

# THE CONNECTION

## THE OIL GROUP

HAMILTON  
BERMUDA

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### Shareholder Information Session:

September 21, 2021  
(Houston, TX)

Virtual sessions to be scheduled  
late 2021/early 2022

To sign up please contact  
Corey Masters-Brown at  
[corey.masters-brown@omsl.bm](mailto:corey.masters-brown@omsl.bm)

### Shareholder Conference and AGM 2021:

March 23 & 24, 2022  
(Bermuda)

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## Staying the Course

Bertil C. Olsson,  
President & Chief Executive Officer

In a world of constant change, staying the course can be challenging. In our February newsletter, our expectation was that the rest of 2021 would be in a “post-pandemic” and back to normal mode. We now know that we may be living in a “new normal” with new and different challenges that are constantly evolving. Under these circumstances, staying the course is increasingly important. For the first half of 2021, OIL and OCIL have both stuck to our plans and continued to respond to our members’ needs.

OCIL is now executing on its new strategic plan. We are pleased to report that both of our two key initiatives - scaling up our Assumed Reinsurance book and establishing a business in the US – are proceeding as envisioned under the plan. Our Assumed Reinsurance book has attained critical mass and our team is now able to rebalance this business segment to optimize the goal of generating uncorrelated underwriting income in support of our direct lines. Meanwhile, OCIL's US subsidiary, OCIL Specialty Limited (OSL), is now actively writing new

energy liability business via its dedicated facility, OSL Insurance Services, Inc. (OISI), in Houston. This new operation has received a warm welcome from clients and brokers and has expanded OCIL's footprint in the energy insurance markets.

OIL is in the midst of developing its new five year strategic plan. One key initiative has already been decided as OIL will offer our members limits up to \$450 million as of January 1, 2022. This is an increase of \$50 million from the current \$400 million maximum limit. As commercial markets continue to distance themselves from many segments of the energy industry, energy companies are struggling to obtain the insurance protection they need to run their current operations or transition into new energy technologies. Against that backdrop, the limit increase is in response to our members’ desire for additional OIL capacity. It is also the first tangible improvement with several more being explored as a part of the strategic planning process. We will finalize the new five-year plan by the end of the year.

While continuing to adapt to the “new normal”, OIL & OCIL will stay the course to provide the stability and continuity to the energy industry that our members have come to expect.

# OIL

**“TRANSPARENCY AND CONNECTION ARE KEY ASPECTS OF HOW OIL FUNCTIONS AS A MUTUAL.”**



## New Members

North West Redwater Partnership (NWRP) joined OIL in May 2021.

Formosa Plastics Corporation, USA (FPC USA) joined in June 2021 bringing the membership count to 62.

We welcome NWRP and FPC USA to the OIL family.

## Bridging the Membership

George Hutchings, Chief Operating Officer - OIL



June brought the exciting launch of our Member Portal – the new data analytics center for OIL. We hope to bring OIL and our members closer together through this central location for membership information. Our team has created custom data visualizations to represent all aspects of OIL’s unique membership and insurance model.

Transparency and connection are key aspects of how OIL functions as a mutual. While membership data has been provided previously through the Comparative Data Analytics and Membership Fact Sheet PDFs, an online data hub allows us to provide additional options. As an online platform, the Portal can be accessed at any time and provides more information than previously possible in a PDF. This includes historical data and the features like adjusting the time frame, letting you tailor the range to your needs. We are also able to provide more contextual information – each report comes with a tutorial explaining the data in addition to general information resources. There’s

also flexibility in the content supported on the site with information like memos and meeting schedules posted under the ‘General Information’ tab. In order to maintain quick and simple navigation, the data has been broken out into topic areas. Reports can be marked as “favourite”, so you can always find the one you need.

While the Portal has only recently been launched, we are already looking for ways we can expand this offering. Feedback from our users will be a key part of this process. Early users of the Portal have described it as a huge benefit when answering questions; you can show someone a story about the data through the different reports. Also highlighted by users is our new downloading feature, which allows reports to be easily and quickly added to PowerPoint presentations. We are excited to grow with our membership and continue to provide updates to the Portal. We hope you enjoy this new offering from OIL, and our Portal Team is excited to continue to expand as our membership requires

## Limit Increase

As explained in our July 2021 Shareholder Memo, a limit increase has been approved, effective January 1st, 2022. This limit increase raises the Maximum per Occurrence Limit to \$450M and the Aggregation Limit to \$1.35B. There are no changes to Designated Named Windstorm Limits or Minimum per Occurrence Limits.

Further changes to the Coverage Options Endorsement are also effective January 1st, 2022. For more information on this, please refer to the July 2021 Shareholder Memo, available on the OIL Member Portal. Please note that the deadline for coverage profile elections is now November 1st, 2021.

