

CEO MESSAGE

This year, we celebrate NEIL’s 50th year, and NEIL Overseas’ 25th year of serving the Members. These milestones can be attributed to many things, but the most significant has been the people involved in the Company.

This includes the energy company executives that explored the idea of forming a captive insurer in the early 1970s, the numerous people who served on the Boards of Directors, Member Advisory Committees, and various working groups. All had full-time jobs with their Member companies, yet they gave many hours of time to help their mutual prosper. Finally, the Company’s Staff, from the original employees in Bermuda and to those working across the U.S. and the world today. Without everyone’s commitment to excellence, this would not have been possible.

From the start, the Company’s boards and leaders promoted a culture of mutuality, cooperation, and respect. This blossomed into friendships and then trust and, in my view, is why NEIL has become such a success story. It still amazes me when I attend Member meetings to see how easily individuals from very distant locations converse about their lives, families, and interests, and I have seen life-long friendships develop. It is that environment that allows us to manage Company affairs in a constructive way that prioritizes having input and a dialogue and not just the result.

I am proud to be NEIL’s current President and CEO and thank everyone who has been a part of the organization from 1973 to today. This is your success, and you should be proud of the Company’s accomplishments. Together, we will continue NEIL’s story for another 50 years and hopefully beyond.

Thank you,

Bruce

50 YEARS OF MILESTONES

- 10/2/1970 – Invite sent to 65 Energy Companies to discuss proposal to form an industry-owned insurer
- 07/14/1971 – Bermuda Parliament passes enabling legislation to create NML
- 01/01/1973 – NML issues its first policies to NML’s original 14 Members
- 1973 – A fire at Duke Energy’s Oconee Station becomes NML’s first paid nuclear policy claim
- 1973 – NML declares its first Policyholder Distribution and ends its first year with \$6.6M in assets and \$94,000 in surplus
- 03/28/1979 – GPU’s Three Mile Island Unit 2 suffers a catastrophic loss
- 1980 – NML accepts GPU as a Member and agrees to insure TMI Unit 1
- 1980 – NEIL is established as a Bermuda captive insurer with 27 Members
- 1982 – NML and NEIL pay the first claim that exceeds \$100 million in total
- 1985 – Combined Surplus of NML and NEIL reaches \$1 billion
- 1988 – NML and NEIL move operations from Bermuda to Delaware
- 1989 – Key Policy form changes made to create the unique Nuclear Liability Coverage to satisfy the NRC’s “Property Insurance Rule”
- 1994 – Companies complete strategic plan leading NML to begin accepting new Members
- 1995 – NEIL receives its first A (Excellent) rating from AM Best
- 1996 – NEIL sued in Texas state court by a Member asserting NEIL was illegally operating in Texas - NEIL prevails
- 1997 – NML merges into NEIL, creating a single insurer with over 90% of the U.S. nuclear property insurance premium
- 1998 – NEIL Overseas is formed in Dublin, Ireland to offer international Member coverage
- 1999 – Electrabel in Belgium becomes the first NEIL Overseas insured and NEIL’s first Member outside the U.S.
- 2000 – NEIL now insures 100% of the nuclear property coverage in U.S. and begins to offer capacity for Members’ specialty risks
- 2001 – NEIL agrees to maintain terrorism coverage in its nuclear insurance programs following 9/11
- 2003 – 2008 – NEIL Overseas becomes Insurer for all Spanish nuclear sites, with five new NEIL Member companies
- 2008 – 2012 –The Company adjusts the three largest claims in its history for a combined \$1.7 billion
- 2017 – NEIL’s surplus reaches its highest level in Company history - \$4.5 billion
- 2020 – The Covid-19 pandemic leads to a fundamental shift in the Company’s operations to remote-work
- 2021 – Cedar Hamilton Limited, formed in 2020 as a Bermuda captive insurer to provide Member specialty coverages, issues its first policies

MUTUALITY

A cornerstone of the Company’s success is the principle of Mutuality - the idea that all Members are to be treated fairly and equitably. For NEIL, it has always been more than just an approach to managing the Company. It is an attitude that has become embedded in the way Members and Staff treat each other and work together, to reach solutions for the Company and Membership.

The Company’s success requires a commitment to mutuality as Member needs change in a way that are not always equally distributed across the Membership. But time and again, the Members “put their NEIL hats on” and reach decisions that benefit the entire Membership.

