

**NEIL** 



# **2026 STRATEGY BULLETIN**

NUCLEAR ELECTRIC INSURANCE LIMITED

# Opening Message From Our CEO

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Strategy Reviews present an opportunity to assess a Company's performance against existing objectives, evaluate changes in the market, and align a Company's strategic future direction. During the 2025 Strategy Review NEIL Leadership considered projections for growth in electric power generation, the forces impacting the electric power generation industry generally and nuclear power generation specifically, the state of the commercial property and casualty insurance industry, and how business opportunities fit within NEIL's Mission to serve its Membership.

Since the last Strategy Review in 2021, the outlook for the nuclear power industry has significantly improved, and the industry expects to move into a period of sustained growth. Energy consumption, in the U.S. and the world, is expected to grow over the next 25 years at substantial rates, spurring a need for new generation sources to meet that demand. In response, nuclear power's potential role in meeting these expanding energy needs is gaining momentum. Great examples of the changing view towards nuclear are the announced restarts of a number of previously shuttered units and the decision to avert the shut down of Diablo Canyon. There has also been an about-face in a number of E.U. countries, with nuclear phase out legislation repealed, nuclear plant life extensions approved, and new nuclear design and construction reaching an advanced stage of planning.

While headwinds exist for nuclear power, in the form of supply chain issues, workforce gaps, build time, capital costs, regulatory delays, and fuel supply, progress made to date is encouraging and leads to optimism that positive developments will continue, especially given the bipartisan political support for the industry and improving public opinion. The alignment of NEIL's nuclear insurance programs with the Members' and broader nuclear power industry's needs is a continuing focus. The first task of the strategy review was Member Nuclear forecasting, involving attention to license extensions, plant restarts, and the process for adding new Members. The pace of developments and timetables being established for the possible construction of new nuclear power plants triggered a review of NEIL's preparedness to evaluate and insure new nuclear technology. In addition, analyses of existing Non-Member Nuclear business and the Nuclear Lifecycle were undertaken. The intent being to explore opportunities to support the nuclear power industry and benefit NEIL's Members through prudent offerings of capacity on risks with strong historical underwriting performance.

At the time of the Company's last Strategy Review, Cedar Hamilton Limited had just been formed to support the Members' U.S. Specialty lines, with NEIL Overseas being used internationally. The growth of these Specialty lines has exceeded expectations, with NEIL and NEIL Overseas becoming valuable risk transfer mechanisms for the Members. With the exception of Wildfire claims, the Specialty claims experience has been positive. The Strategy Review provided an opportunity to consider the next steps in the Specialty insurance arena and review areas for diversified growth. The Strategy Review also presented an opportunity to perform a deep dive on NEIL's subsidiaries.

As the Company navigates through the execution of the Strategic Plan, the NEIL Board and Members will receive regular progress updates.



**Bruce A. Sassi**

President & Chief Executive Officer

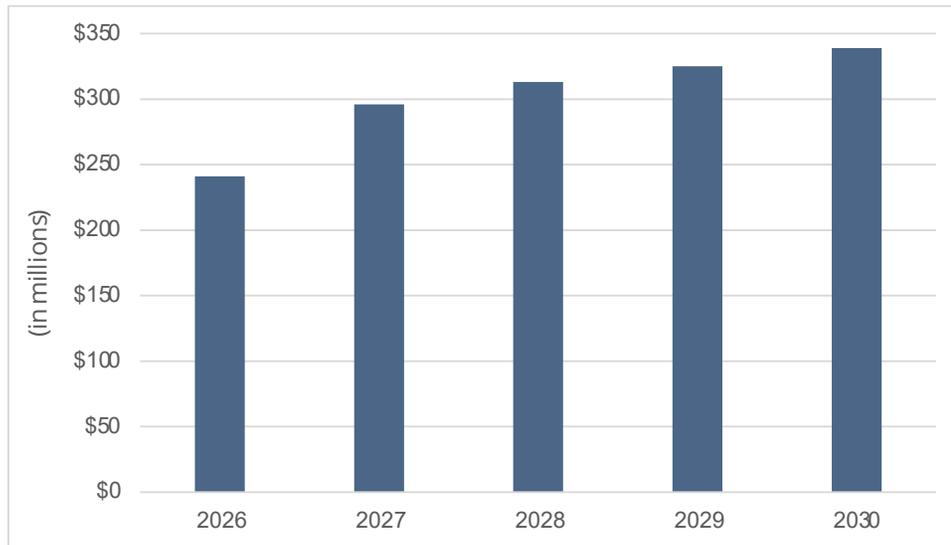


# Member Nuclear Landscape

NEIL's and NEIL Overseas' core business is providing critical property and accidental outage coverage for nuclear power stations. Developments over the last few years evidence an evolving industry.

