

Lessons Learned from Your Losses and Our Risk Assessments

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AEGIS 2012 Policyholders' Conference



All Losses Incurred vs. Excess General Liability Incurred – US

(USD Millions)



US Operations

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All Losses Incurred vs. Excess General Liability Incurred – US

(USD Millions)



US Operations

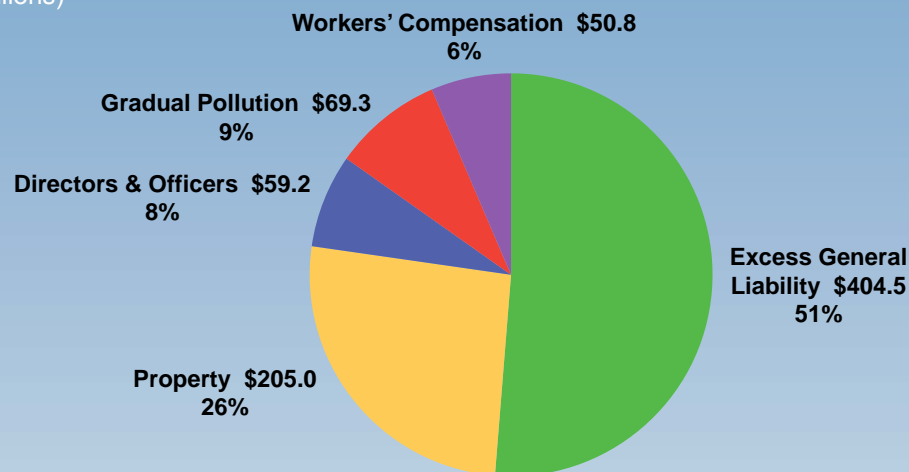
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Incurred Activity 1/1/2011 – 6/30/2012

By Line of Business

(USD Millions)



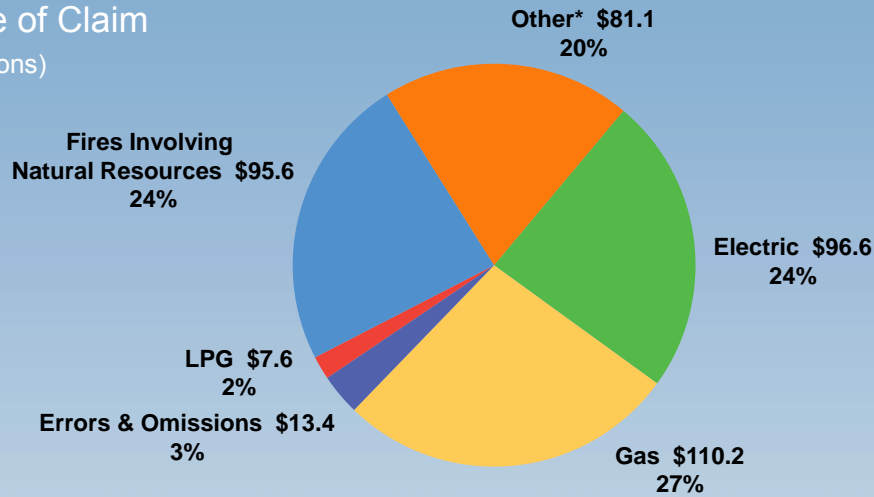
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Excess General Liability Incurred Activity 1/1/2011 – 6/30/2012

By Type of Claim

(USD Millions)



Other* includes: Auto, Employers Liability, Asbestos, Construction, Dams, EMF, Exploration, Personal Injury, Employment Practices, Premises, Sudden & Accidental Pollution, Interruption of Service

