

New AEGIS Products & Services

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Senior Vice President

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What does change look like?

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New AEGIS Products & Services

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New Products & Services

Status of recent initiatives

- Property Consortium
 - More than half of property insureds access expanded capacity
 - Total capacity at \$425 million
 - Split \$225 million AEGIS, \$200 million partners
- Cyber product
 - Energy-specific coverage form
 - Modular coverage elements to customize by individual account
 - Increased capacity \$75 million

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New Products & Services

Status of recent initiatives

- Occurrence coverage for non-regulated subsidiaries
 - Tied in aggregate limit to corporate excess liability (avoids duplicative capacity costs)
 - Lower attachment or underlying insurance available

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New Products & Services

Additional items under development

- Pollution
 - First & third party
- Renewables
 - Property and liability coverage
 - Separate limit and lower attachment to corporate attachments
 - Liability on an occurrence basis

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Additional items under development

- Weather products & consulting
 - Alliance with Weather Analytics
- Removal of member terrorism (non-TRIPRA) aggregate
- Capital markets / insurance linked security customized coverage

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New AEGIS Products & Services

Martin Gaffney

Vice President – Excess Liability Underwriting

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AEGIS / Everest Alliance

- On January 1, 2016 Everest replaced Liberty as our alliance partner
- Current products (admitted)
 - Primary Automobile – \$2 million limit
 - Primary General Liability – \$2 million limit
 - Workers' Compensation (non-QSIR) – statutory limits including nuclear
 - Guaranteed cost, small large-deductible option
 - Policy consolidation

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AEGIS / Everest Alliance

Current products

- Excess Workers' Compensation (QSIR)
 - Admitted paper available
 - Statutory limits excess of \$35 million (100% Everest)
 - 70 members buy this product

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AEGIS / Everest Alliance

Fronting capabilities

- AEGIS certificate program
 - (GL only) \$5 million limit
 - 15 members buy this product
- Railroad protective products
 - Blanket basis by railroad
 - \$2 million / \$6 million
 - \$5 million / \$10 million
 - 25 members buy this product

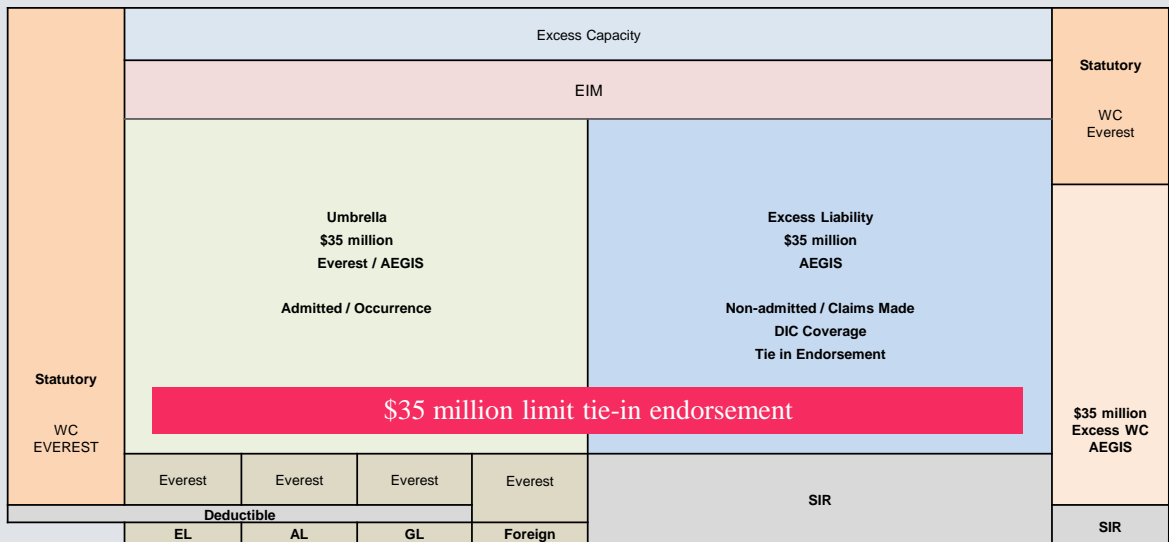
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AEGIS / Everest Alliance

Companion admitted occurrence umbrella policy

- Contractually required to carry admitted / occurrence policy
 - Lenders
 - Vendors
 - Partners
- Non-regulated operations
- Consolidation of multiple subsidiaries, separate policies

