

AEGIS

Loss

Control

AEGIS Loss Control Resources and Claims Services

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Additional information on AEGIS website

For risk managers, operations, engineering, safety, legal & claims — password protected

- Go to <http://www.aegislink.com>

The screenshot shows the AEGIS website's 'Loss Control' page. The navigation bar at the top includes 'About AEGIS', 'News & Events', 'Services', 'Resources', and 'My AEGIS'. The breadcrumb trail reads 'Home / Services / Loss Control / Overview'. The main banner features the text 'Loss Control' and an illustration of a hand holding a pencil. Below the banner, the 'Overview' section lists 'Our Unmatched Expertise' and 'Utility Services' (Risk Assessments, Focused Services, Occupational Safety & Workers' Compensation). The 'Property Services' section lists 'Risk Assessments' and 'Focused Services'. The 'Videos and webinars' and 'Loss Control Task Force' sections are also present. The central content area features a large image of a green van on a road with the text 'We'll come to you Incident Investigation Workshops' and a 'Learn more' button. To the right, the 'Loss Control News' section lists several news items: 'Enhancements made to RMLL searches', 'Pride Goes Before the Fall: OSHA's Emphasis on Fall Protection', 'Don't Spill This Cup!: Post-Accident and Reasonable Suspicion Drug Testing', 'Leak Detection: Programs Identify and Control Water Loss', and 'Sonic / Ultrasonic Testing Provide Reliable Conditions Assessment'. A 'See All' link is provided at the bottom of this section. The footer contains three columns: 'Publications' (Electric, Natural Gas, Water), 'Education' (Incident Investigation Workshops, Industry Presentations, On-Site Training for Natural), and 'My AEGIS' (These tools require authorized access. Click to sign in or request access. View My Risk Assessments).

Additional information on AEGIS website

For risk managers, operations, engineering, safety, legal & claims — password protected

- Follow on-screen instructions

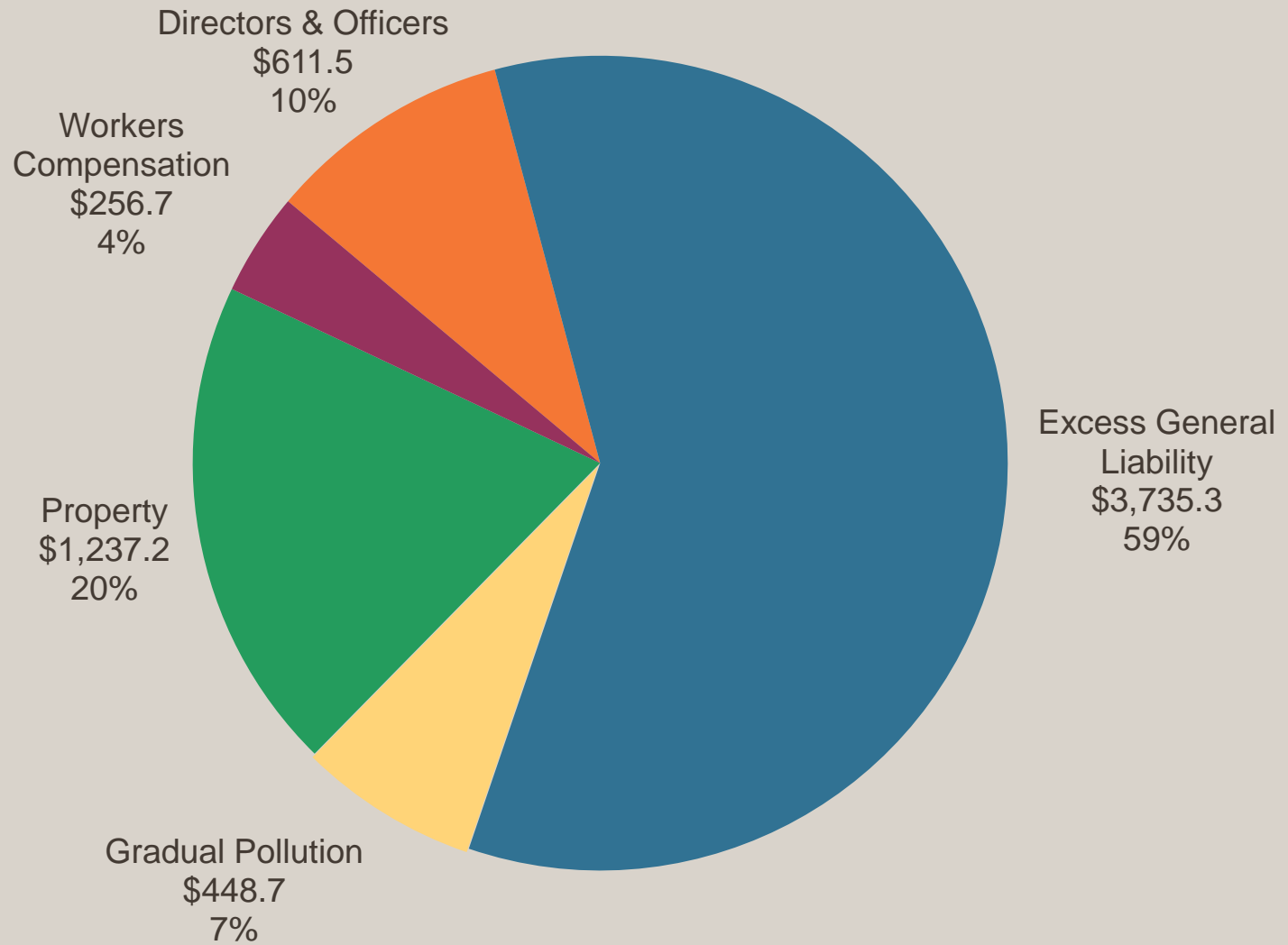
The screenshot displays the AEGIS website interface with a 'Request access' modal window open. The modal contains the following fields and options:

- Primary role:** A dropdown menu with 'Select' as the current selection.
- E-mail:** A text input field.
- Confirm e-mail:** A text input field.
- Salutation:** A dropdown menu with 'Select' as the current selection.
- First name:** A text input field.
- Last name:** A text input field.
- Company:** A text input field.
- Job title:** A text input field.
- Phone:** A text input field.

At the bottom of the modal, there is a 'Submit' button and a 'Sign in' link. The background of the website shows a navigation menu with 'About AEGIS', 'News & Events', 'Services', 'Resources', and 'My AEGIS'. The 'Services' menu is expanded, showing 'Loss Control' and 'Overview'. The 'Loss Control' section includes links for 'Overview', 'Our Unmatched Expertise', 'Utility Services', 'Property Services', 'Videos and webinars', and 'Loss Control Task Force'. The 'Utility Services' section includes 'Risk Assessments', 'Focused Services', and 'Occupational Safety & Workers' Compensation'. The 'Property Services' section includes 'Risk Assessments' and 'Focused Services'. The 'Videos and webinars' section includes 'Loss Control Task Force'. The 'Loss Control Task Force' section includes 'Electric', 'Natural Gas', and 'Water'. The 'Electric' section includes 'Incident Investigation Workshops', 'Industry Presentations', and 'On-Site Training for Natural Gas'. The 'Natural Gas' section includes 'These tools require authorized access. Click to sign in or request access.' and 'View My Risk Assessments'. The 'Water' section includes 'December 5, 2014 1:00 pm to 2:00 pm Physical Security at Electric Substations Online'.