In the U.S., the number of operating units securing second license extensions is accelerating, with multiple units in process to secure an extension. Second license extensions were on the horizon in 2021, and today, most of the existing U.S. fleet expect to apply for and receive the extensions. This development alone positively impacts the Company's long-term outlook. Another positive development is the plan to reverse the permanent shut down of a number of units and bring them back to commercial operation. In addition, units in the U.S. and E.U. that were scheduled for permanent shut down received license extensions to continue operating. These exemplify a resurgence in support for nuclear power, driven by the urgent and growing need for carbon-free energy and energy security.

NEIL will continue to support its Members through license extensions and plant restarts, which require careful planning, coordination, and an emphasis on reinforcing strong Loss Prevention practices.



**Nuclear Premium Projections**

## Nuclear Premium Projections

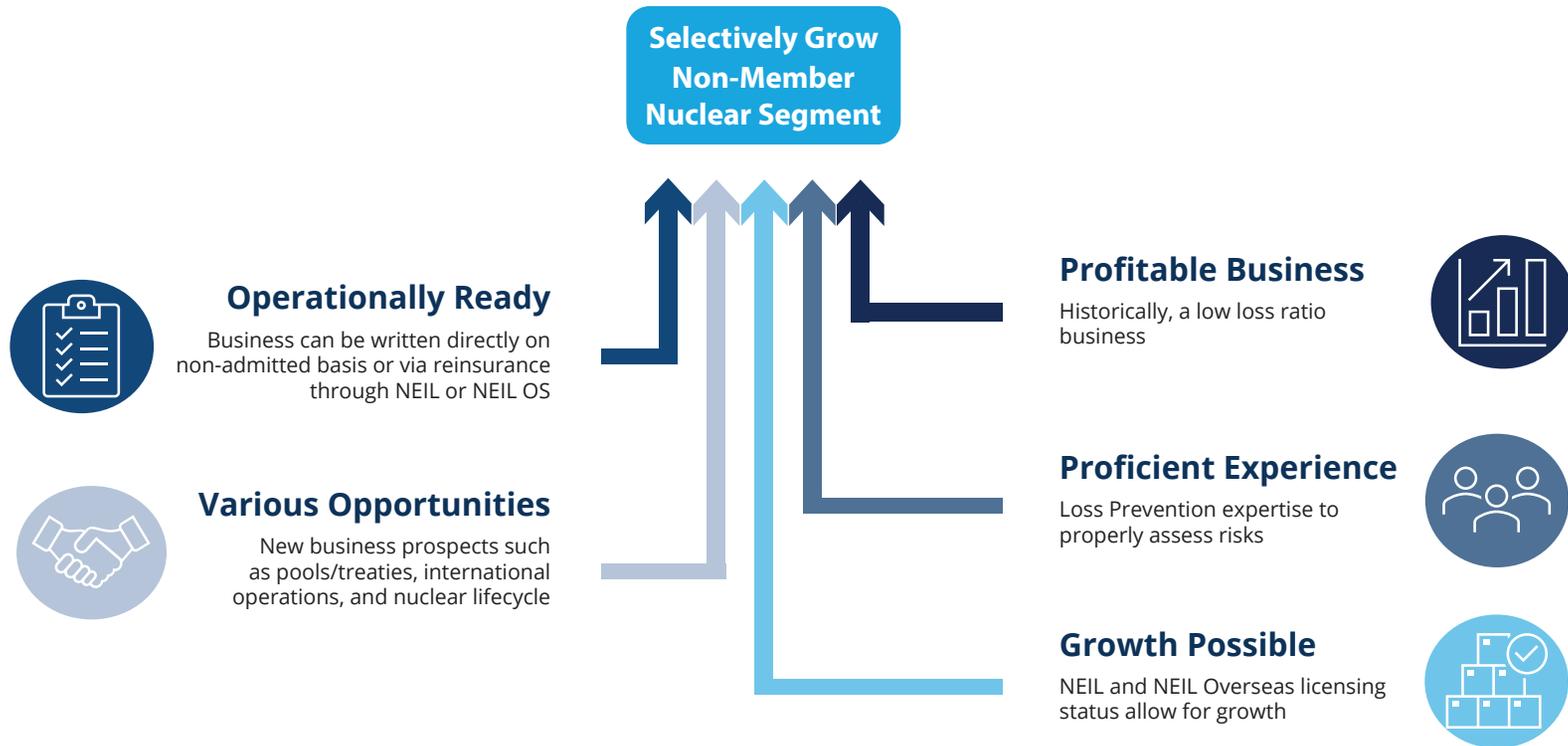
- »» License Extensions
- »» Plant Restarts
- »» International Opportunities
- »» Member Potential
- »» Nuclear Lifecycle
- »» Other Non-Member



