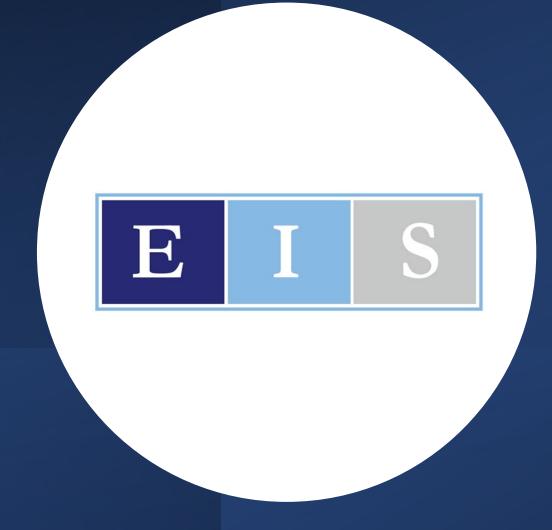
Energy Insurance Services, Inc.



Our Team



Megan Ogden Chief Operating Officer



Tobias Burke Chief Accounting Officer



Kimberly Jenkins Controller



Tameeka Heyward Senior Accountant



Monique Branagan Senior Accountant



Jackie Dante Senior Accountant



Legare Gresham Actuarial and Analytics Leader

2024 Highlights

- Annual Net Premium Written increased by \$64M (33%)
 - MBPs continuing to take on more underwriting risk
 - MBPs continue to retain more risk
- Formed 5 new MBPs
- Continued Management Fee credits
- Continued in-house actuarial support and analytics