Claims Incurred Activity 2004 to 2014

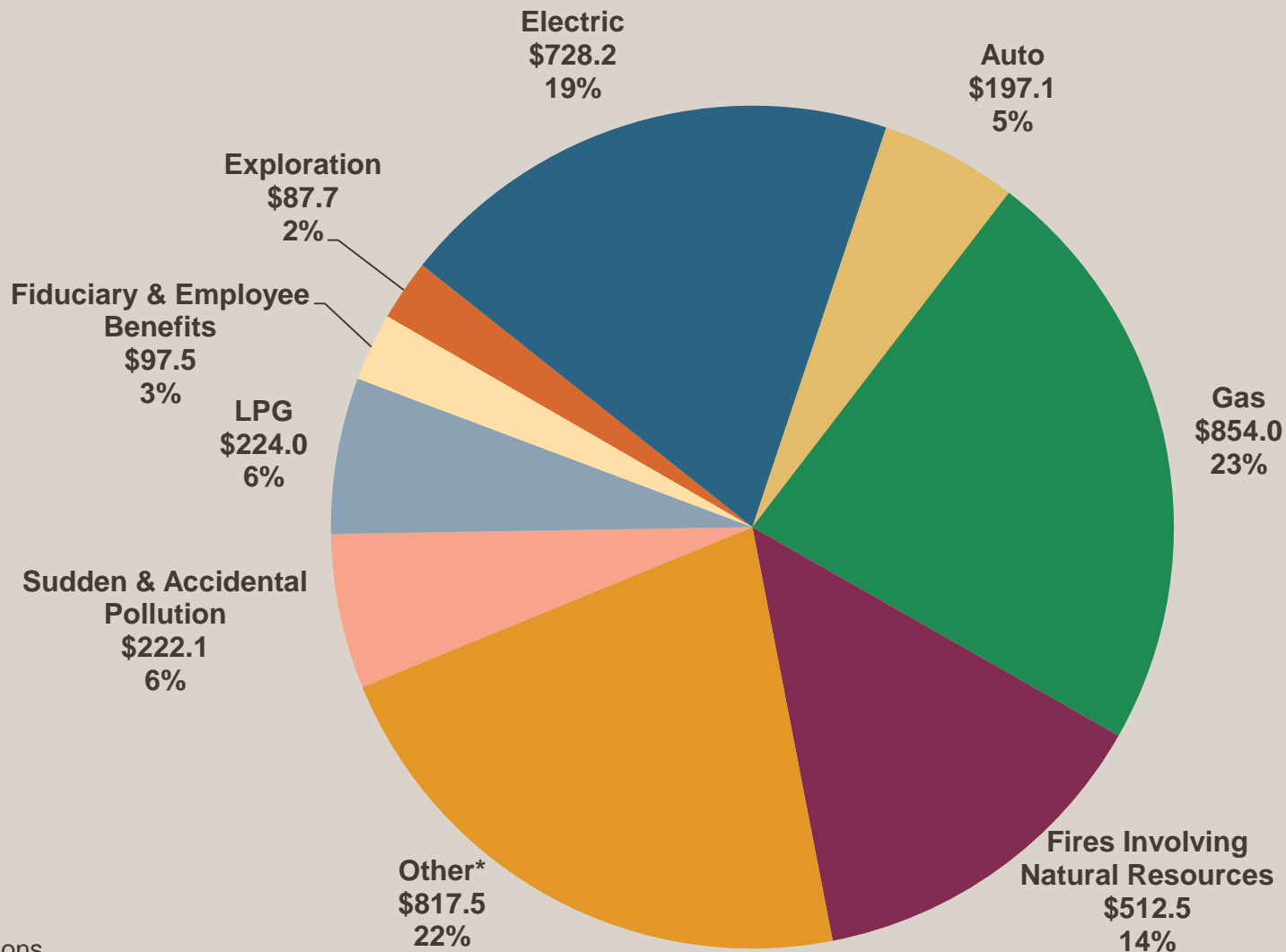
By Line of Business



In Millions
US operations

Excess Liability Incurred Claims Activity 2004 to 2014

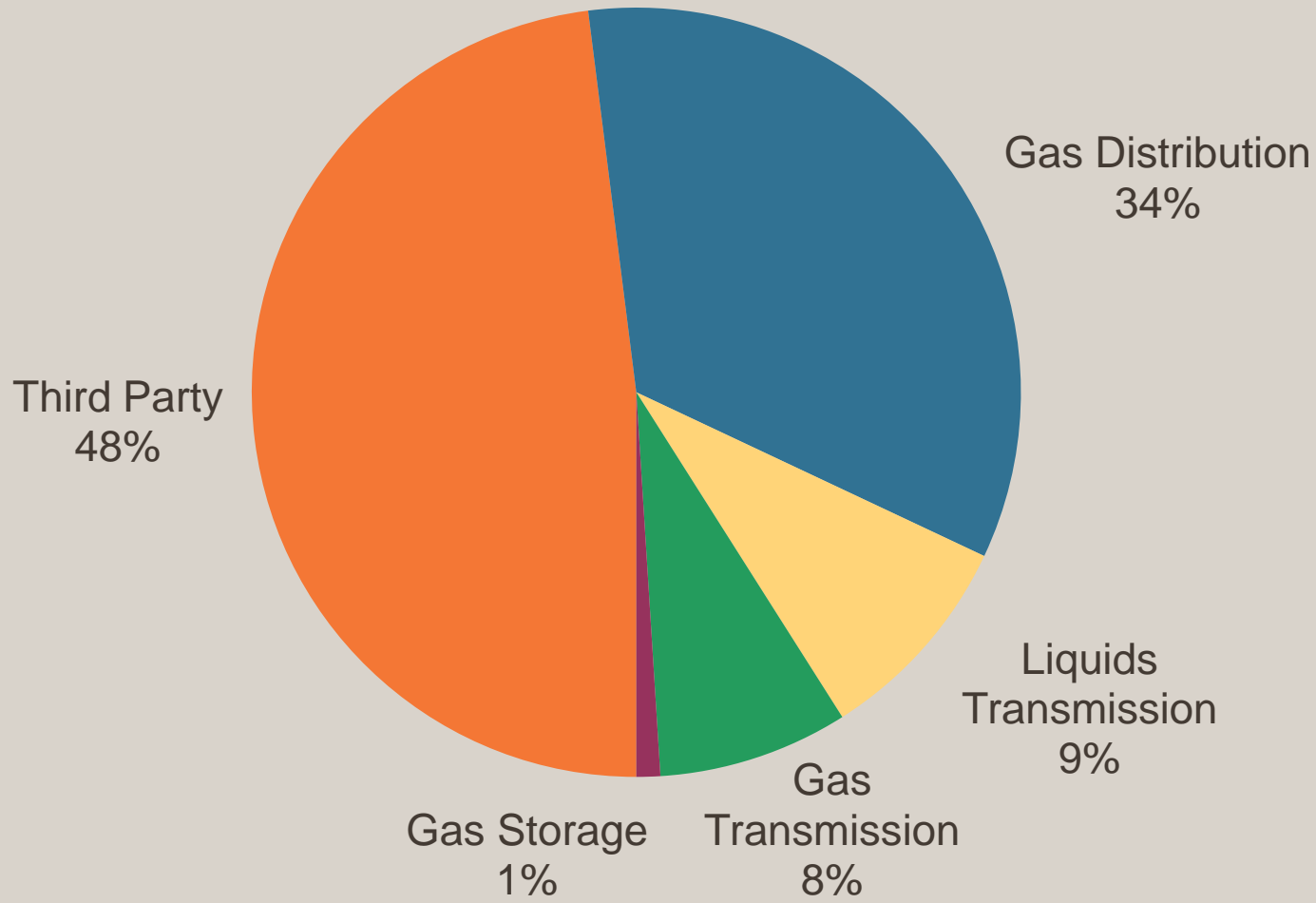
By type of claim



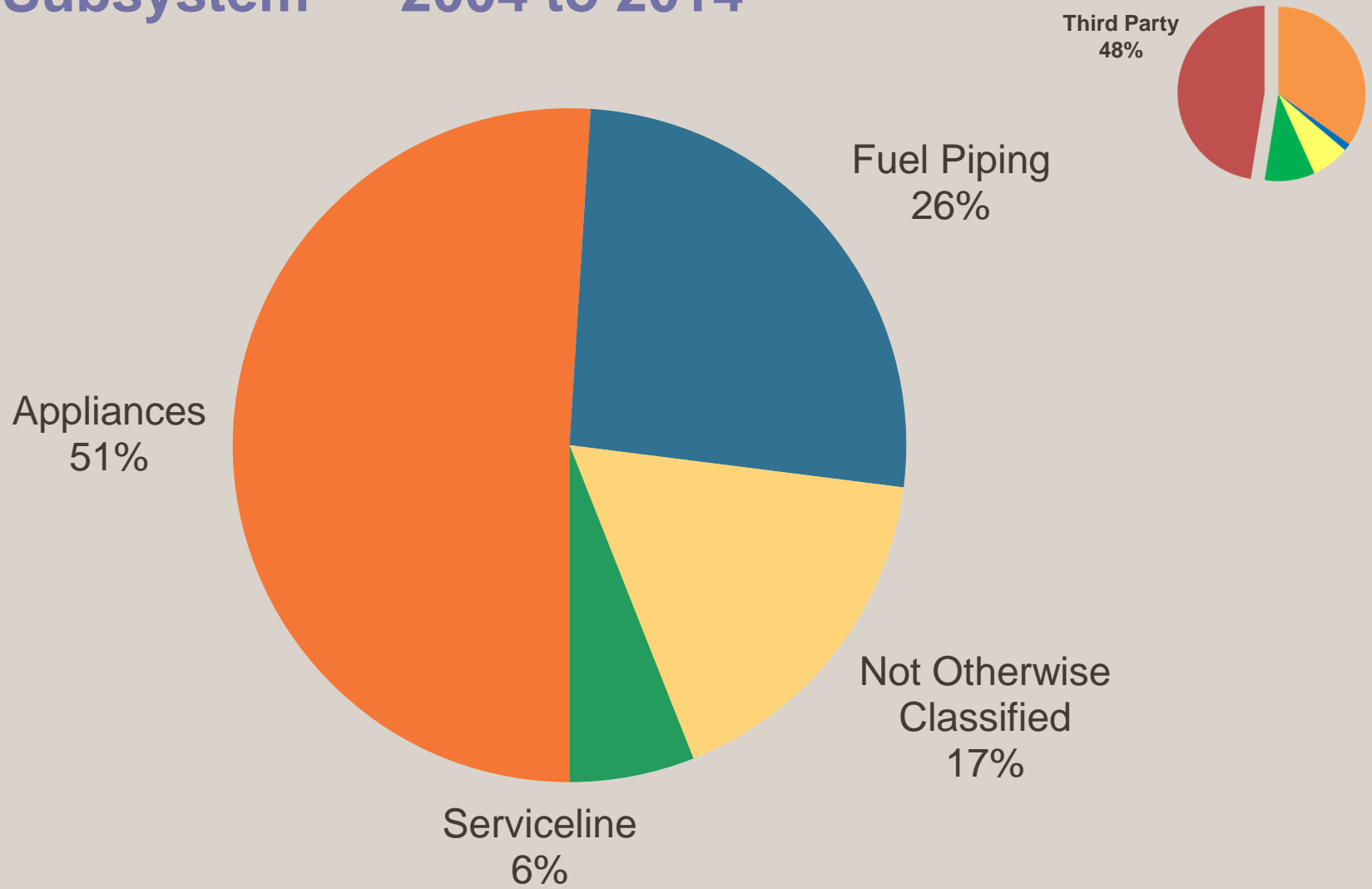