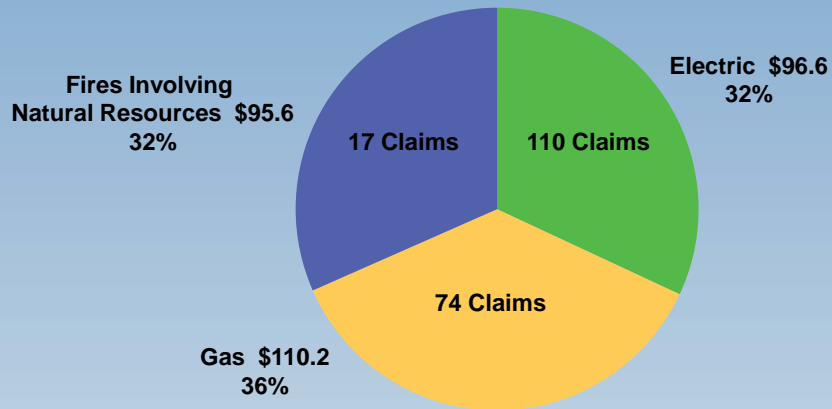
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Excess General Liability Incurred Activity 1/1/2011 – 6/30/2012

Gas, Electric, Fires Involving Natural Resources

(USD Millions)



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Top Gas Claims

1/1/2011 – 6/30/2012

Incurred Amount	Cause of Loss
\$25,000,000	Insured's servicemen did not follow standard new service turn on protocols in an apartment complex, leading to leaks and ignition of escaping gas
\$16,000,000	A two-inch steel main was found separated from a coupling
\$15,000,000	A crack in a cast iron main resulted in escaping gas exploding in a residence
\$15,000,000	Tree root separated a gas line from the main
\$6,701,556	Contractor's employee struck a mismarked gas main while excavating a roadway

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Top Electric Claims

1/1/2011 – 6/30/2012

Incurred Amount	Cause of Loss
\$25,000,000	Strong winds brought a primary line down
\$13,255,000	Plaintiff's head contacted low-lying utility line while working on roof of a home
\$8,067,326	Insured's line inspection program failed to identify overgrown tree with energized line running through it
\$7,000,000	Electrical contact from sagging overhead guy wire
\$6,401,884	Man working on the roof of a church contacted overhead line while standing in a boom lift bucket

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Top Fires Involving Natural Resources Claims

1/1/2011 – 6/30/2012

Incurred Amount	Cause of Loss
\$34,900,000	Improper replacement of a pole resulted in sagging wires which sparked in heavy winds and started a fire
\$23,075,000	A wind damper used to lessen vibration on a line failed, causing the line to fall and ignite brush beneath the line
\$22,000,000	High winds caused power lines to fall to the ground igniting brush under the lines

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Inception through June 30, 2012

- 42,812 claim matters reported to AEGIS
- \$8,792.8 billion paid allocated to 6,715 claims

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Common Recurring Risk Assessment Suggestions

Laura Conklin

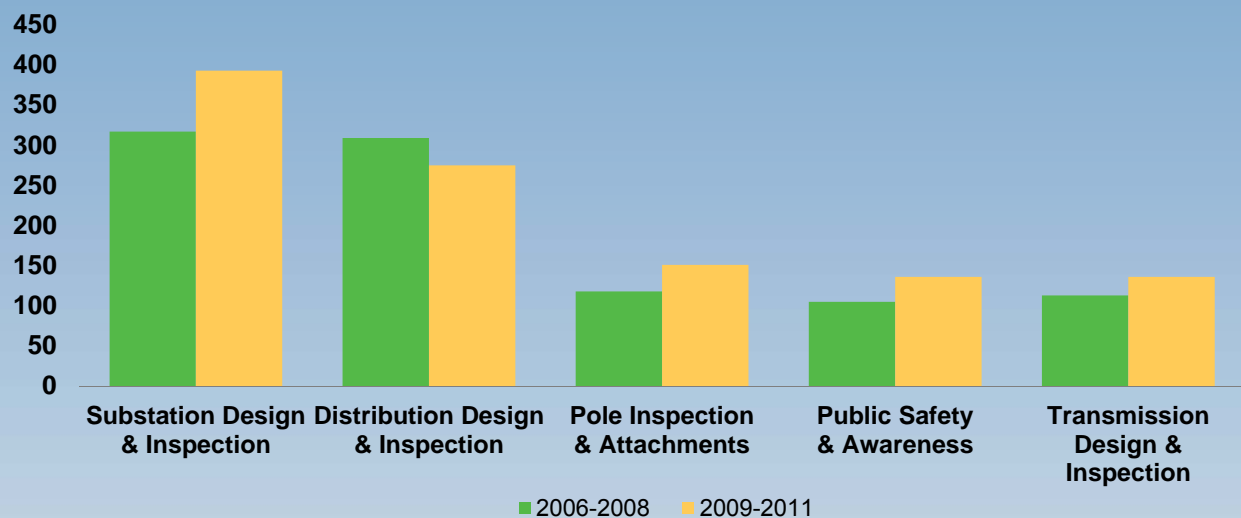
Senior Utility Consultant, Loss Control
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Electric Utility Loss Control Suggestions

