



Public Power Generation Agency

Insurance Renewal Proposal

April 16, 2026

Key Renewal Milestones

| <u>Renewal Milestones</u> | <u>Date</u> | <u>Owner</u> |
|--|-----------------|--------------|
| Renewal Information Request | 1/26/2026 | Marsh |
| Renewal Strategy Meeting | 1/28/2026 | Marsh/PPGA |
| Property Meeting with FM Global | 2/18/2026 | Marsh/PPGA |
| Update Provided to Finance Committee | 3/31/2026 | Marsh/PPGA |
| Property Onsite Valuation | 3/31/2026 | Marsh/PPGA |
| Proposal to Board | 4/16/2026 | Marsh/PPGA |
| Binders and Certificates Issued | April 2026 | Marsh |
| Renewal – D&O/Crime, Property & Excess Casualty | 5/1/2026 | |

Marsh Energy & Power: Property

Q4 2025 Market Update



Cost & Rates

- Softening as carrier growth targets accelerate rate reductions
- Rates are decreasing by 10% to 15% (except SCS exposed risks)



Coverage / Capacity

- Oversubscription on larger quota share placements now common
- Softening market has yielded more concurrency on key deductibles and sublimits as insurers concede coverage to retain position and/or pricing
- Growth in capacity plus Marsh facilities offering discounts (Fast Track, MORE & PEARL)
- Abundance of available capacity in the marketplace



Condition Drivers

- 2025 catastrophe events caused minimal damage to Energy infrastructure.
- Updated CAT Modeling can impact coverage needs.
- BI and CBI exposures/supply chains still of concern to insurers.



Client Experience

- Deliverables, including the ability to provide options, have improved
- Greater market awareness that timeliness of quotes is impacting binding decisions
- Providing updated responses to recommendations is becoming more common
- Providing a comprehensive underwriting submission allows for seamless renewal process



Looking Ahead

- Rate decreases are expected to continue throughout 2026
- Markets have aggressive growth targets and will be more eager to write new business or expand their capacity
- Without any major NWS or Machinery Breakdown events, there is no sign of a change in market conditions for the immediate future

Marsh Energy & Power AEGIS Excess Liability Q1 2026 Market Update



Cost & Rates

Excess Liability rate change guidance for [2026](#):

- XS Liability: +7.5%* with additional adjustment for exposure changes
- Closely monitoring increase in total throughput, data center development, failure to supply requirements, capital and contractual exposures
- Stand-alone Wildfire Capacity available from AEGIS available up to \$25M offered (\$15M for California), attachment above \$50M

** On a risk specific basis, wildfire premium loads apply in addition to rate increase*



Coverage/Capacity

- Policy updated to reflect new AEGIS headquarters in Jersey City (ex: 9/2025 excess liability form)
- Gas time element pollution endorsement announced at the 2025 PHC to attach to policies 7/1/26 renewals
- Retentions and terms on new placements differ from those on renewals
- \$75M Max Limit for ISO/RTO Risks across Excess Liability, D&O and Cyber



Condition Drivers

- Aggregation management cited for a variety of changes over the past couple of years (e.g., Joint Entity/Joint Venture endorsements, decreasing Cyber capacity, limiting Failure To Supply Liability defense to \$5M or less)
- Supply shortages over the past couple of years prompted AEGIS to decrease Capacity Performance capacity and endorse a Failure To Supply Amendatory endorsement



Client Experience

- Continuity Credit decision for renewals taking place between 7/1/26 – 6/30/27 to be made at the April 2026 Board Meeting
- AEGIS continues to streamline endorsements
- Everest renewal rights acquired by AIG includes the AEGIS Alliance placements
- Liberty Mutual is the AEGIS Alliance Partner market as of 1/1/2026.



Looking Ahead

- Claims Roundtables and Loss Control webinars scheduled (dates and times noted on www.aegislink.com)
- AEGIS moved to their office to Jersey City, NJ in November of 2025
- 2026 AEGIS PHC will be July 13 – 16 in Calgary

D&O - Key Risk Areas: Power & Renewables Sector Under Trump

Q1 2026 Update



Wildfire Litigation Risk

- D&O carriers have started asking questions about wildfire on underwriting calls including on wildfire liability limits.
- Addressing wildfire risk at renewal is advised, including wildfire liability limits, mitigation and risk management practices, and corporate governance.
- Litigation following wildfire events has become a top concern. Fires have been increasing in intensity and damage, while liability coverage is contracting.