In millions
US operations

Other* includes: Employers Liability, Asbestos, Construction, Dams, EMF, Personal Injury, Employment Practices, Premises, Pipeline Operations

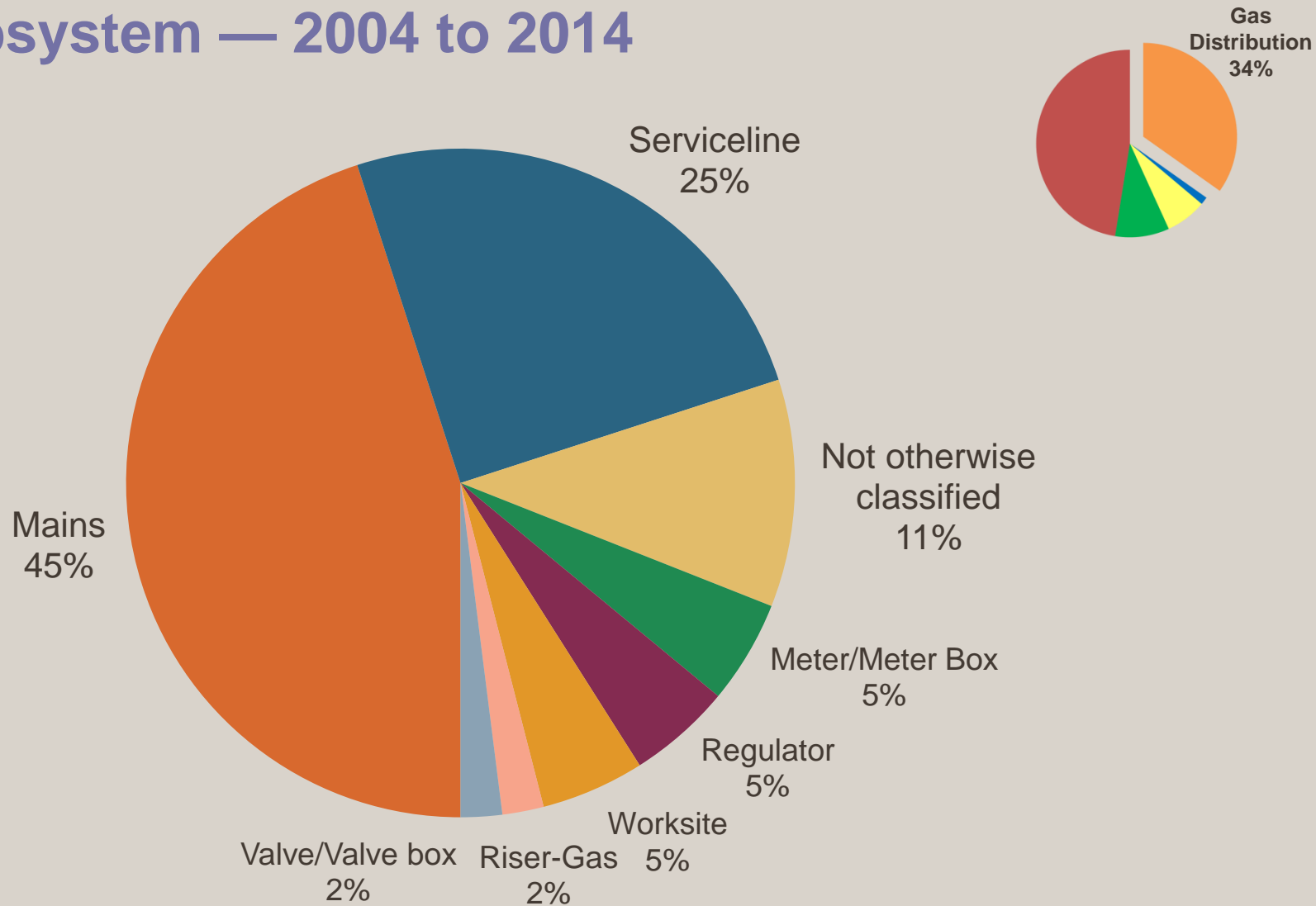
Natural Gas Reported Claims By System — 2004 to 2014