2006-2011



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Electric Utilities

Common Recurring Suggestions

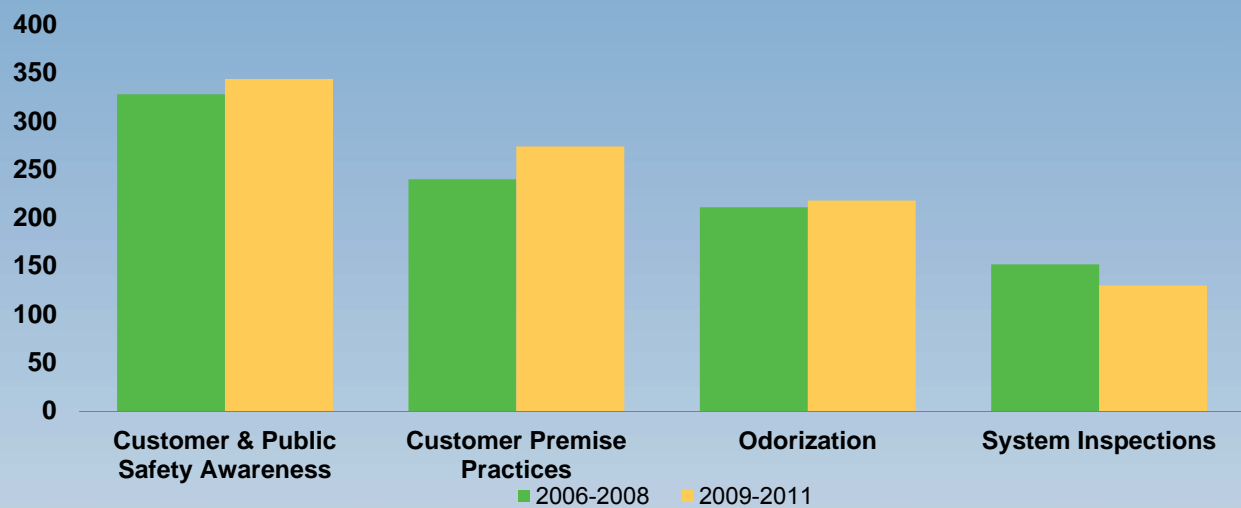
- Implement thorough distribution system inspection practices
- Replace outdated, faded or missing signage
- Improve existing substation security practices
- Ensure adherence to grounding requirements
- Adhere to pole inspection and maintenance programs

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Natural Gas Utility Loss Control Suggestions

2006-2011



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Natural Gas Utilities

Common Recurring Suggestions

- Implement thorough system inspections
- Adhere to odorization regulatory requirements
- Verify and improve call center emergency call handling
- Follow proper customer premise practice procedures

