


Breakout Session

AEGIS Alliances & Excess Solutions

Moderator


Quetzy Torres Vice President, Excess Liability AEGIS Insurance Services, Inc.	Dianne O'Shaughnessy Vice President Everest Insurance Energy Casualty	Frank Chiarello Senior Vice President, Commercial Management Liability Sompo	Kirk Salogiannis Vice President, Excess Liability AEGIS Insurance Services, Inc.
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Breakout Session

AEGIS EVEREST® ALLIANCE

Dianne O'Shaughnessy
Vice President
Everest Insurance – Energy Casualty

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Today's Agenda

Overview of Everest Global, Ltd.

What is the Alliance?

- Our Dedicated Team and Staffing Changes
- Appetite
- Product Offerings

Renewable Products

Questions

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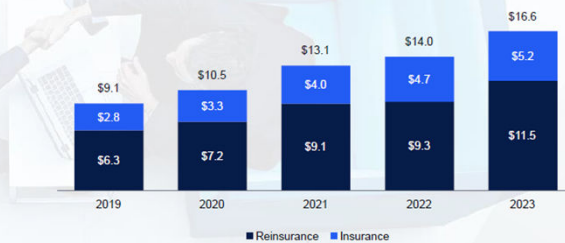
Overview of Everest Group, Ltd.

Fast facts

- Everest Group (NYSE: EG) is a member of the S&P 500 index.
- Record Annual Net Income of \$2.5 billion (USD) and Operating Income of \$2.8 billion (USD).
- Growth was driven by balanced and diversified growth across most lines of business and geographies.
- Reached 90.9% combined ratio which is a 5.1 point improvement year over year despite industry catastrophe losses exceeding \$120 billion (USD).

Strong gross written premium growth

Everest Group, Ltd. Gross Written Premium* based on full year data in USD



86.5%*

Attritional Combined Ratio

\$16.6 Bn (USD)

Gross Written Premium 2023

Everest Group, Ltd.
Financial strength ratings
(2/20/2024)

A+
A.M. Best

A+
S&P Global

A1
Moody's Investors Service

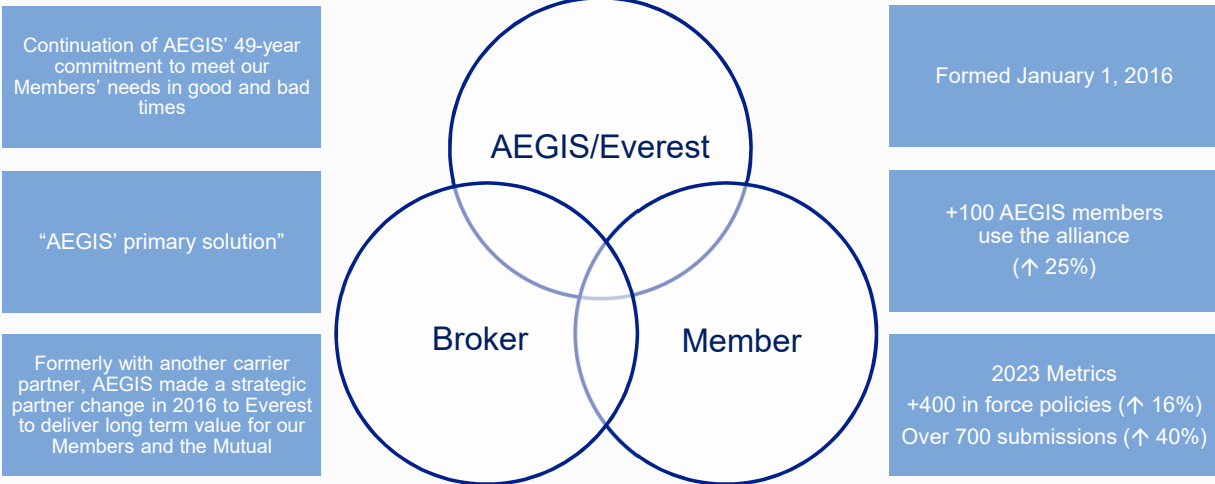
Stable outlook

*The attritional combined ratio is for the quarter ending March 31, 2024.

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What is the Alliance?