Natural Gas Third Party Reported Claims By Subsystem — 2004 to 2014



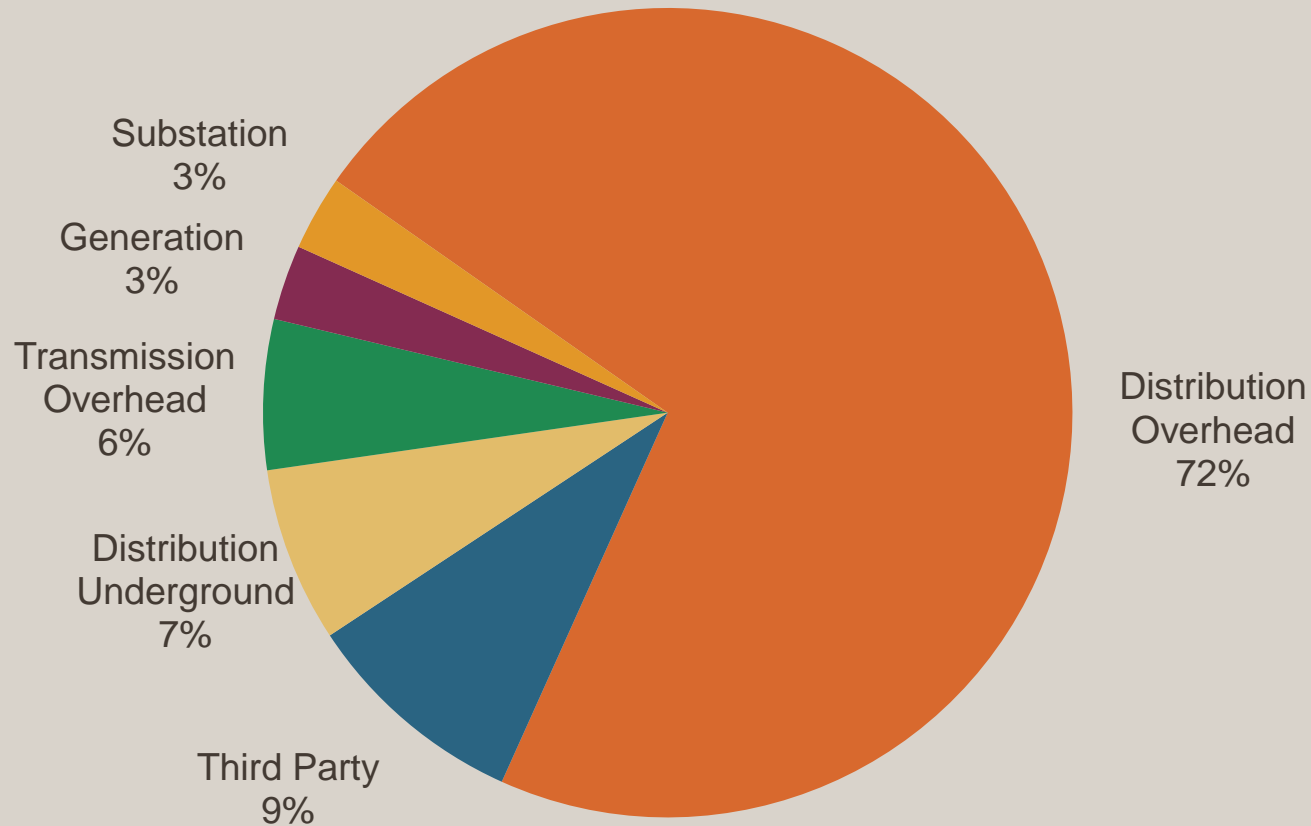
Natural Gas Distribution System Reported Claims By Subsystem — 2004 to 2014



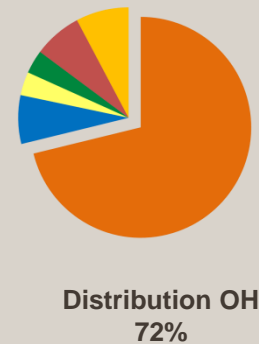
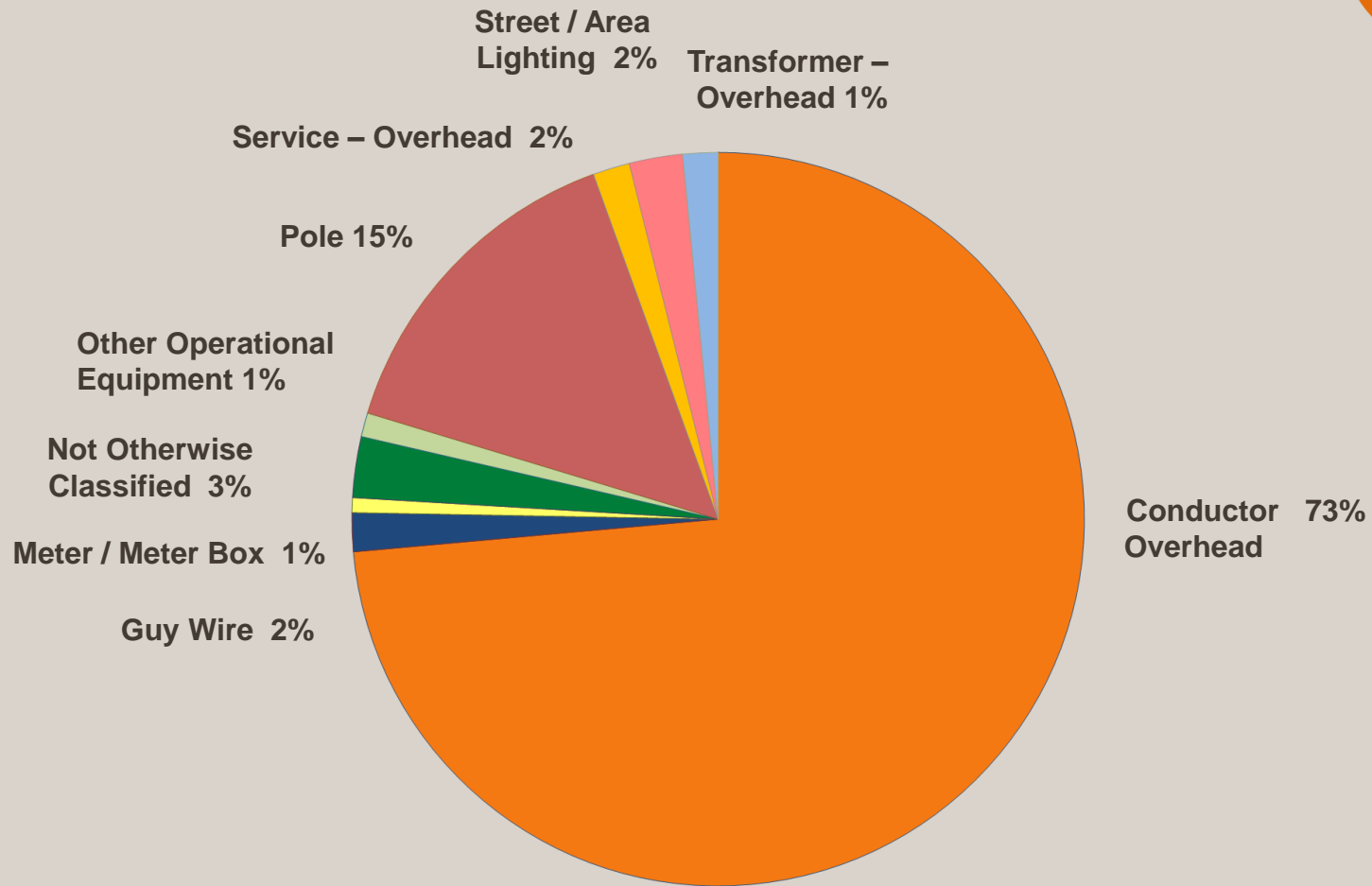
Major Gas Claims 2004 to 2014