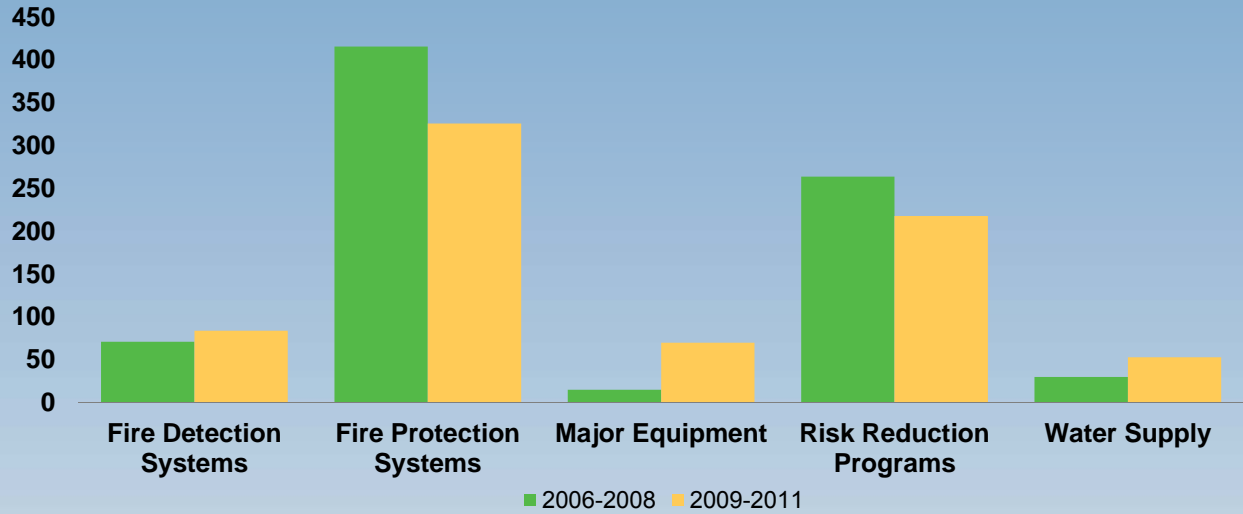
Electric and Natural Gas Utilities

Common Recurring Suggestions

- Enhance the effectiveness of public safety awareness programs
 - Target audiences
 - School children
 - Contractors / excavators
 - First responders
 - Word safety messages consistently
 - Evaluate the effectiveness of public safety awareness programs
 - Provide safety messages in multiple languages

Fire Protection Risk Reduction Suggestions

2006-2011

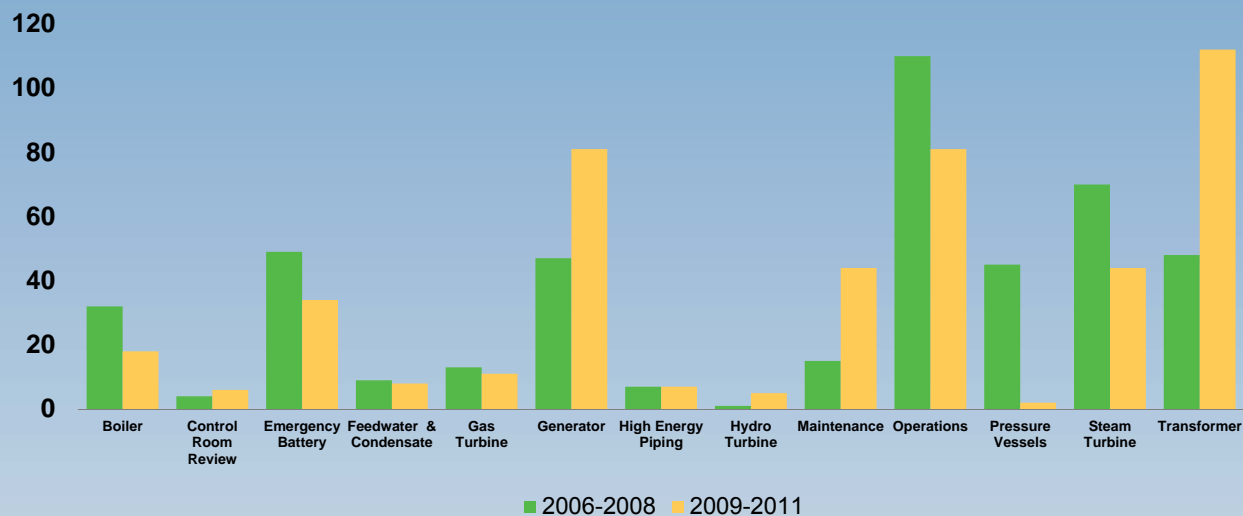


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Machinery Breakdown Risk Reduction Suggestions

2006-2011



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Property and Machinery Breakdown

Common Recurring Suggestions

- Evaluate the adequacy of fire protection systems
- Improve existing transformer testing and analysis procedures
- Evaluate the benefits of operational testing regarding
 - Emergency battery systems
 - Lube / seal oil pumps