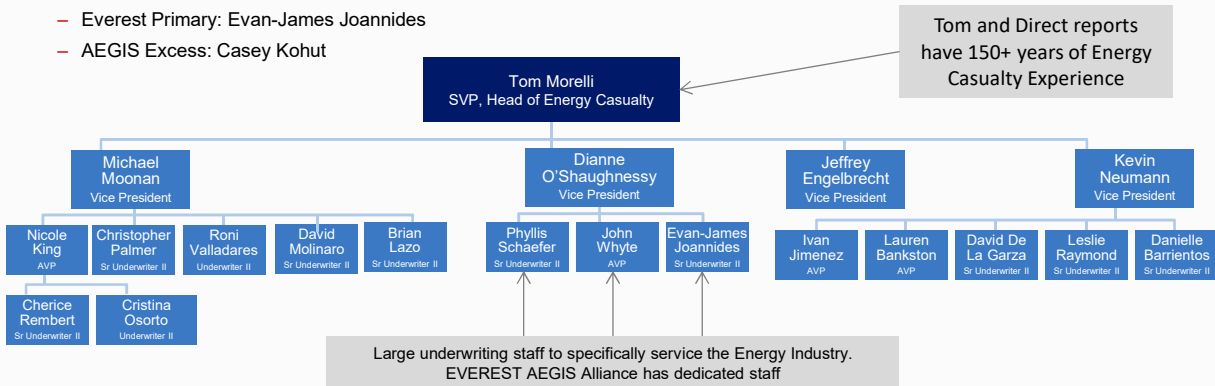
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Our Dedicated Team and Staffing Changes

Industry-leading talent & superior products

- **Dedicated Team**
 - In 2019, we realigned to have dedicated staff to the EVEREST AEGIS ALLIANCE
- **Added Talent to our Alliance Staff**
 - Everest Primary: Evan-James Joannides
 - AEGIS Excess: Casey Kohut



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Everest AEGIS Alliance

Appetite

Investor-Owned Utilities

Cooperatives

Public Power

Municipalities

Power Generation

ISO / RTO / Power Brokers

Midstream Gas

Renewables

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Everest AEGIS Alliance

Product Offerings

- Primary coverage
 - Guaranteed Cost & Loss Sensitive options (small / large-deductible, captive / front)
 - General Liability – \$2 million limit
 - Commercial Automobile – \$2 million limit
 - Workers' Compensation – Statutory limits including nuclear, for non QSIRs
- Excess Workers' Compensation (QSIR)
 - Admitted paper available
 - Statutory limits excess of \$35 million (100% Everest)
 - 23 members buy this product
 - Workers' compensation loyalty credit

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Everest AEGIS Alliance

Product Offerings - Fronting Capabilities

- AEGIS Certificate Program
 - General Liability - only \$5 million / \$10 million
 - Offered to members that purchase a standard AEGIS Excess Liability policy
 - Everest Certificate Program Reimbursement endorsement is added to that Excess policy
 - 29 members buy this product – almost double from 5 years ago
- Railroad Protective Liability Policies
 - Blanket basis by railroad
 - \$2 million/\$6 million or \$5 million/\$10 million
 - RPL limits endorsement and reimbursement agreement
 - Offered if members have the RRP coverage under their AEGIS Excess Liability Policy
 - 97 policies written
- Excess Liability Fronted Programs
 - Non-regulated operations, i.e. mainly renewables (AEGIS prefers Claims-made for thermal, coal, and gas)
 - 13 members buy this product

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Everest AEGIS Alliance

Product Offerings - Fronting Capabilities

- Companion Umbrella Policy
 - Admitted, occurrence
 - Non-regulated operations
 - 100% reinsured by AEGIS
 - DIC coverage available under Excess Liability policy
 - Limits will tie in with AEGIS' claims-made Excess Liability policy
 - Potential cost savings
 - Ease of administration
 - Occurrence Umbrella Policy Endorsement is added to the AEGIS Excess Liability policy
 - 3 members buy this product

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Everest AEGIS Alliance

Renewable Generation - Product Offerings

- Onshore Wind, Commercial Solar, and Accompanying Battery Storage - Coverage for project lifecycle: from development, construction (owner's interest only) and operational
- Limits: Policy Limits up to \$25,000,000 and availability of Per Project or Location Aggregates
- Forms:
 - Occurrence base
 - Defense Outside the Limit
 - Non-Admitted
 - Time Element Pollution extension in the General Liability
- General Liability – Non-Auditable availability
- Rating Basis: MW Capacity Composite Rate for Operational Exposures and Construction Costs for Owner's Interest Construction / Development Exposures
- Wildfire Capacity subject to individual account underwriting and pricing

Everest AEGIS Alliance

Our Commitment to Meeting Members' and Non-Members' Needs



Breakout Session

Overview of Sampo D&O Side A DIC Coverage

A Brief Look at Coverage, Benefits, and Key Considerations

Frank Chiarello

Senior Vice President, Commercial Management Liability

Sampo

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Introduction to D&O Insurance