| Total Paid | Cause of Loss |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$35 million | Natural gas explosion injured plaintiff and 14 other workers who allege that odorant fade due to new steel pipe caused them to misapprehend the danger while purging gas lines. |
| \$35 million | Natural gas escaping from a 30 inch pipeline owned by the insured was ignited causing extensive property damage, killing four and injuring several others. |
| \$35 million | A cracked well casing caused gas to leak from a gas well resulting in extensive property damage to salt caverns, adjacent wells and facilities. |
| \$25 million | Claimants car backed up into a wellhead and caused an explosion. 3 BI (2 fatalities) |
| \$24 million | A cast iron main failed, gas migrated into a row home and was ignited. Explosion and fire damaged approximately 50 homes and resulted in 5 fatalities. |

Electric Reported Claims By System — 2004 to 2014



Electric Overhead Distribution Reported Claims By Subsystem — 2004 to 2014

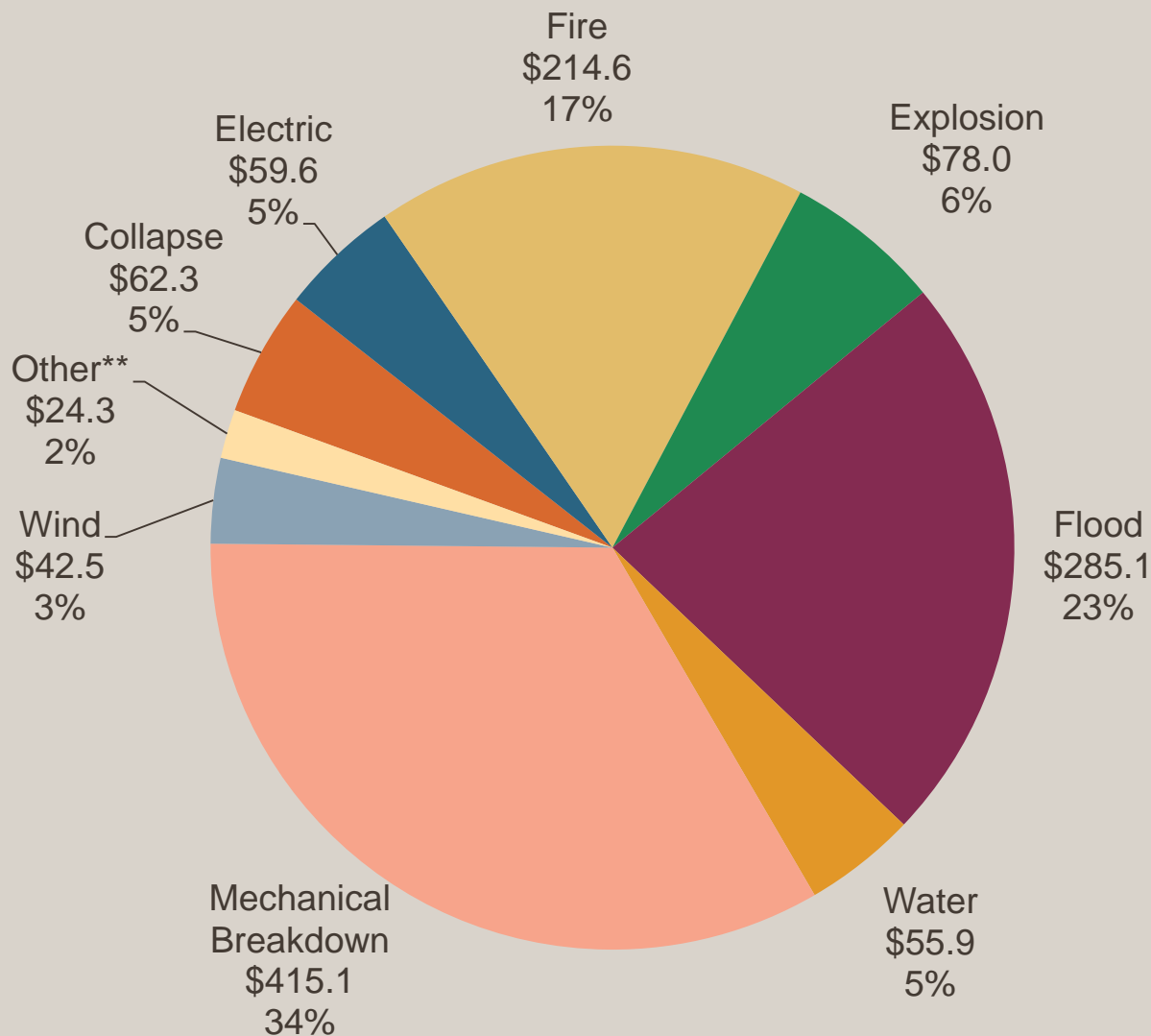


Major Electric Claims 2004 to 2014

| Total Paid | Cause of Loss |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$35 million | Claimant made contact with downed energized primary conductor at her place of residence. 1 fatality |
| \$28 million | Two children were seriously injured when they contacted an energized loose guy wire in their yard. |
| \$25 million | Two family members were electrocuted while attempting to rescue father who had contacted an energized downed primary conductor in their yard. 3 fatalities. |
| \$25 million | Contractor's employee sustained electric contact burns, loss of one arm, lower leg and a significant brain injury when he drilled into an underground power line. |
| \$22 million | Fault in transformer caused a fire in a commercial building. Insured lost liability trial and settled with subrogees. |

