



Oil Insurance Limited

Press Release

Hamilton, Bermuda
March 27th 2019

Oil Insurance Limited (OIL) Declares \$250 Million Dividend and Modifies Two Components of the Rating & Premium Plan

OIL held its 2019 Shareholder's Annual General Meeting (AGM) on Thursday, March 21st at the Hamilton Princess in Bermuda. During the meeting, it conducted the review and approval of the 2018 annual financial statements as well as the election of directors.

For 2018, OIL recorded a \$404.6 million underwriting loss. After factoring in net investment losses and administrative expenses, OIL's net loss for the year was \$675.6 million. For additional information about OIL's 2018 financial results, please visit www.oil.bm to view our audited financial statements. After the review of the year-end financials, shareholders approved the financial statements and the re-appointment of KPMG as auditors for the fiscal 2019 year.

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In addition, the Company reported at the AGM that the Board of Directors had declared a dividend in an aggregate amount of \$250 million to all shareholders on record as of January 1, 2019 payable on or before August 30, 2019.

Theodore Guidry II, Chairman of the Board, explained “The Board decided to authorize the \$250 million dividend after carefully reviewing the company’s multi-year Capital Management Plan. Despite the 2018 financial results, the plan clearly indicated that there was capital available to pay a dividend without negatively compromising the capital and financial strength of the company. As in the past, it is our policy to return available capital to the shareholders when prudent to do so.”

Lastly, the shareholders approved two changes to the Shareholders Agreement. The first decision protects the company from future potential credit losses. Commencing in 2019, all shareholders must be investment grade if they wish to elect or continue to elect the Retrospective Premium Plan that allows a shareholder to retroactively purchase up to 40% of the \$400 million limit on a strict dollar of premium for dollar of loss basis over the subsequent five-year period. The second decision eliminates the need for shareholders to declare assets located in the Offshore Region of the Gulf of Mexico for purposes of determining pool percentages in the Offshore Designated Named Windstorm pool. This decision was warranted as a matter of equity given that OIL excluded coverage for Offshore Gulf of Mexico Windstorm starting in 2018.

Bertil C. Olsson, President & CEO, commented that “while 2018 turned out to be financially challenging, OIL is focused on creating long term value and we continue to enjoy a strong commitment and belief in the system by our dedicated shareholder base. Including 2018, OIL has charged its shareholders \$2.1 billion in premium over the last five years while returning \$1.8 billion of dividends during that same period. While premiums did increase in 2019, the recently announced dividend will offset a significant amount of that increase for our members. OIL continues to operate from a position of strength and will continue to offer long-term value to the world’s leading energy companies.”

George Hutchings, Senior Vice President & COO, stated that “the most important accomplishments of 2018 were operational. Several strategic initiatives were completed including delivering on our promise to provide our shareholders with detailed Data Analytics at the Annual General Meeting, further improvements to our offering for the Renewable Energy industry as well as Standard & Poors upgrading OIL by one notch to “A” Stable in September 2018. We also continue to see strong interest from energy companies around the world and are pleased to announce that Braskem S.A. joined the mutual in December 2018 as our first South American member.”

After the AGM adjourned, the Board of Directors met and elected Theodore Guidry II as Chairman of the Board and Fabrizio Mastrantonio as Deputy Chairman for 2019.

For more information about OIL's property coverages and related value go to www.oil.bm.

Oil Insurance Limited (OIL) insures over \$3.0 trillion of global energy assets for more than fifty members with property limits up to \$400 million totaling more than \$19 billion in total A- rated property capacity. Members are medium to large sized public and private energy companies with at least \$1 billion in physical property assets and an investment grade rating or equivalent. Products/coverage offered include Property (Physical Damage), Windstorm (excluding Offshore GOM), Non Gradual Pollution, Control of Well, Removal of Wreck, Terrorism, Cyber, Construction and Cargo. The industry sectors that OIL protects include Offshore and Onshore Exploration & Production, Refining and Marketing, Petrochemicals, Mining, Pipelines, Electric Utilities, Renewables and other related energy business sectors.