NAIC CLIMATE RISK DISCLOSURE SURVEY
TCFD-ALIGNED QUESTIONS
UPDATED 2022

GOVERNANCE

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 GOVERANCE:

The Company takes a broad view of climate related risks and opportunities to mitigate that risk. The company has employee benefits that work toward mitigating each individual's climate footprint. In addition, the company utilizes modelling to manage its underwriting exposures. The Audit Committee is responsible for assessing and managing all financial risks, whether climate related or not.

STRATEGY

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 1-5 years as short term, 5-10 years as medium term, and 10-30 years 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:
As a property insurer specializing in catastrophic risk exposure, the company utilizes state of the art risk models to evaluate catastrophic weather-related risk. The quantification of weather-related risk is a factor in underwriting and the design and extent of the catastrophic excess of loss reinsurance program purchased by the company. To the extent that climate change may have impacted the frequency/severity of catastrophic weather events, it will be incorporated into the third-party models that we utilize.

The company includes in its business operations initiatives to assess, reduce or mitigate emissions. Use of online communication, virtual meetings and training, flex time and other measures are all incorporated into business practices. Additionally, GeoVera implemented and continues to offer a Commuter Benefit Program which allows employees to exclude their mass transit or vanpool costs from taxable income up to a maximum of $130 per month. The purpose of the program is to encourage the use of alternative commute modes to decrease motor vehicle travel and traffic congestion, reduce emissions of greenhouse gases and other air pollutants. At the company headquarters, 20 EV charging stations are available for employee use in order to charge their all electric and plug-in hybrid vehicles. The company encourages employee use of programs such as Karma Wallet. In order to reduce and offset each individual's carbon consumption.

The company products allow credit for homeowners who have mitigated their homes exposure to damage. The location of the home is one of the factors taken into account in the rates charged by the company.

The investment portfolio guidelines target a short duration of approximately 1.5 years and consist of high-quality investments including treasuries, mortgage-backed securities and corporate bonds. The company and its advisors assess credit quality as the most important factor in its investment strategy

The company does not have a climate change policy; however, weather related risks are closely examined in our risk management. Our investments are primarily in mortgage-backed securities and treasuries for which the company and its advisors evaluate the credit quality of the issuers without regard to weather related risks.

RISK MANAGEMENT

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:
The Company provides insurance for catastrophes. The risk scenarios are modeled weekly, monthly, yearly and over a multiple year period. Also, at times of events or threatened events modeling is daily or more frequent.

The company utilizes multiple models to monitor the impact of weather-related events to our policyholders. This analysis is integrated into our book management, reinsurance and financial projections.

As a property insurer with catastrophic risk exposure, the company utilizes state of the art risk models to evaluate catastrophic weather-related risk. The quantification of weather-related risk is a factor in underwriting and the design and extent of the catastrophic excess of loss reinsurance program purchased by the company. To the extent that climate change may have impacted the frequency/severity of catastrophic weather events, it will be incorporated into the third-party models that we utilize.

METRICS AND TARGETS

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.

* Asterisks represent questions derived from the original Climate Risk Disclosure Survey.

RESPONSE TO METRICS AND TARGETS:
The company utilizes multiple models to monitor the impact of weather-related events to our policyholders. This analysis is integrated into our book management, reinsurance and financial projections.

As a residential property insurer with catastrophic risk exposure, the company utilizes state of the art risk models to evaluate catastrophic weather-related risk. The quantification of weather-related risk is a factor in underwriting and the design and extent of the catastrophic excess of loss reinsurance program purchased by the company. To the extent that climate change may have impacted the frequency/severity of catastrophic weather events, it will be incorporated into the third-party models that we utilize.