Strategic Plan



Meeting member needs & preparing for the future



Enhancing member engagement

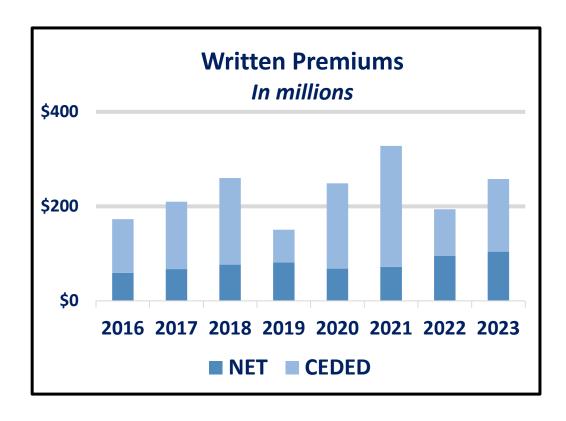


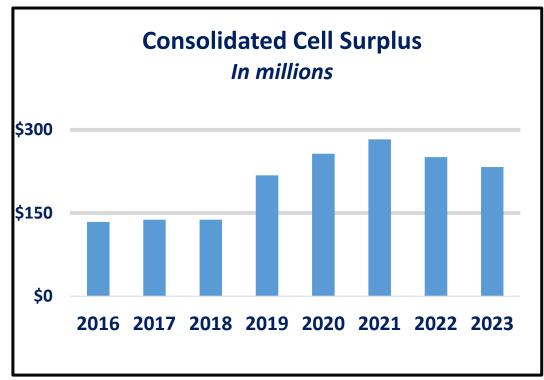
Management leverage & succession



Advancing internal capabilities

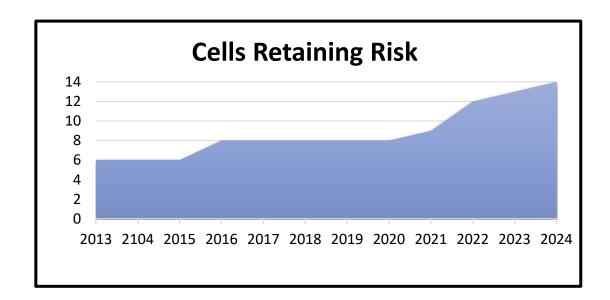
MBP Key Financials

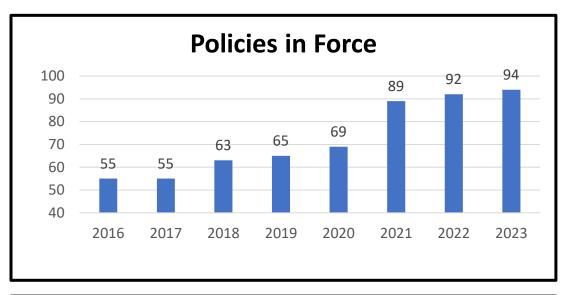


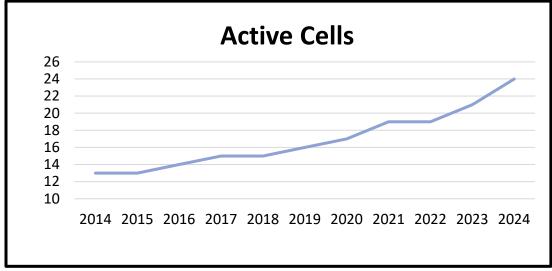


EIS Growth

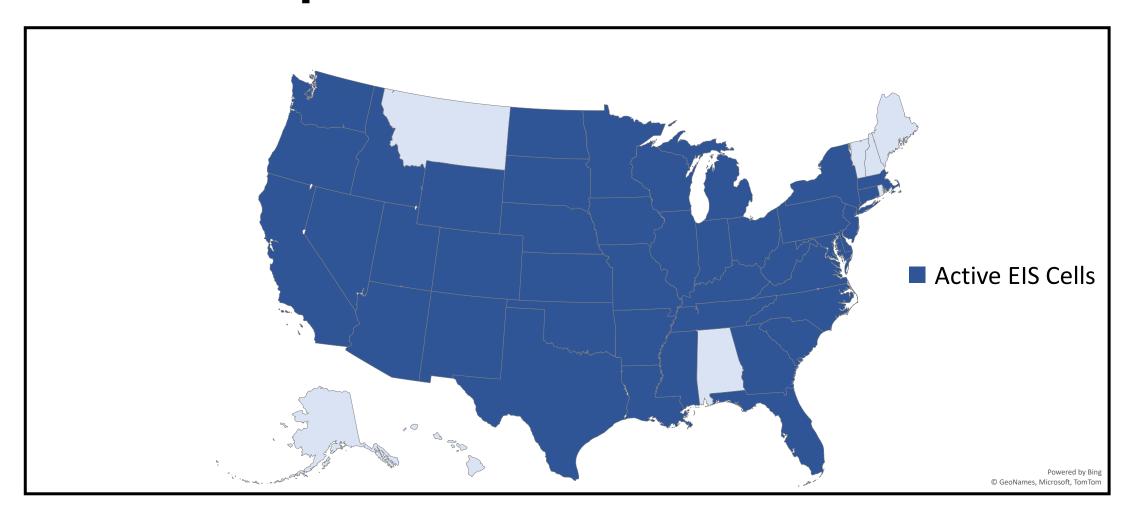
- Growth in past three years due to hard market
- Cells retaining risk has doubled in 10 years
- Premium growth is organic, not a result of pricing increases







EIS Participant Service Areas



Trends

- Wildfire
- Renewables

- Auto
- GL Excess







Reviewing Your Financials

ECM 2025 Initiative:

How can we help you understand the financial story of your MBP?

- Metrics
- Visuals
- Ratios

Financial Ratios:

- Reserves to Surplus Ratio
 - Reserves set aside for unpaid losses to surplus
- Net Premium Written to Surplus Ratio
 - > Gross premiums less reinsurance ceded to surplus
- Loss Ratio
 - Losses incurred to premiums earned
- Combined Ratio
 - Losses incurred + expenses to premiums earned
- Liquidity Ratio
 - > Cash + Investments to loss reserves
- Return on Equity Ratio
 - ➤ Net income to surplus

Audit Planning

2024 Services & Plan

- Johnson Lambert is returning to perform our financial audit, tax consulting, and SOC 1, type II audit
- Cell confirmations as done previously
- Loss testing via larger MBP's with retained risk
- The auditors expect to reach out to these MBP's in late March to complete selection testing
- No site visits

Financial Audit

- It's about the money
- Financial Audit Areas of Emphasis: Investments,
 Underwriting Claims, Taxes, Reinsurance & Financial
 Statement presentation
- Additional Claims focus high excess reserving in 2024

SOC 1, Type II Audit

- It's about your money
 - Test of the suitability of design and operating effectiveness of controls
- Audit Areas of Emphasis: Insurance Services, Cash
 Management, Financial Reporting & Information Technology
- Stewardship of member assets and purchases

CLEARWATER & INVESTMENTS

Welcome to Clearwater Analytics

A Comprehensive Solution for Investment Reporting

Clearwater Analytics is the world's leading investment accounting solution and provides the most trusted investment data aggregation, reconciliation, accounting, and reporting.