# Nuclear Non-Member Analysis

The Company's Non-Member nuclear insurance segment has been utilized to support parts of the non-utility nuclear power industry on a reciprocal reinsurance basis and through direct placements supporting superior risks. The Non-Member Nuclear business continues to be a profitable area to prudently grow within the Company's risk appetite.

The Company is comfortable that existing processes effectively allow it to identify and support good risks, including non-U.S., non-E.U. opportunities.



# New Nuclear Preparedness

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NEIL leadership is encouraged by the increasing momentum towards new nuclear power generation, particularly small modular reactors (SMR's). Work has begun to construct the first North American SMR, and while much work remains to show these technologies can be deployed and operated on a large scale, the industry has strong public, political, and regulatory support.

Given this momentum, NEIL has begun communicating with key participants, such as Kairos Power, Terra Power, X-Energy, and Holtec, among others. The Company's objectives are to fully understand the reactor technologies, monitor progress being made, and be ready to assist from an insurance standpoint.

NEIL continually reviews its Loss Control Standards, making updates and modifications to ensure they address risks associated with new nuclear reactor technologies and site designs. NEIL's cross departmental Advanced Reactor Strategy Group leads the Company's efforts around understanding the new nuclear technologies.

NEIL engages with key nuclear industry groups, such as NEI, INPO, and EPRI, to promote a consistent, comprehensive approach for how the support entities interact with the industry. NEIL is currently supporting new nuclear units through Builders' Risk capacity for demonstration reactors, Loss Prevention input, and providing insurance capacity for the GE BWRX 300 SMR being constructed by Ontario Power Generation. The objective is to become involved as early as possible in a new build project, providing support from the start of construction through operations while preventing insurance disruptions or gaps.



# Nuclear Lifecycle Review

## Existing Synergies

- »» Geographically diverse
- »» Multiple large companies involved
- »» Good historic claims performance
- »» Ability to leverage existing relationships
- »» NEIL has good engineering and underwriting knowledge to assess risks

## Development Areas

- »» Resources to develop specialized knowledge
- »» Possible Loss Control Standards and Insurance Policy adaptations
- »» Uncertain of need for insurance capacity

A potential growth area assessed during the Strategy Review is providing insurance capacity in a targeted manner to entities in other parts of the nuclear lifecycle.

All phases of the nuclear lifecycle were assessed, from uranium mining to end of life/decommissioning, to identify segments that fit with NEIL's current skill set and whether the Company already has an existing exposure to the risk.

An overall analysis of the non-generation nuclear lifecycle market revealed a profitable segment with some recommended areas of opportunity. The Company will initially focus on fuel conversion/enrichment facilities, fuel fabrication facilities, and end of fuel cycle/decommissioning. Importantly, these three areas best fit NEIL's current Loss Prevention and Underwriting skill sets, allowing NEIL to leverage existing expertise to appropriately assess the risks. Next steps include a thorough review of the existing markets and identify the best route to participate, evaluate current capacity and premium rates, and gauge NEIL's ability to support the opportunity with existing resources and fill gaps as needed (staffing levels and skill sets).

Other areas of the nuclear lifecycle market that warrant monitoring include modular fabrication facilities associated with new nuclear plants, and the potential for floating reactors.



# NEIL Membership

An important part of any discussion pertaining to strategy and growth considerations, is assessing the impact of new Members joining the Mutual. This includes companies in the U.S. and internationally, traditional utilities and new entrants into the nuclear power industry by way of the new nuclear technologies, and consideration of whether to allow non-utility nuclear entities to become Members.

Any expansion of the NEIL Membership requires careful consideration of multiple factors. In all situations, NEIL and the prospect entity will engage in a relationship building stage, with opportunities for the prospect entity's representatives to attend Member Advisory Committee and other NEIL meetings to develop relationships with NEIL Staff and other Members. The importance of the relationship building stage cannot be discounted. Becoming a Member of NEIL is unique, with benefits and obligations critical to the long-term success of the Mutual. Prospective Member representatives need to experience how NEIL Members interact and work together to fully appreciate how NEIL operates.