Property Incurred Claims Activity 2004 to 2014

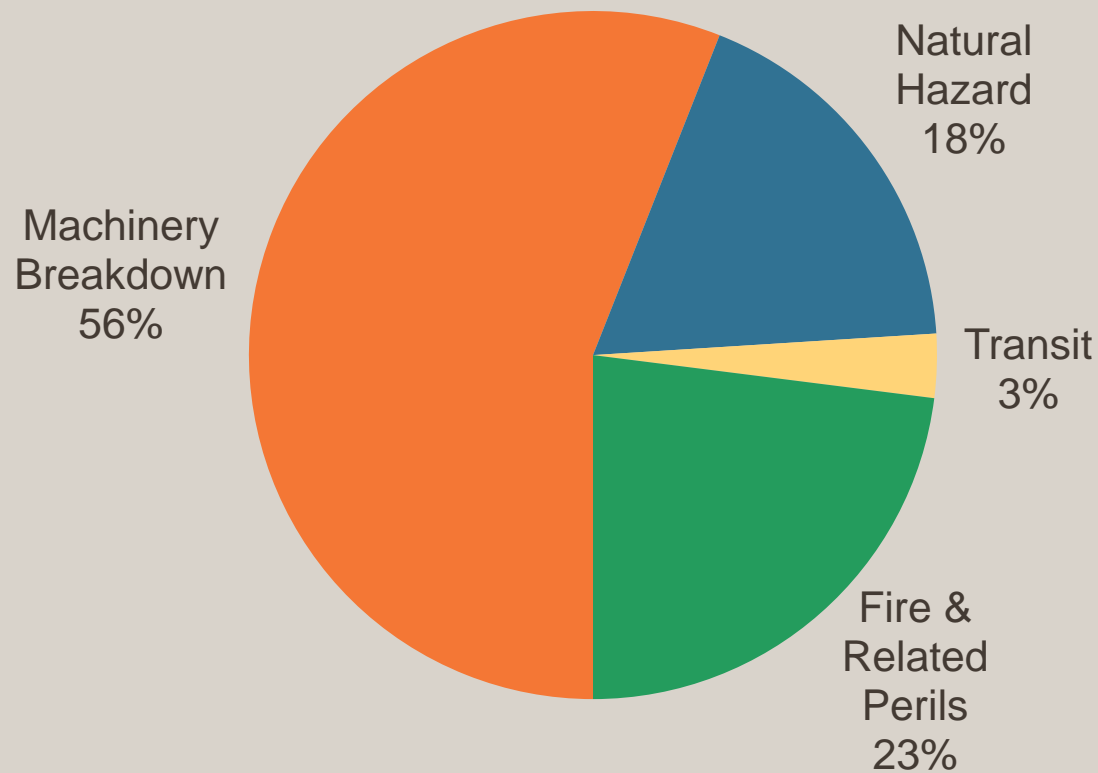
By type of claim



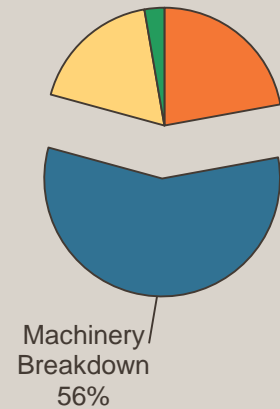
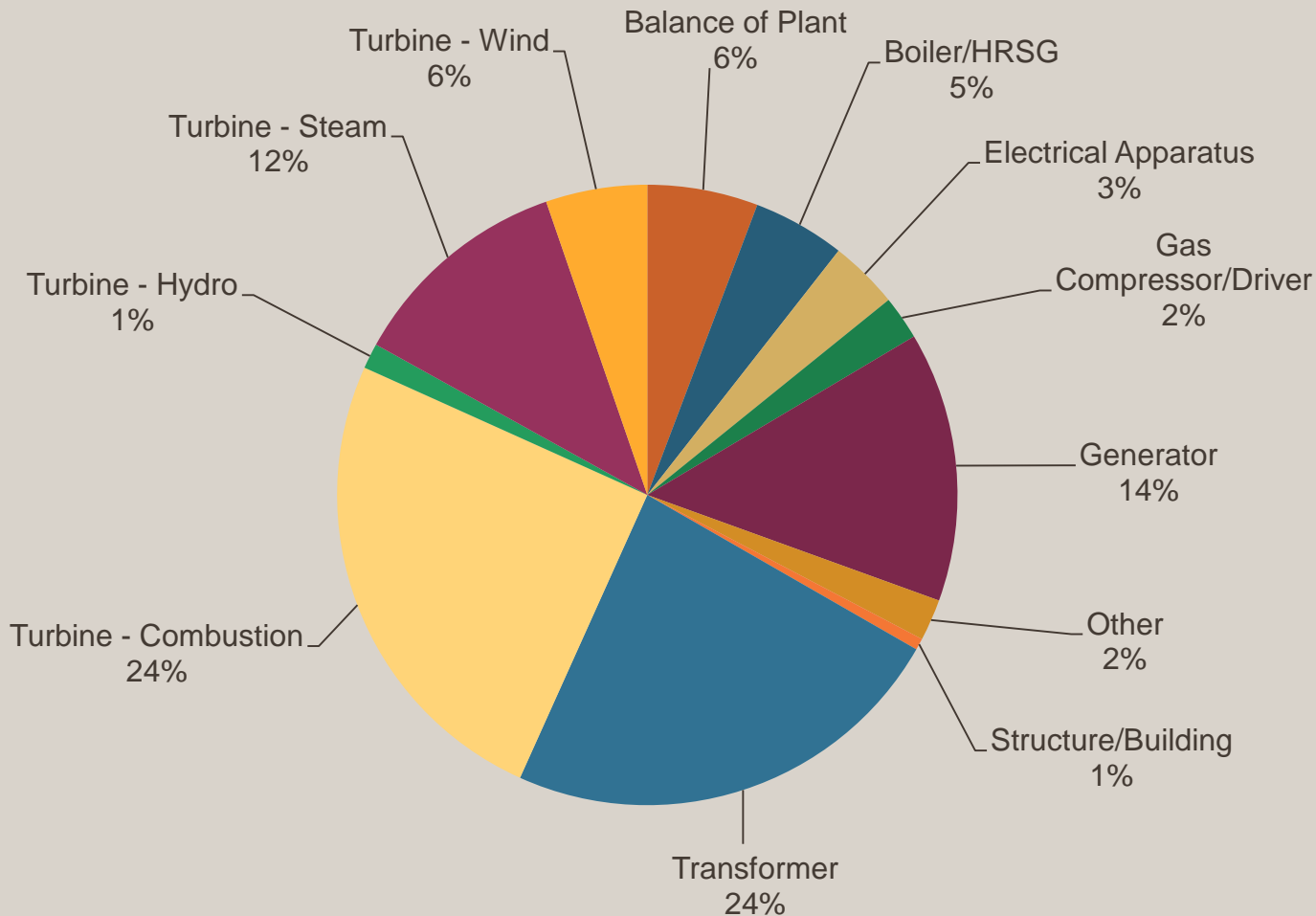
In millions
US operations

Other** includes Collision, Cracking, Earthquake, Hail, Lightening, Marine, Theft, Transit, Vandalism,

