

NAIC Climate Risk Disclosure Survey Response

1. Governance:

The Group does not have publicly stated goals on climate-related risks but does manage strategic decisions including on catastrophe exposure. The Group considers risks arising out of natural disasters including climate events in its enterprise risk management program which is reported and discussed with those charged with governance.

The Audit Committee of the Board of Directors is charged with oversight of Enterprise Risk Management (ERM) for all enterprise risks. Catastrophe exposures, which include climate related risks, are regularly modeled and analyzed. During the quarterly audit committee meeting, there is a scheduled session specifically for ERM. The Audit Committee then reports to the full board and members of the Management team. The ERM/Audit committee provides oversight regarding climate-related financial risks as part of the ERM program. Management is responsible for executing the ERM guidance from the audit committee.

Management assesses natural catastrophe risk as part of the ERM process and also in the reinsurance placement and AM Best ratings management processes. The Group is exposed to potential large aggregate losses from natural catastrophes (CAT) such as hurricane and wind. The Group, through our reinsurance intermediary, utilizes reputable vendor CAT models to quantify aggregate probable maximum loss (PML) potential from such catastrophes and reinsurance is purchased to mitigate exposure to such events.

2. Strategy:

Our organization participates in environmental practices where practical at our facilities and places of work. By taking steps such as supporting travel reduction optionality and educating employees, we strive to make a real environmental impact.

As part of the Company's quarterly ERM process, Management assesses the risk of natural catastrophes. There is climate-related risk tied to the Group's insurance writings which will continue to develop alongside the change in the climate. Changing frequency and severity of catastrophic weather events ranging from Hurricane to wind/tornadoes may pose a threat to our property insurance business in the short-, medium-, and long-term horizons. However, these threats also provide business opportunities for innovative insurance product development which deals with these changes in exposure. The Group continues to develop tools which will allow us to leverage internal and external data sources to develop these efforts currently and, in the future, as well as exit certain areas or lines of business when prudent.

The Group partakes in management planning processes including decisions about which geographical areas to enter, exit, and grow. As part of this process, the Group has engaged in various underwriting efforts over the last several years to shift the profile of our business to reduce concentration exposure to these catastrophic events. We monitor and track these catastrophic exposures through our reinsurance and ERM processes to ensure that we remain within an acceptable PML range.

We do not engage in conversations or provide products to our insureds related to the transition to a low carbon economy or adaptation to climate-related risk.

While our investment management monitors Environmental, Social, and Governmental (ESG) fixed income investing and include review of ESG factors in investment analysis, our investment policy is does not require any investment decisions, criteria or parameters pertaining to ESG or PRI (Principles for Responsible Investment).

The Group, through our reinsurance intermediary, utilizes catastrophe models which provide differing types of event catalogs or scenarios. These catalogs or scenarios can utilize variations in sea surface temperatures to produce alternative views of the PML for the Company's property business.

3. Risk Management:

The Group stays abreast of climate-related risks in several ways which include but are not limited to:

- Articles published in scholarly journals
- Articles published in insurance trade publications
- White papers presented by modeling vendors
- Attendance of industry conferences and trade shows

We do not encourage policy holders to manage their potential physical and transition climate related risks.

Management assesses natural catastrophe risk as part of the ERM and reinsurance processes. The Group is exposed to potential aggregate losses from natural catastrophes (CAT) such as hurricane and wind. The reinsurance management team, through our reinsurance intermediary, utilizes reputable vendor CAT models to quantify aggregate probable maximum loss (PML) potential from such catastrophes.

The Group, through our reinsurance intermediary, utilizes catastrophe models which provide differing types of event catalogs or scenarios. These catalogs or scenarios can utilize variations in sea surface temperatures to produce alternative views of the PML for property business.

While our investment management monitors Environmental, Social, and Governmental (ESG) fixed income investing and include review of ESG factors in investment analysis, our investment policy is does not require any investment decisions, criteria or parameters pertaining to ESG or PRI (Principles for Responsible Investment).

4. Metrics and Targets:

Management assesses natural catastrophe risk as part of the ERM and reinsurance process. The Group is exposed to potential aggregate losses from natural catastrophes (CAT) such as hurricane. The reinsurance management team, through our reinsurance intermediary, utilizes reputable vendor CAT models to quantify aggregate probable maximum loss (PML) potential from such catastrophes. Specifically, the Group evaluates its exposures at the 1 in 250 return period as part of its risk tolerance. The Group also tracks additional return period metrics which are not used specifically in determining its risk tolerance.

The overall natural catastrophe risk is co-owned by the President and CEO.

CLOSED-ENDED QUESTIONS

1. Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N) N
2. Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N) Y – as part of ERM.
3. Does management have a role in assessing climate-related risks and opportunities? (Y/N) Y
4. Does management have a role in managing climate-related risks and opportunities? (Y/N) Y
5. Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N) Y
6. Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N) N
7. Does the insurer make investments to support the transition to a low carbon economy? (Y/N) N
8. Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N) N
9. Does the insurer have a process for identifying climate-related risks? (Y/N) Y
10. If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) Y
11. Does the insurer have a process for assessing climate-related risks? (Y/N) Y
12. If yes, does the process include an assessment of financial implications? (Y/N) Y
13. Does the insurer have a process for managing climate-related risks? (Y/N) Y
14. Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable) Y
15. Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N) N
16. Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N) Y
17. Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) Y
18. Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) N
19. Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N) Y
20. Does the insurer use metrics to assess and monitor climate-related risks? (Y/N) Y
21. Does the insurer have targets to manage climate-related risks and opportunities? (Y/N) Y
22. Does the insurer have targets to manage climate-related performance? (Y/N) Y