Overview

09/01/2024 - 09/25/2024 Dated: 09/26/2024

Compliance Overview								
Status	Compliant							
As of	09/25/2024							

Reconciliation Status									
Status	Reconciled								
Last Reconciled For	09/25/2024								
I									

Balance Sheet	
Field	Value
Book Value + Accrued	11,210,742.16
Net Unrealized Gain/Loss	14,235.40
Market Value + Accrued	11,224,977.57

Risk Metric	Value	
Cash	1,168,978.70	
MMFund	752.74	
Fixed Income	10,055,246.13	
Ouration	0.263	
Convexity	0.003	
VAL	0.267	
ears to Final Maturity	0.266	
ears to Effective Maturity	0.266	
/ield	3.971	
Book Yield	4.368	
Avg Credit Rating	AAA/Aaa/AAA	

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CLEARWATER ANALYTICS.

GAAP Financials

01/01/2024 - 09/30/2024 Dated: 10/24/2024

Balance Sheet		EIS-Agg		EIS-WFA		EIS-WFA		EIS-Wells 2	
A	s of:	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024
Book Value less Due		1,567,945.30	1,187,331.07	3,881,196.91	4,530,603.75	4,260,196.78	5,518,142.08	422,870.36	67,194.01
Accumulated Allowance Written Off		0.00	0.00	0.00	0.00	0.00	0.00		
Accumulated Non-Purchased Allowance		0.00	0.00	0.00	0.00	0.00	0.00		
Original Cost less Due		8,045,290.95	9,919,402.72	3,785,094.17	4,416,640.32	4,260,196.78	5,502,762.40		
Net Accumulated Amortization/Accretion		96,102.74	129,343.11	96,102.74	113,963.43	0.00	15,379.68		
Net Accumulated OTTI		0.00	0.00	0.00	0.00	0.00	0.00		
Due and Accrued		0.00	0.00					0.00	0.00
Accrued Balance		0.00	0.00	0.00	0.00	0.00	0.00		
Interest/Dividend Due		0.00	0.00	0.00	0.00	0.00	0.00		
Book Value + Accrued		9,709,338.99	11,236,076.90	3,881,196.91	4,530,603.75	4,260,196.78	5,518,142.08	422,870.36	67,194.01
Net Unrealized Carrying Value Gain		-605.93	12,922.96	69.43	10,836.27	-675.36	2,086.69	0.00	0.00
Carrying Value and Accrued		9,708,733.06	11,248,999.86	3,881,266.34	4,541,440.02	4,259,521.42	5,520,228.77	422,870.36	67,194.01

Income Statement	EIS-Agg		EIS-WFA		EIS-WFA		EIS-Wells		
	Begin Date End Date	01/01/2024 09/30/2024	Begin Date End Date	01/01/2024 09/30/2024	Begin Date End Date	01/01/2024 09/30/2024	Begin Date End Date	01/01/2024 09/30/2024	
Net Amortization/Accretion Income		295,207.46		149,412.36		145,795.10		0.00	
Interest Income	2,846.31	SCOOLANDA SERVICE	43.48	40000000000000000000000000000000000000	2,802.83		0.00		
Dividend Income	6,333.30		0.00		6,333.30		0.00		
Foreign Tax Withheld Expense	0.00		0.00		0.00		0.00		
Misc Income	21,361.12		0.00		0.00		6,158.40		
Net Allowance Expense	0.00		0.00		0.00		0.00		
Income Subtotal		30,540.73		43.48		9,136.13		6,158.40	
Net Realized Gain/Loss	3,070.07	88	0.00		3,070.07		0.00		
Net Holding Gain/Loss	0.00		0.00		0.00		0.00		
Impairment Loss	0.00		0.00		0.00		0.00		
Net Gain/Loss		3,070.07		0.00		3,070.07		0.00	
Expense	-1,133,677.60	8	-49.00		-56.00		-110,027.73		
Net Income		-804,859.34		149,406.84		157,945.30		-103,869.33	
Transfers In/Out		2,331,597.25		500,000.00		1,100,000.00		-251,807.02	
Change in Unrealized Gain/Loss	l _a	13,528.89		10,766.84		2,762.05		0.00	