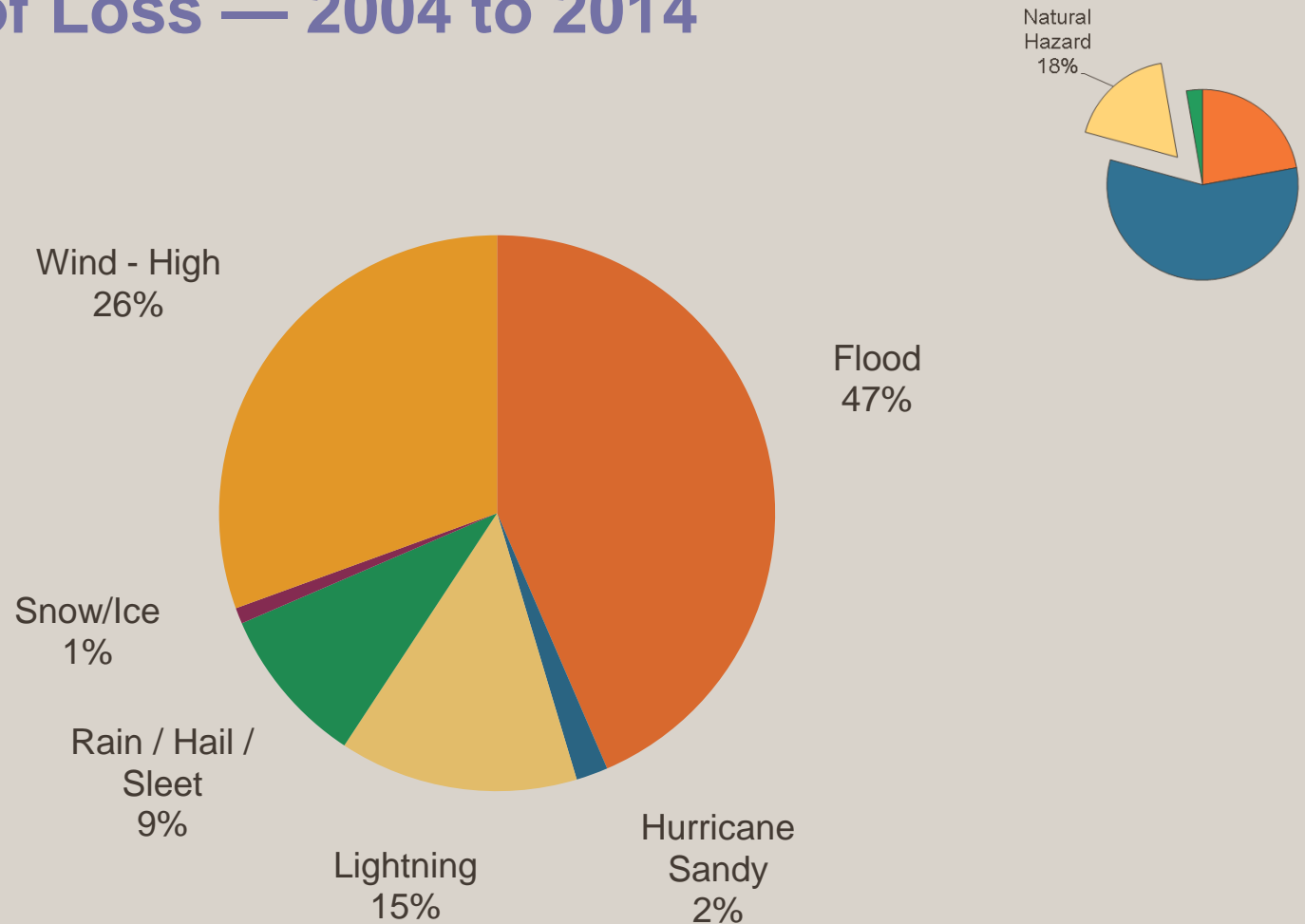
Property Reported Claims By Exposure – 2004 to 2014



Machinery Breakdown Property Reported Claims By Major Equipment Damaged — 2004 to 2014



Natural Hazard Property Reported Claims By Cause of Loss — 2004 to 2014



Major Property Claims 2004 to 2014

| Total Paid | Cause of Loss |
|--------------|-------------------------------------------------------------------|
| \$43 million | Failure of impoundment walls due to overfill |
| \$39 million | Mechanical breakdown of the unit followed by a lube oil fire |
| \$29 million | Explosion occurred after the start up of a turbine that was idle |
| \$23 million | Extensive wind damage to the cooling towers |
| \$18 million | Foreign object debris caused damaged to the unit during start-up. |

Utility Risk Assessments, Services and Guides

- Natural Gas Risk Assessments
- Electric Risk Assessments
- Water Risk Assessments
- Call Center Emergency Handling Reviews
- Self-Administered Risk Assessments (SARA) Guide
- Webinars – One hour technical sessions for Risk Managers, Safety, Claims and Operating Personnel
- Focused Services

On-site Training and Workshops (For Fee)

- Electrical Incident Investigation Workshop
- Natural Gas Incident Investigation Workshop
- Natural Gas Operator Training
- Water Operator Training
- Occupational Safety & Workers Comp Assessments
- Fire Protection Training for Power Plant Personnel
- Media Relations at Utility Incident Scenes
- One-day seminars

AEGIS Loss Control Seminars

- Biennial Seminars – Issues, Trends and Practical Solutions
 - Electric and Natural Gas Utility T&D Systems
 - Electric Generation

The screenshot displays the AEGIS website interface. At the top, the AEGIS logo is on the left, and navigation links for 'Contact Us', 'Search', and 'Enter Query' are on the right. Below the logo, a navigation bar includes 'About AEGIS', 'News & Events', 'Services', 'Resources' (highlighted in red), and 'My AEGIS'. A 'Welcome back to My AEGIS Laura | Log Out' message is visible. The breadcrumb trail reads 'Home / Resources / Education / Loss Control / Incident Investigation Workshops'. The main heading is 'Resources'. On the left, a sidebar lists 'Resources Overview', 'Publications', 'Education' (with sub-links for Underwriting, Claims, and Loss Control), and 'Presentations'. The main content area is titled 'Incident Investigation Workshop and Seminars' and contains text about AEGIS Loss Control's workshops for member company personnel. It details 'Electrical Incident Investigation Workshops' (3-day training) and 'Natural Gas Incident Investigation Workshops' (one-day training). A contact box on the right identifies Scott Macomber, Vice President – Loss Control Utility Operations, with the phone number 201.988.2739.

Publications and Guides

Available on our website at www.aegislink.com

- Electric Utility Inspection Forms
 - Distribution Line
 - Pad mounted Equipment
 - Substation Public Safety and Security
 - Transmission Line

Publications and Guides (cont.)