- D&O insurance protects individuals and the entities they serve if they are sued as a result of actual or alleged fraud or negligence in the management of their organizations
- Side A: Covers insured persons for claims when their organizations cannot indemnify them due to legal restrictions or financial insolvency
- Side B: Reimburses the organization when it is permitted to indemnify the insured persons
- Side C: Also known as "entity coverage," covers the organization itself when it is named as a defendant in a lawsuit

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Typical Tower Structure

- Side A DIC is a specialized D&O coverage designed to fill gaps in traditional Side A coverage
- Limited policy exclusions ensures broader protection to Insured Persons for non-indemnifiable Loss
- Drop-Down Coverage: Acts as primary coverage if the underlying insurance is exhausted, rescinded or does not provide coverage

Typical Tower Structure	Coverages Provided		
	Coverage A	Coverage B	Coverage C
\$50M Excess-DIC Capacity	✓		
15M Somo Lead-DIC (Difference in Conditions)	✓		
\$65M of Excess ABC Capacity	✓	✓	✓
\$35M AEGIS Primary Limit (Excess of \$5M SIR)	✓	✓	✓
\$5M Self Insured Retention		✓	✓

Benefits of the Somo / AEGIS Alliance

- \$20 million capacity in addition to the AEGIS full coverage limit
- Admitted paper; AM Best A+ / Stable
- Premium collected by AEGIS applies toward Continuity Credit calculation
- Market leading policy terms
 - All-Risk Difference in Conditions coverage
 - No policy exclusions other than fraud
 - Broad trigger for inquiries of Insured Persons
 - Bespoke coverage offered exclusively to AEGIS D&O members
 - Enhanced protection for claims resulting from regulatory actions and violations
 - Broadened definition of Insured Person for Clean Act Air representatives

Sompo Holdings- Snapshot

- Global Fortune Rank – 447
- \$108B in Total Assets, \$35B GWP, and 75,000 employees worldwide.
 - US Financial Lines – over \$1B GWP, 225 employees
- Top-10 ranked D&O carrier, with an experienced underwriting team.

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Excess Liability Solutions

Kirk Salogiannis

Vice President, Excess Liability

AEGIS Insurance Services, Inc.

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Various Solutions for Members' Sharing in Risk

- Co-Participation (aka Coinsurance)
 - Member shares in profit/loss alongside AEGIS on a quota share basis
 - Shared limit on a per occurrence & in the aggregate basis
- Reinsurance (Ceded)
 - AEGIS writes full policy limit and cedes to Member's Captive
 - Process involves:
 - Collateral requirements
 - Evaluation of captive Financials
- Annual Aggregate Deductible (AAD) / Supplemental Aggregate

Co-Participation

- Co-Participation – member shares in profit / loss proportionately
 - Good mechanism for taking additional retention in the risk but is spread through the limit rather than increasing SIR
 - Avoids changing long-standing contracts
 - Member can participate on WF limit only if desired
- Premium is reduced by member's co-participation amount
 - 10% AEGIS expense allowance is applied against / deducted from member's amount
 - Expense that needs to be recaptured is embedded in net premium due AEGIS
- Endorsement on Policy
 - Declarations Page still displays gross limits
- Maximum co-participation:
 - 25% on \$35M Limit
 - 30% on \$50M Limit
- Loss payments are adjusted on a gross basis but ultimately reduced by the co-participation amount

Reinsurance

- Reinsurance (Ceded) to Member Captive
 - Similar to Co-participation, Member shares in the profit / loss
 - AEGIS writes 100% of the limit
 - Amount of desired participation is ceded to the captive via a separate reinsurance agreement
 - Maximum cession is the same as the max co-participation
 - 10% expense allowance
- Losses are “recovered” from the captive reinsurer
- Collateral Requirements:
 - Mitigates AEGIS credit risk
 - Actuarially driven and level of funding varies by Line of Business, amount ceded, & financial stability of the captive / parent
 - Acceptable forms: Trusts or Letters of Credit
 - Reviewed annually as older years run-off and new years are added
 - Data requirements include Captive financials & independent Actuarial report

Annual Aggregate Deductible (AAD) / Supplemental Retention Aggregate

- Annual Aggregate Deductible (AAD)
 - Addresses Severity
 - Increases retention and reduces limit
- Supplemental Retention Aggregate
 - Addresses Frequency
 - Increases retention
- Both AAD & Supplemental Aggregate are Endorsements on the Policy