# OCIL

**A DIVERSE  
ENTERPRISE**



OSL is off to a fine start in underwriting excess liability with over \$4 million in gross written premium thus far in 2021 covering 16 accounts in diversified energy sectors. OSL can be accessed through OSL Insurance Services, Inc. in Houston.

Visit: [oslinsurance.com](http://oslinsurance.com) for more information.

## New Members

Plains All American Pipeline (PAA) converted to an OCIL Shareholder in April 2021 bringing the count to 59.

We welcome PAA to the OCIL family.

## OCIL Remains Focused on its Mission

Jerry Rivers, Chief Operating Officer - OCIL

OCIL has transformed into a very diversified enterprise while remaining focused on its mission – “To provide substantial excess liability limits to Shareholders over the longer term with excess liability and property coverage on terms comparable, or better, than the conventional energy insurance market and to provide experienced, prompt and friendly claims and underwriting services.”

In keeping with our mission, we continue to provide meaningful liability limits (\$75 million maximum available) to a diverse set of energy industry segments. There are certainly challenges to conquer such as assessing emerging risks, increase in uncontrolled fires, increasing claims costs (e.g. social inflation), claim frequency, etc. It is our goal to be thoughtful and pragmatic when addressing these challenges while also positioning the Company for long-term success that is beneficial to our shareholders and insureds.

OCIL has applied various policy wording amendments to address the product pollution liability exception to the pollution exclusion (to clarify the intended coverage

of the BDA market form), communicable disease exclusions (in cases where claims have been filed), climate change exclusions, cyber exclusions (clarifying what is covered and what is not covered). These wording amendments are based on risk characteristics and claims experience of our insureds and intended to ensure that OCIL remains in a solid financial position.

Our growth from a singular product company 15 years ago to a multi-line carrier with a projected \$600 million in gross written premium at year-end 2021 requires talented team members. Each department is staffed with hard working and experienced personnel to service our client base, brokers and other stakeholders including claims handling, investments, actuarial services, (re)insurance underwriting, financial accounting, reinsurance purchasing, information systems, etc. I am therefore, pleased to welcome Craig Gardiner, Mikal Thomas and Leah Brookes as internal transfers and Leah McIntosh, Kaelin Joseph, Tuere Smith, and Lyndsay Faries as the new team members to OCIL this year.



**Craig Gardiner**  
OCIL Operations  
Manager



**Mikal Thomas**  
Claims Manager -  
Property



**Leah Brookes**  
Underwriting  
Assistant - Property



**Leah McIntosh**  
Assumed  
Reinsurance Analyst



**Kaelin Joseph**  
Underwriting  
Assistant - Liability



**Tuere Smith**  
Claims Analyst -  
Property



**Lyndsay Faries**  
Assumed  
Reinsurance  
Underwriter

# OMSL

## 2021 NEW TEAM MEMBERS

In addition to the new team members previously noted we welcome:

**Norianna Gordon**  
Claims Analyst, OIL

**Corey Masters-Brown**  
Executive Assistant, OIL

**Phil Butterworth**  
Solutions Developer

**Mei Wang**  
Senior Accountant

**Jeff Chisnall**  
Senior Accountant

**Tina Phillipson**  
Senior Accounts Assistant

**Cynarra Bremer**  
Actuarial Analyst

**Raj Shah**  
Actuary

## Team Profile

OMSL's Catastrophe Modelling functions are contained within the actuarial team. All catastrophe risk analyses are completed by Kim Gallagher and Kyle Swan.



Kim Gallagher has worked in insurance for 14 years, starting her career with 10 years at Travelers Syndicate at Lloyd's of London before moving to OMSL

in 2017. She is a Chartered Insurer (ACII) and a Certified Catastrophe Risk Analyst. Kim has been responsible for bringing all data cleansing and modelling in-house; previously all catastrophe modelling was outsourced.



Kyle Swan joined OMSL in 2018 as a junior applications developer, with a degree in computer science from Kean University. He made an internal transfer

to the Catastrophe Modelling team in January, 2021 and has used his knowledge of databases and coding to help automate many of the catastrophe modelling processes and improve efficiency overall.

The Catastrophe Modelling team undertake portfolio analyses on a monthly basis to monitor movements and to ensure OCIL stays within risk tolerances.

Geospatial information is loaded into SpatialKey which provides a visual mapping of the global distribution of OCIL's exposures. The team then overlays historical and real-time hurricane wind fields, tornado/hail storm tracks, wildfire footprints, and earthquake faults. This allows them to provide senior management and the underwriting team with potential loss exposures as an event occurs.

"Catastrophe modelling is multifaceted and we work closely with the actuarial and underwriting teams," explains Kim, "No two days are ever the same for the team which makes it so interesting.