Following Quentin Jackson’s retirement in 2006, the Company dedicated a Mutuality Award to him. Each year, the Company honors a Member representative who demonstrates significant leadership at NEIL, in looking beyond the interests of their individual Member Company and considers issues in the broader context of the mutual insurance company. We commend the recipients of the award:

2006	Jerry Sims	Southern Company
2007	James Foran	PSEG Power
2009	James Lewis	CMS Energy
2010	Robert Semet	Exelon
2011	Alec van den Abeele	Electrabel S.A.
2012	Franklin Garrett	Pinnacle West Capital
2013	John Diacogiannis	PPL Services
2014	Gary Little	Progress Energy
2015	Gary Meggs	Southern Company
2016	Thomas McDonnell	FirstEnergy
2017	Linda Barnett	Dominion
2018	Robert Tomala	Exelon
2019	Mark Blair	Ameren
2021	Jeffrey Weikert	El Paso Electric
2022	Ron Rispoli	Entergy Services



WHAT WILL BE OUR NEXT MILESTONE?

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NML & NEIL BOARD CHAIRS

NEIL and NML have been fortunate to have Board Chairpersons who excelled at guiding the Company through good and rough times, but always promoted the culture of respect that embodies NEIL today.

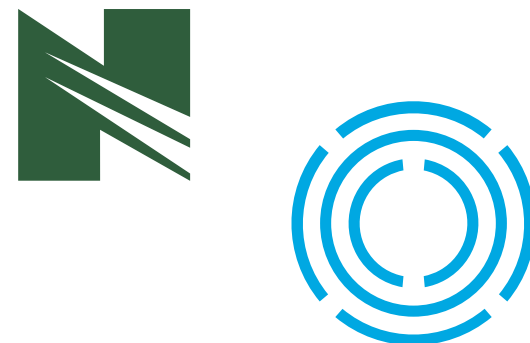
We thank them for their service.

NML Chairs

Hubert H. Nexon (Commonwealth Edison)
H. Fred Christie (Southern California Edison)
Charles D. Barham (Carolina Power & Light)
Russell W. Britt (Wisconsin Electric Power)
Harlen M. Dellsy (Commonwealth Edison)
Fred W. Buckman (Pacific Gas & Electric)
Steven C. Griffith (Duke Power)
John G. Graham (General Public Utilities)

NEIL Chairs

Hubert H. Nexon (Commonwealth Edison)
William B. Ellis (Northeast Utilities)
John V. Thornton (Consolidated Edison)
Russell W. Britt (Wisconsin Electric Power)
Harlen M. Dellsy (Commonwealth Edison)
John G. Graham (General Public Utilities)
Richard A. Abdoo (Wisconsin Energy)
William J. Post (Arizona Public Service)
H. Peter Burg (FirstEnergy)
Michael G. Morris (American Electric Power)
Gale E. Klappa (Wisconsin Energy)
David A. Christian (Dominion Energy)
W. Gary Gates (Omaha Public Power District)
Donald E. Brandt (Pinnacle West Capital)
William A. von Hoene (Exelon)
W. Paul Bowers (Georgia Power)
Nicholas K. Akins (American Electric Power)
Patricia K. Collawn (PNM Resources)



FINANCIAL STEWARDSHIP

A key driver of NEIL's success has been a commitment to its fiduciary responsibility to build and maintain the financial strength to serve the Members. Overall, NEIL has been a strong steward of this responsibility, with steady growth from NML's modest beginning in 1973. The Company's Mission remains a core objective today as we look to maximize NEIL's resources to serve the Members.

HIGHLIGHTS As of January 1, 2023

Cumulative Premiums Earned
\$9.3 B

Cumulative Claims Paid
\$4.3 B

Cumulative Loss Ratio
-\$50.4%

Cumulative Distributions
\$9.0 B

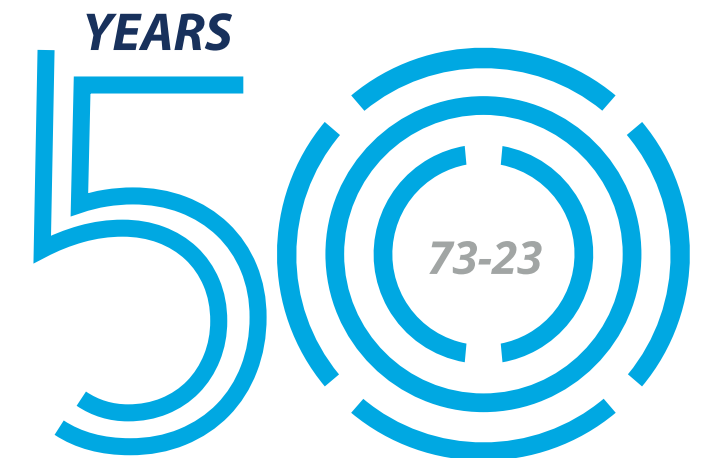
Policyholders Surplus
\$3.8 B

Members
73

Employees
82

STEADY GROWTH OVER THE YEARS

	Assets	Surplus
1973	\$6.6 M	\$94,000
1983	\$507 M	\$365 M
1993	\$2.9 B	\$2.4 B
2003	\$3.5 B	\$2.9 B
2013	\$5.1 B	\$3.6 B
2023	\$4.4 B	\$3.8 B



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