CLEARWATER

ANALYTICS

GAAP Base Balance Sheet by Lot

Base Currency: USD As of 09/25/2024

Account	Identifier	Description	Base Current Units	BS Class	Trade Date	Final Maturity	Base Book Value	Base Interest/ Dividend Due	Base Accrued Balance	Market Price	Base Market Value + Accrued
	BBG01JYCHYC7	UNITED STATES TREASURY	1,011,000.00	ST	11/15/2023	10/31/2024	1,006,241.79	0.00	0.00	99.5537	1,006,488.41
	BBG01JYCHYC7	UNITED STATES TREASURY	143,000.00	ST	07/12/2024	10/31/2024	142,319.11	0.00	0.00	99.5537	142,361.86
	BBG01L3DFB45	UNITED STATES TREASURY	1,019,000.00	ST	01/25/2024	01/23/2025	1,004,116.07	0.00	0.00	98.5456	1,004,179.22
	BBG01L3DFB45	UNITED STATES TREASURY	136,000.00	ST	07/12/2024	01/23/2025	133,958.31	0.00	0.00	98.5456	134,021.96
	BBG01MDFSQX8	UNITED STATES TREASURY	1,024,000.00	ST	04/18/2024	04/17/2025	996,404.80	0.00	0.00	97.7670	1,001,134.08
	BBG01MDFSQX8	UNITED STATES TREASURY	131,000.00	ST	07/12/2024	04/17/2025	127,636.13	0.00	0.00	97.7670	128,074.77
	BBG01N49N8C8	UNITED STATES TREASURY	5,565,000.00	CE	09/09/2024	12/05/2024	5,513,734.40	0.00	0.00	99.1221	5,516,143.92
	BBG01N75PQQ6	UNITED STATES TREASURY	525,000.00	ST	06/27/2024	06/12/2025	507,116.09	0.00	0.00	97.2157	510,382.69
	BBG01N75PQQ6	UNITED STATES TREASURY	630,000.00	ST	07/12/2024	06/12/2025	609,484.02	0.00	0.00	97.2157	612,459.22
	CCYUSD	Cash	1,101,907.79	Cash		09/25/2024	1,101,907.79	0.00	0.00	1.0000	1,101,907.79
	CCYUSD	Cash	67,070.91	Cash		09/25/2024	67,070.91	0.00	0.00	1.0000	67,070.91
	DREYFUSMMF	DREYFUS INSURED DEPOSIT MMF DIDI FDIC DIDI	417.44	CE	09/05/2024	09/25/2024	417.44	0.00	0.00	1.0000	417.44
	DREYFUSMMF	DREYFUS INSURED DEPOSIT MMF DIDI FDIC DIDI	335.30	CE		09/25/2024	335.30	0.00	0.00	1.0000	335.30
		***	11,353,731.44		-	12/31/2024	11,210,742.16	0.00	0.00	88.5557	11,224,977.57

Dated: 09/26/2024

^{*} Weighted by: Base Market Value + Accrued. * Holdings Displayed by: Lot.

CLEARWATER

ANALYTICS

GAAP Base Balance Sheet by Position

Base Currency: USD As of 09/25/2024 Dated: 09/26/2024

Identifier	Description	Base Current Units	Security Type	Final Maturity	Base Book Value	Base Interest/ Dividend Due	Base Accrued Balance	Market Price	Base Market Value	Base Market Value + Accrued
BBG01JYCHYC7	UNITED STATES TREASURY	1,154,000.00	T-BILL	10/31/2024	1,148,560.90	0.00	0.00	99.5537	1,148,850.27	1,148,850.27
BBG01L3DFB45	UNITED STATES TREASURY	1,155,000.00	T-BILL	01/23/2025	1,138,074.39	0.00	0.00	98.5456	1,138,201.17	1,138,201.17
BBG01MDFSQX8	UNITED STATES TREASURY	1,155,000.00	T-BILL	04/17/2025	1,124,040.93	0.00	0.00	97.7670	1,129,208.85	1,129,208.85
BBG01N49N8C8	UNITED STATES TREASURY	5,565,000.00	T-BILL	12/05/2024	5,513,734.40	0.00	0.00	99.1221	5,516,143.92	5,516,143.92
BBG01N75PQQ6	UNITED STATES TREASURY	1,155,000.00	T-BILL	06/12/2025	1,116,600.11	0.00	0.00	97.2157	1,122,841.91	1,122,841.91
CCYUSD	Cash	1,168,978.70	CASH	09/25/2024	1,168,978.70	0.00	0.00	1.0000	1,168,978.70	1,168,978.70
DREYFUSMMF	DREYFUS INSURED DEPOSIT MMF DIDI FDIC DIDI	752.74	MMFUND	09/25/2024	752.74	0.00	0.00	1.0000	752.74	752.74
		11,353,731.44		12/31/2024	11,210,742.16	0.00	0.00	88.5557	11,224,977.57	11,224,977.57

Member Portal



Member Portal





Click here for help



Policy History

Claim History

Reports

Member Resources

Available Categories:

Webinars

Claim Trends

Welcome **Tameeka Heyward**!