Trade Policies & Tariffs Impacting Energy Costs

- Disrupted supply chain for renewable energy components following tariffs. Subsequent project delays and increased costs.
- Corporate America pushing back by launching lobbying campaign urging pull back on tariffs harming energy sector.



Environmental Deregulation & Oil and Gas Boom

- Aggressive deregulation of environmental rules in first 100 days.
- Oil and gas industry gained more support for growth by speeding up required extraction permits and gaining new tracts of land.



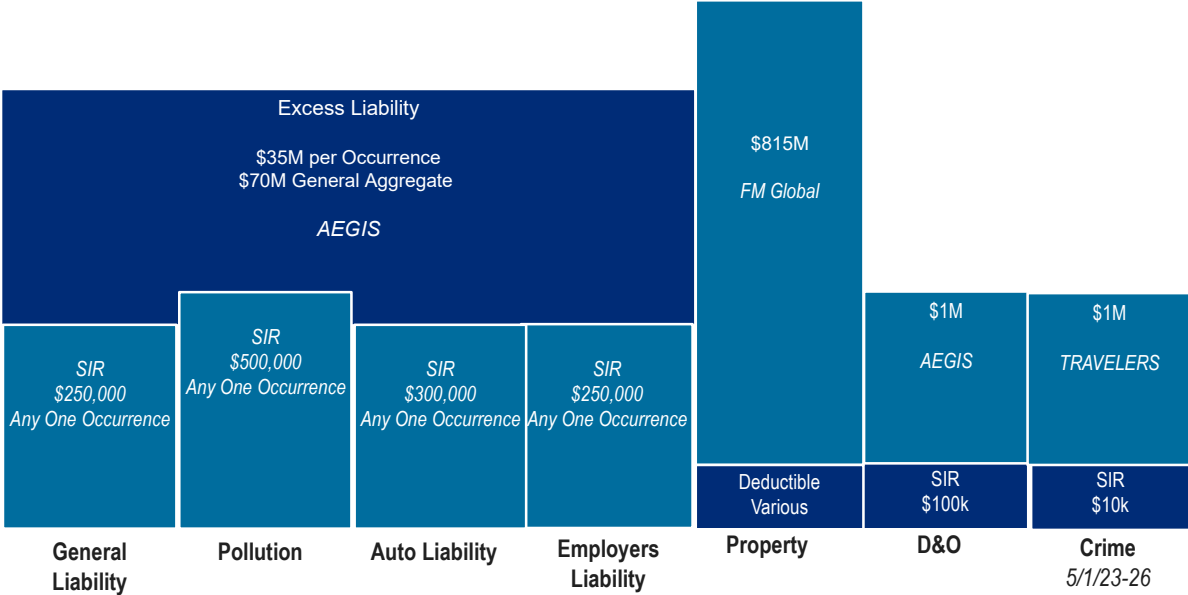
Federal Workforce Reductions Affecting Energy Infrastructure

- Significant layoffs at DOE threatening grid stability in some regions. Administration reinstated critical employees to restore operational continuity.

Program Overview & Renewal Results

| Line of Coverage | Carrier | 2025-26 Premium | 2026-27 Premium | YoY Delta |
|------------------------|-----------|-----------------|-------------------|-----------|
| Property | FM Global | \$1,381,094 | Pending Valuation | |
| Excess Liability | AEGIS | \$172,106 | \$197,573 | \$25,467 |
| Directors and Officers | AEGIS | \$23,825 | \$24,000 | \$175 |
| Crime (3 Year Term) | Travelers | \$4,659 | \$4,424 | (\$235) |

2025-2026 Program Schematic



Marsh Team Chart

| CORE SERVICE TEAM | | |
|--|---|---|
| CLIENT EXECUTIVE | ACCOUNT EXECUTIVE | ACCOUNT REPRESENTATIVE |
| MARK LATHROM Senior Vice President 913 205 6497 mark.m.lathrom@marsh.com | ANDREW KONEN Vice President 512 658 8223 andrew.konen@marsh.com | CRYSTAL WALES Client Representative 816 556 4257 crystal.wales@marsh.com |

| ADVISORY | | |
|---|--|--|
| EXCESS | PROPERTY | D&O / CRIME |
| JULIE REINHARDT Managing Director 859 468 4234 julie.m.reinhardt@marsh.com | FRED KJAERGAARD-HIGGINS Vice President 872 261 9420 frederik.kjaergaard-higgins@marsh.com | CHRIS DOSEN Vice President 312 320 9585 chris.dosen@marsh.com |
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