



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 second quarter IAC meeting held on June 8, 2021:

EIM Policyholders' Surplus is \$1.227 billion through April 30, 2021.

Investment return is strong this year, up by 2.6%.

Category 3 claim frequency (paid and reserved) is increasing at a rate of 10-15% per year over 10- and 15-year time horizons. Claims are getting into the EIM layer more frequently.

Current membership count stands at 161. One new Member joined – AltaLink L.P.

New business opportunities include 11 GL submissions, 7 D&O submissions, and 15 Property submissions.

Positive feedback on EIM's virtual RMIM were received from a survey EIM conducted.

The IAC task force committee chairs discussed the following:

- Cyber Liability – Cyber pricing up on average of 15-25% higher in the market. Many U.S. energy companies are rushing to buy more cyber insurance after the Colonial Pipeline breach.
- Regulatory – Dutch court ordered Shell to cut its greenhouse gas emissions 45% by 2030. This could set a precedent for similar lawsuits against oil companies. DHS announced new cybersecurity requirement that pipeline owners must designate a cybersecurity coordinator to be available 24/7.
- Emerging Risk – Carbon capture facilities consume large amounts of fossil fuel energy and may never scale to level necessary to offset fossil fuel emissions.
- Renewables – New project development activities continue to accelerate with microgrids, EV charging project, battery storage and greenfield projects.
- Nominating – if you are interested in joining the EIM IAC, please contact an IAC committee member. A new committee member will be voted on in September.
- PRIA – Pandemic Risk Insurance Act. There was no update.

The next IAC meeting is September 24, 2021. Please let us know any input you may have and what you would like 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 6/2021)

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

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