



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 8, 2020

- EIM Policyholders' Surplus is \$1.160 billion through October 2020.
- A distribution of \$50M was approved by the Board and will be paid out in March, 2021 contingent upon year end financials.
- Current membership count stands at 160. EIM has added 10 new members this year.
- NEIL's subsidiary, Cedar Hamilton Limited will begin operations effective April 1, 2021. EIM front will not be required on GL, Cyber and Property. Members will deal directly with Cedar Hamilton. No reduction in capacity is expected from NEIL.
- The IAC task forces discussed the following topics:
  - Cyber Liability – Members have been seeing an increase in limits being purchased with rate increases ranging from high single digits up to 20%. New product, Vendor Tech, intends to fund your vendor's cyber exposure. Paying a ransomware can violate US Sanctions and undermine US foreign policy objectives.
  - Regulatory – With a possible new administration, expect more federal and state action on PFAS in groundwater. Due to COVID-19, utility customers owe up to \$40B in debt and shutoff moratoria has provided reprieve for some on power bills, but still need forgiveness or securitization. Pressure from US Accountability says FERC can do more on gas pipeline reliability and FERC does not use all available data to identify and assess emerging risks to natural gas pipeline systems, such as service interruptions.

- Emerging Risks – Returning Lloyd’s of London professional meet climate change protestors and are getting pressure from environmental activists to rid themselves of certain business, specifically coal and tar sands.
  - Renewables – The power market continues to harden. Many insurers continue to shift focus on wind and solar with capacity for geothermal, hydro, and biomass/biofuels significantly being reduced, hence reducing coverage and capacity and increasing pricing. Wildfire and hail continue to be a great concern for insurers causing significant reduction in coverage in regions deemed to be exposed to these perils.
  - PRIA – Was introduced as H.R. 7011 on May 26,2020 and mirrors many of the fundamental mechanics of TRIPRA. PRIA caps the US Treasury’s participation at \$750B of aggregate insured losses.
  - Nominating – New methods in nominating IAC candidates are being designed and a new IAC candidate will be selected in February.
- The IAC Member Survey was sent out and will be extended until January 2021. The new link will be added to the EIM website for those that were unable to fill it out.
  - Nominations for the David L. Hadler Risk Manager of the Year Award were received and a recipient for 2021 chosen.
  - The next IAC meeting is scheduled for March 2, 2021.

Please contact any IAC Member regarding 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

Mike McFarland – Chairman – Great River Energy - [mmcfarland@greenergy.com](mailto:mmcfarland@greenergy.com)  
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