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Things to Consider

- \$35 million limit
- Occurrence form
- Admitted paper
- 100% reinsured by AEGIS
- DIC coverage available under Excess Liability policy
- Limits will tie in with claims made Excess Liability policy
 - Potential cost savings

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New AEGIS Products & Services

Bob Finelli

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T&D Insurance Program



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Agenda

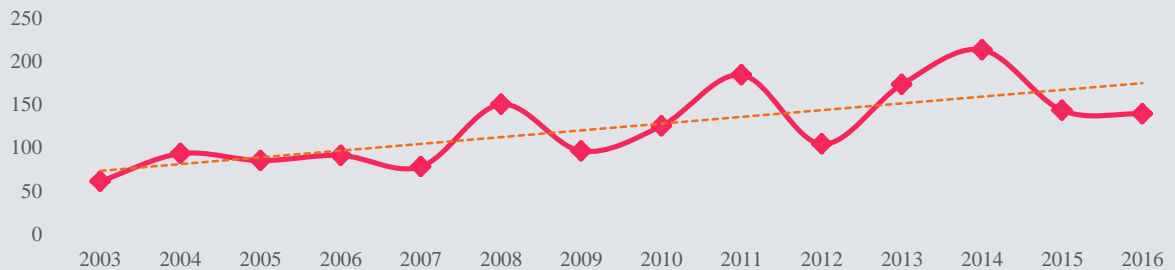
- Why should you be concerned about this exposure?
- Why should AEGIS offer this coverage?
- How would AEGIS offer this coverage consistently over time?
- What is our targeted geographical area?

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Transmission & Distribution Major Disturbances and Unusual Occurrences

Upward trend

Events per utility



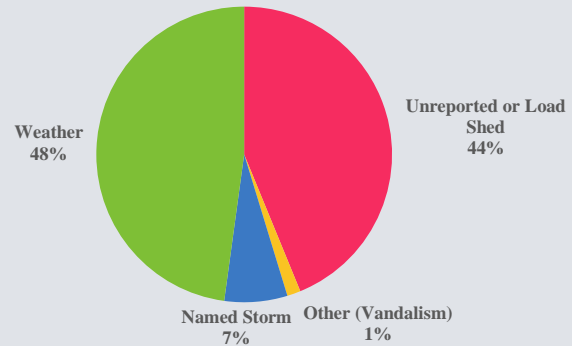
Source: US Energy Information Administration eia.gov

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Outages by Type

2003-2016

- Weather-dominated
- Over 55% weather-related
- Unreported category includes some weather-related outages
- Longer restoration time for weather-related events



Source: US Energy Information Administration eia.gov

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T & D Exposure

- Why should you be concerned about this exposure?
 - Even with a better risk profile over the past two years there is still significant exposure
 - Significant, non-budgeted expense
 - Bad publicity

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T & D Exposure

- Why should AEGIS offer this product?
 - We are better positioned to handle this risk by spreading across the portfolio
 - Added value to our customer base
 - Access to modeling and actuarial expertise
 - Access to significant reinsurance support

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T & D Insurance

- How do we offer this coverage consistently over time?
 - Analysis of loss history (covered and non-covered events)
 - Analysis of modeled results
 - Mutualize loss costs
 - Actuarial assistance on pricing and loss trends
 - Adequate retentions
- What is our targeted geographical area?
 - Wherever you have exposures

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Alternative Financing Approaches

Approach	Est. Capacity	Estimated Pricing Level (ROL)	Benefits	Drawbacks	Execution Risk	Data Required
Traditional	\$10 million to \$25 million	15% - 25%	Responds on UNL basis	Lack of continuity of coverage and / or price	Low in current market	Historic losses & exposure measure (miles / throughput)
Cat Model	\$50 million to \$100 million	As low as 3% to 4% ROL (2x to 4x model loss on-line)	Proven approach capacity available	Basis risk if model is wrong. Only applies to hurricane peril	Low to moderate	Model output ABB / eqecat
Trigger (Outage > 10-20% of customers)	Up to \$100 million	8% to 10% ROL	Simple trigger set at operating company level can cover all perils all regions	Basis risk event falls below trigger. No losses have tested concept	Moderate	Public data reported to DOE validated. Historic restoration costs beneficial not required
Parametric (Wind speed or storm surge)	Up to \$150 million	Sub 10% ROL for higher wind speeds (Category 3-4 storms)	Meaningful capacity and reasonable pricing broader than T&D covering all non-insured loss	Basis risk, focus on hurricane peril	Moderate	Territory covered

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