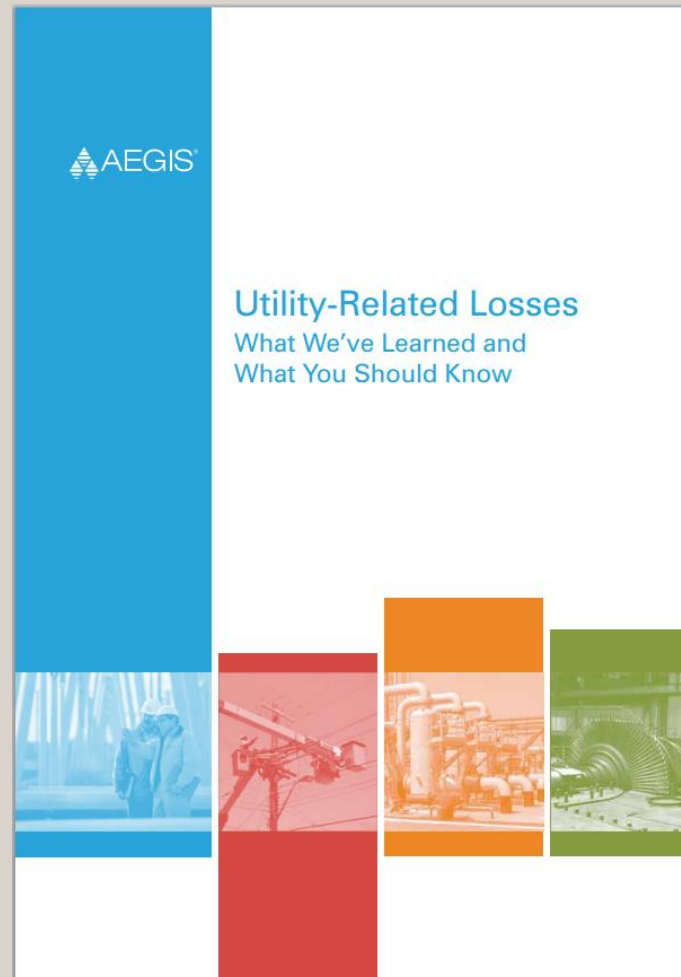
Available on our website at www.aegislink.com

- Water Utility Security Checklist
- Public Safety Communication Guides
- Natural Gas Emergency Response Tip Cards
- Transformer Contingency Planning Guide
- Contractor Selection & Evaluation Guide
- Review of Major Liability Losses
- What Every Director & Officer Should Know
- Employment Practices Self-Assessment Guide

Utility-Related Losses 1990 – 2013

What We've Learned and What You Should Know

- Electric Utility
- Natural Gas
- Power Generation



Consulting and Presentations

- Technical Consultations
 - Code changes and interpretations
 - Company operating procedures and practices
 - Utility design issues
 - Independent review of operating documents & manuals

Safety and Training Materials

Lessons Learned[®] Videos for Natural Gas and Electric utilities

- **Natural Gas Utilities**
- Video Series I
 - Pressure Point
 - Toxic Tale
 - The Smell of Danger
 - Too Little....Too Late

Safety and Training Materials

Natural Gas Utilities (cont.)

- Video Series II
 - Hidden Danger
 - First Line of Defense
 - Public Safety – two versions company/customer
 - People Don't Know What They Don't Know

- Anatomy of a Gas Leak

- Find & Fix Syndrome

Safety and Training Materials

Electric Utilities

- Incident Response – Effective Communication & Coordination
- Danger Within
- Deadly Playground
- People Don't Know What They Don't Know
 - Dangerously Close
 - Deadly Trap
- Within A Child's Reach

Safety and Training Materials

Employee Public Safety Awareness Program

- HOW SAFE[®] Is Your Electric System?
- HOW SAFE[®] Four-Part Series
 - Transmission System?
 - Pad mounted Distribution System?
 - Overhead Distribution System?
 - Substations?
- Available on DVD only

Safety and Training Materials

Emergency Exercises: A Look in the Mirror

- Program for natural gas utilities
- Planning and conducting an initial exercise
- Improving the methodologies of existing programs
- Testing emergency response and management capabilities
- Testing response actions of external organizations
- Creating annual exercise scenarios
- Identifying strengths and weaknesses of emergency response procedures and employee training

Safety and Training Materials

Hazard Awareness Training for Emergency Response Personnel

- Training program for firefighters, law enforcement and emergency medical personnel to recognize and avoid hazards associated with natural gas and electricity when responding to emergencies.
- Available on the public side of the website.
- Video Programs
 - Natural Gas – Recognizing and Avoiding the Hazards, Vol. I & II
 - Electricity – Recognizing and Avoiding the Hazards, Vol. I

Safety and Training Materials

Surviving the Wires Environment

- Video describes the dangers of flight below 1,000 feet.
- More than 7,000 new aviation hazards are built in the wires environment every year.
- Consider sharing with EMS Organizations.
- Produced in cooperation with Helicopter Association International and Southern California Edison.
- Available on the public side of the website.

Property Engineering Services

Risk Assessments

- Comprehensive Property Risk Assessments
 - Risk reduction suggestions
 - Prioritize suggestions based upon severity & frequency
 - Develop Loss Estimate (LE) prior, cost to complete, and LE after for Capital Expenditure type suggestions (beta test in progress at two companies)
 - Special hazard review
 - Review of loss control-based programs
 - Water supply and fire protection systems review
 - Business interruption evaluations

Property Engineering Services

Risk Assessments (cont.)

- Comprehensive Machinery Breakdown Risk Assessments
 - Risk reduction suggestions
 - Prioritize suggestions based upon severity & frequency
 - Operational history and procedures review
 - Predictive and preventive maintenance review
 - Assessment of equipment condition, operational controls & protective systems

Property Engineering Services

Risk assessments (cont.)

- Comprehensive Builders Risk Assessments
 - Risk reduction suggestions
 - Prioritize suggestions based upon severity & frequency
 - Plan reviews of fire protection systems and water supplies
 - Review of loss control programs
 - Turnover and start-up procedures

Property Engineering Services

Loss Control Consultation

- Fire protection system installation plan reviews
- Combustion Turbine technology consultation
- Hydraulic analysis of sprinkler systems & water supplies
- CAD diagrams
- Fire pump and water supply testing
- Electric Utility Machinery Seminar held every two years
- Fire protection system training held annually

Property Engineering Services

Focused Assessments

- Generating station hydrogen system assessment
- Water induction assessment for steam turbines
- Transformer / electrical apparatus risk assessment
- Flood / storm surge evaluation assessment
- Maximum foreseeable loss (MFL) evaluations

AEGIS Loss Control Mission Statement

Help AEGIS member companies maintain effective and safe operating systems while reducing their overall long-term cost of risk by developing and providing products, services and training programs specifically for this purpose.

AEGIS Claims Division Contacts

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AEGIS Claims Services

❖ AEGIS Gas Litigation Service (AGLS)

❖ AEGIS Electric Litigation Services (AELS)

Specialized counsel work with the Member and local counsel to maximize the potential for an optimal result and to reduce or eliminate exposure.

○ How to use AGLS or AELS Service

- Contact assigned Claims Professional or Mark Bluestein, VP/Counsel
- Initial conference call with AGLS/AELS counsel is free to AEGIS members
- Member may then elect to retain AGLS/AELS attorney to assist in defense
- Role of counsel can be extensive, or limited as needed

AEGIS Claims Services

The AEGIS Structured Settlement Company

- Alliance between AEGIS, EPS Settlements Group and Mesirow Financial
- Provide structured settlement services to utility and related energy industries
- Experienced TASSC consultants attend mediations and assist with effective negotiation through use of structured settlements to address damage elements
- Expert knowledge of liens, collateral sources, Medicare use of structured settlements
- Service is free of charge to all AEGIS members
- Service available for cases managed within SIR, without AEGIS involvement
- To arrange an informational meeting with your assigned consultant and AEGIS, contact Mark Bluestein, VP TASSC

AEGIS Claims Educational Programs

❖ AEGIS Roundtables

- Presentations by counsel, industry experts and claims professionals on issues of interest to members
- Live presentations at AEGIS
- February 5th – *The Art of Recovery and the Transfer of Risk*
- June 4th – *Evaluating and Managing Litigation*
- October 8th – *Litigating Catastrophic Injury Cases*
- Ability to participate via webinar. CLE credit available

QUESTIONS?