

NAIC CLIMATE RISK SURVEY 2023

COMPANY: Ohio Indemnity Company

NAIC# 26565

Governance – narrative

1. Disclose the insurer's governance around climate-related risks and opportunities. In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

- Identify and include any publicly stated goals on climate-related risks and opportunities.
- Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities. In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

- Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

RESPONSE TO GOVERNANCE: We do not write any types of business that are materially impacted by climate change or catastrophe risks. Our financial investment strategy is likewise focused on investments that are not materially affected by these types of risks.

Governance – closed ended questions answered in addition to the narrative

- Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N)

RESPONSE: N

- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N)

RESPONSE: Y

- Does management have a role in assessing climate-related risks and opportunities? (Y/N)

RESPONSE: Y

- Does management have a role in managing climate-related risks and opportunities? (Y/N)

RESPONSE: Y

Strategy – narrative

2. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material. In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

- Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.*

- Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.*

A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term. In describing the climate-related risks and opportunities the insurer has identified over the short,

medium, and longer term, insurers should consider including the following:

- Define short, medium, and long-term, if different than 1-5years as short term, 5-10years as medium term, and 10-30years as long term.

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning. In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

- Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk
- Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

RESPONSE TO STRATEGY: We do not have a formal climate change policy as we do not believe climate change is a material risk based on the lines of business we write in any short or long term scenario. The nature of the coverages we write is not materially impacted by climate change or catastrophic risks. Our financial strategy is also focused on investments that are not materially impacted by these risks. With respect to reducing and mitigating emissions from our operations, we are a small company with less than 100 employees that operates in a certified "green spot" building that utilizes recycling and environmentally friendly materials and procedures.

Strategy - closed ended questions answered in addition to the narrative

- Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N)

RESPONSE: N

- 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)

RESPONSE: N

- Does the insurer make investments to support the transition to a low carbon economy? (Y/N)

RESPONSE: N

- Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)

RESPONSE: N

Risk Management – narrative

3. Disclose how the insurer identifies, assesses, and manages climate-related risks. In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:

- Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk.

- Describe any steps the insurer has taken to encourage policyholders to manage their Potential physical and transition climate related risks, if applicable.

- Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.

A. Describe the insurers' processes for identifying and assessing climate-related risks. In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

- Discuss whether the process includes an assessment of financial implications and how frequently the process is completed.

B. Describe the insurer's processes for managing climate-related risks.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management. In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.

- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.

- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

RESPONSE TO RISK MANAGEMENT: For each type of coverage we write, we consider the potential perils that can produce losses, as well as the potential size and frequency of such losses in both our underwriting and loss reserving functions. Currently, the types of coverages we write are not significantly impacted by climate change or catastrophe prone perils. Likewise, our financial strategy does not include investments that are impacted by such perils.

Risk Management – closed ended questions answered in addition to the narrative

- Does the insurer have a process for identifying climate-related risks? (Y/N)

RESPONSE: Y

- o If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) **Y**

- Does the insurer have a process for assessing climate-related risks? (Y/N)

RESPONSE: Y

- o If yes, does the process include an assessment of financial implications? (Y/N) **Y**

- Does the insurer have a process for managing climate-related risks? (Y/N)

RESPONSE: Y

- Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)

RESPONSE: Not Applicable

- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)*

RESPONSE: N

- Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)*

RESPONSE: Y

- Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N)

RESPONSE: Y

- Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N)

RESPONSE: Y

Metrics and Targets – narrative

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material. In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process. In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

- In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions)

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

RESPONSE TO METRICS AND TARGETS: We do not use catastrophe modeling or other similar tools because the types of business we write are not materially affected by catastrophes or climate change risks.

Metrics and Targets – closed ended questions answered in addition to the narrative

- Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N)

RESPONSE: N

- Does the insurer use metrics to assess and monitor climate-related risks? (Y/N)

RESPONSE: N

- Does the insurer have targets to manage climate-related risks and opportunities? (Y/N)

RESPONSE: N

- Does the insurer have targets to manage climate-related performance? (Y/N)

RESPONSE: N