Please select a Member Name for display...

Portal Documents

Document

EIM Wildfire Announcement 12/08/2023

Member Portal



▶ Log Out

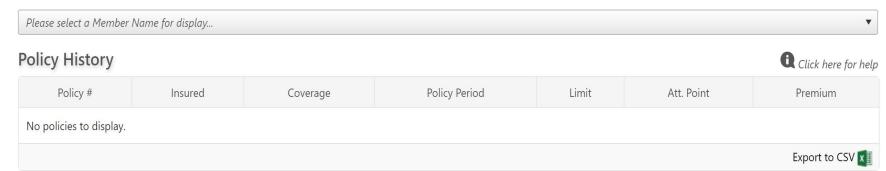


Policy History

Claim History

Reports







A Member must be selected.

Program Portal



♠ Log Out

Click here for help

- Portal Documents
- Policy History
- \$ MBP Financials
- MBP Documents
- Reports

Welcome **Tameeka Heyward**!

MBP 001 - Mirant

MBP Financials

Document

No financial documents to display.

Program Portal





Click here for help

- Portal Documents
- Policy History
- \$ MBP Financials
- MBP Documents
- Reports

Welcome Tameeka Heyward!

MBP 001 - Mirant

MBP Documents

Document

Commutation Agreement



ANY QUESTIONS

Funding Analysis - Premium

Premium = Expected Losses + Risk Margin + Expenses

- How to estimate expected losses?
 - Loss History
 - Commercial Premium Quotes
 - Industry Information
 - Data Request
 - Historical claims, exposure, structure, and premium paid
 - 10+ years more is better!
 - Prospective premium quotes and exposure
- Risk Margin
 - Depends on structure, coverage, and capital
- Paid annually



Funding Analysis - Capitalization

Capitalization – For adverse events

- Based on minimum requirements, policy profile/limits, and loss history
 - For high limit coverage, general expectation is to fully fund a full limit loss within
 5-10 years between capital and expected premium contributions
 - There is some consideration between size of risk margin and capital contribution
- Paid once at startup
- Additional capital infusion may be needed if adverse event occurs or coverage within cell changes

Case Study - Adding Wildfire to a Cell

Coverage Requested - \$100M xs \$100M

Requested Data

- Loss History
- Commercial Premium Quotes
- Exposure Transmission and Distribution by County
- Third Party Wildfire Risk Analysis



- Typically, Premium = Expected Losses + Risk Margin + Expenses
- Capitalization may modify this calculation
- Funding Horizon = 5-10 years to fully fund a max loss

Case Study - Adding Wildfire to a Cell

Data Provided

- No historical wildfires
- Commercial Quotes: 5% Rate-On-Line
- Exposure Primarily low to moderate risk
- Third Party Wildfire Analysis 1 in 200 year wildfire event

Expected Losses

- <\$5M based on commercial quote
- \$500,000 based on wildfire analysis



Case Study - Adding Wildfire to a Cell

- Low to moderate exposure and no historical wildfires so funding horizon = 10 years
- Assumed 2% investment return
- No other premium collected
- Scenario 1 Existing Captive with \$75M cash in current capital
 Premium = \$850,000, No additional capital
- Scenario 2 Existing Captive with \$25M cash in current capital

Option 1 - Premium = \$6.45M, No additional capital

Option 2 – Premium = \$2.5M, \$35.2M additional capital as cash

Scenario 3 – New Captive

Option 1 - \$8.2M Premium, \$9M capital in cash

Option 2 - \$8.4M Premium, \$9M capital as LOC

Option 3 - \$850,000 Premium, \$75M capital as cash

Option 4 - \$2.35M Premium, \$75M capital as LOC



SAVE THE DATE

EIS PAC Annual Conference October 26-29, 2025

> Wild Dunes Resort Isle of Palms, SC

All EIM members are welcome

Q&A

E I S