During this stage, NEIL completes a comprehensive due diligence review and analysis of the risks. This includes a comprehensive underwriting and financial review, multiple site visits and meetings with Loss Prevention, and an assessment of the Legal/Regulatory environment, especially for prospects outside the U.S. In some cases, NEIL may provide support to the prospect on a Non-Member basis to start.

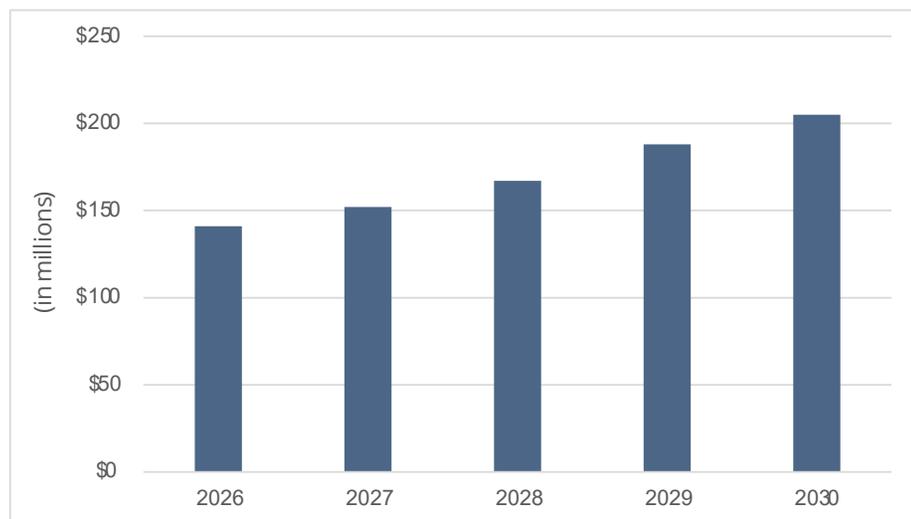
In the end, NEIL leadership will present a new Member prospect for approval by the Board only when it is comfortable that the entity, and the risks it brings, are comparable to the rest of the Members.

## New Member Evaluation Points

- »» Nuclear/Insurance Regulatory Regime
- »» Nuclear Reactor Technology
- »» Entity Financial Strength
- »» Standing with INPO/WANO
- »» Plant Operations/Claims History
- »» Loss Prevention Evaluations
- »» Underwriting Assessment
- »» Relationship Development with NEIL



# Specialty Optimization



## Specialty Premium Projections

The Company's current capabilities are well suited as a following market for the Members, with a plan to improve operations by continued investment in underwriting and pricing tools that will allow further expansion and create efficiencies in operations.

Cedar Hamilton and NEIL Overseas seek to leverage the NEIL Group's strong reputation within the energy insurance space to widen the scope of business and prudently diversify the Specialty book through expansion into non-member business. This will also foster a beneficial spread of the risks being underwritten geographically and by asset type.

Among the opportunities being explored is how to best support the energy industry through potential collaboration with the other industry mutuals and leading managing general agents (MGAs).

The Members' response to the formation of Cedar Hamilton Limited, as a direct insurer for the U.S. Members' Specialty insurance programs, has exceeded expectations. Currently, over 90% of the Company's U.S. Members purchase insurance from Cedar Hamilton. The first four years of Cedar Hamilton's operation, combined with NEIL Overseas' handling of the specialty business outside the U.S., represent a strong beginning while the Company gained valuable experience in managing a Surplus & Excess Lines business.

