



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 fourth quarter IAC meeting held on December 09, 2025:

- **Strong Financial Performance and Capital Strength**
EIM reported strong year-to-date financial results driven by investment performance, disciplined underwriting, and effective reinsurance strategy, supporting an "A" rated capital position and approved member distributions.
- **Evolving Risk and Underwriting Strategy**
Underwriting performance remains strong amid changing market conditions, with higher attachment points, refined wildfire modeling, expanded builders' risk capacity, and continued focus on sustainability across property, liability, and D&O programs.
- **Advancement of Technology and AI Capabilities**
EIM continues to invest in advanced AI solutions across underwriting, claims, and risk monitoring, including document analytics, wildfire dashboards, and predictive tools, supported by a formal AI Center of Excellence.
- **Ongoing Engagement and Strategic Collaboration**
Preparations are underway for the Risk Managers Information Meeting and EIM's 40th anniversary, reinforcing collaboration with members and brokers through education, leadership recognition, and enhanced communications, including a website refresh.

The IAC task force committee chairs discussed the following:

- **Nominating:** Committee membership is stabilizing with three new members joining in February, leadership transitions underway, and Gordon Payne unanimously elected Vice Chair effective immediately.
- **Cyber Liability:** Escalating, AI-driven cyber threats and market capacity limits are driving momentum toward a federal cyber reinsurance backstop, with RAND recommending a public-private partnership to address catastrophic systemic risk.
- **Regulatory:** Recent congressional actions are reshaping energy and environmental policy by rolling back renewable incentives, reinforcing traditional energy sources, and pushing wildfire liability solutions to the state level.
- **Emerging Risk:** U.S. AI leadership faces a critical bottleneck as power generation, grid capacity, materials, and permitting lag far behind explosive data center demand, elevating energy infrastructure to a national security issue.

- **AI:** Companies are rapidly adopting AI operationally, but governance, insurance underwriting scrutiny, and formal financial disclosure impacts remain underdeveloped and inconsistent across organizations.
- **Energy Market Evolution:** Global energy markets are shifting toward LNG, nuclear, storage, and AI-driven demand growth, with China emerging as a dominant player across supply chains and clean energy investment.
- **Wildfire:** Large wildfire losses continue to pressure utility balance sheets and insurance capacity, while evolving claim types and expedited settlement models signal growing complexity and market disruption ahead.

The next Risk Managers Information Meeting will be in person in February 2026. The dates are February 21-24, 2026, at the JW Marriott, Tampa, FL.

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.

IAC COMMITTEE MEMBERS (as of 12/2025)

Arnold Garcia – Chair - Duke Energy Corporation - Arnold.Garcia@duke-energy.com

Gordon Payne – Vice-Chair - Fortis, Inc. – gpayne@fortisinc.com

Lisa Fleischer – Berkshire Hathaway Energy - Lisa.Fleischer@brkenergy.com

Kyle Gibbs – Colorado Springs Utilities - kgibbs@csu.org

Kathy McElwaine – PJM Interconnection, LLC - Kathleen.McElwaine@pjm.com

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Randy Murdaugh – Associated Electric Cooperative, Inc. - rmurdaugh@aeci.org

Chris Patterson – Dominion Energy - c.patterson@dominionenergy.com

Frank Stanbrough – Southwest Gas Holdings, Inc. - frank.stanbrough@swgas.com

Tim Underwood – CMS Energy – tim.underwood@cmsenergy.com

NEW COMMITTEE MEMBERS

Katie Cormier – SRP – Katie.Cormier@srpnet.com

Stacy Frey – PPL - stacyfrey@pplweb.com

Ron Gibbs – Chelan County PUD – ron.gibbs@chelanpud.org