The EIM and NEIL facility targeted twelve GL policies and wrote additional limits for 23 members. It was discussed and agreed the additional limits will continue to build over time, but neither EIM nor NEIL can rapidly take on so much additional risk that it would affect the overall stability of either mutual.
 - Nominations for the David L. Hadler Risk Manager of the Year Award were received and a recipient for 2020 chosen.
 - The next IAC meeting is scheduled for February 25, 2020.

Please let me know any questions or comments you may have regarding the above items, or any issues or topics you would like the IAC to address for EIM Board and/or management consideration.

Thank you for your continued support of EIM.

IAC COMMITTEE MEMBERS

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