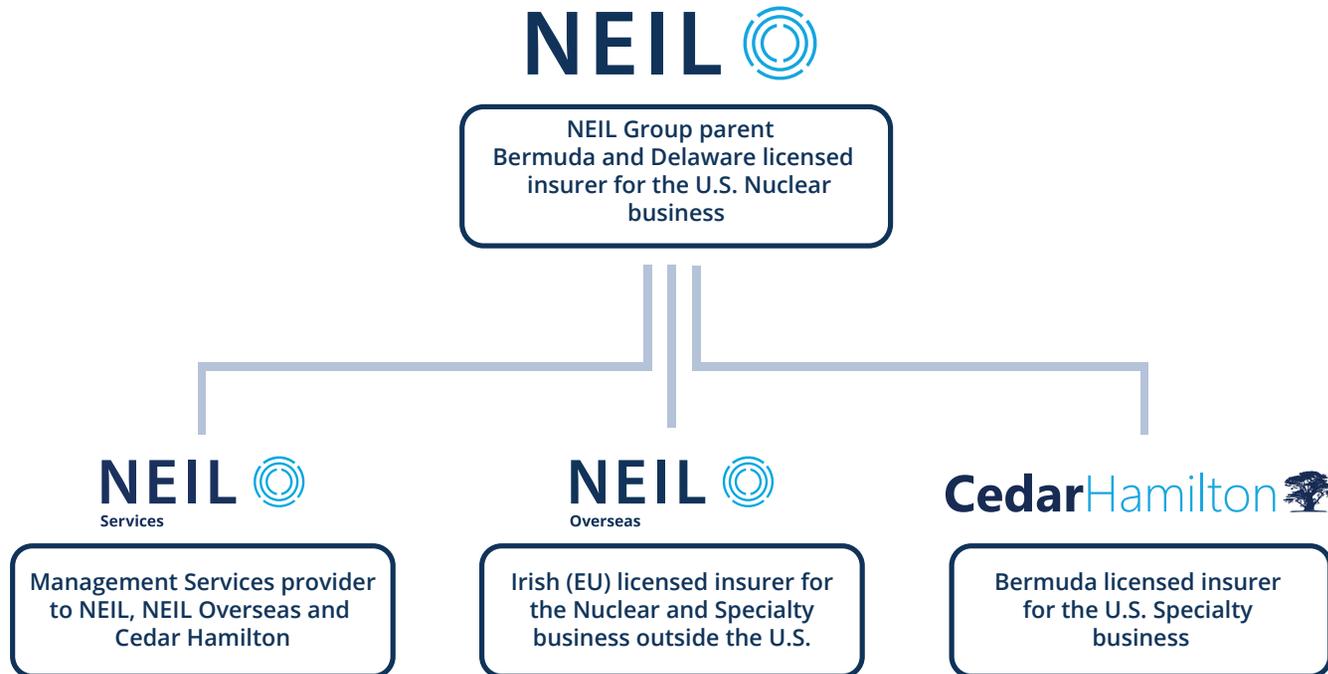
The next step in the development of the Specialty insurance business is to identify ways to optimize the subsidiaries' use in this market space. Despite the renewed interest in nuclear as a power generation resource, the timeline for that potential deployment extends beyond 2030 and the expectation is for renewables and gas to lead the growth in global energy generation in the near future.



# Subsidiary Deep Dive

Cedar Hamilton and NEIL Overseas were formed using corporate structures that responded to the then-current market/regulatory environment and needs of the Company. As part of the Strategy Review, it was prudent to examine those corporate structures and determine whether they continue to effectively and efficiently support the needs of the Members.

Different corporate structure options were assessed to optimize the subsidiaries' support for the Nuclear and Specialty businesses. Ultimately, the current structure for each entity was deemed appropriate and effective in supporting the Mutual. One identified improvement though has already been initiated - a request to the Bermuda Monetary Authority to remove the restriction on the amount of unrelated business Cedar Hamilton can write. If successful, this will provide Cedar Hamilton the opportunity to prudently grow and diversify its portfolio, in support of the Mutual.





Nuclear Electric Insurance Limited (NEIL) is incorporated under the laws of Bermuda, has its place of business in Wilmington, Delaware and is a registered insurer in Bermuda and Delaware. The Company insures commercial nuclear power generation sites in the United States and internationally, for certain stabilization and decontamination expenses arising from nuclear contamination, other property damage, and certain costs associated with outages at such sites. NEIL traces its roots to 1973 and the formation of Nuclear Mutual Limited in Bermuda. NML was merged into NEIL in 1997. In 1999, NEIL expanded operations to the E.U. by forming NEIL Overseas dac in Dublin, Ireland. NEIL and NEIL Overseas currently issue property damage policies with limits up to \$2.75 billion and accidental outage policies with limits up to \$490 million. In 2020, NEIL formed Cedar Hamilton Limited, a Bermuda licensed insurer, to support its Members' Specialty Insurance needs. Cedar Hamilton Limited provides coverage in the United States as a Surplus & Excess Lines Insurer.



1 Righter Parkway  
Suite 210  
Wilmington, DE 19803

NEIL Overseas dac  
Embassy House | Ballsbridge  
Dublin 4 Ireland D04 H6Y0

T 302.888.3000

T +353.1.637.5350

[WWW.MYNEIL.COM](http://WWW.MYNEIL.COM)