



1. Governance:

- a. Disclose the insurer's governance around climate-related risks and opportunities.
- b. Identify and include any publicly stated goals on climate-related risks and opportunities, and where disclosure is handled throughout the insurer's structure (group, entity, combination).
- c. Describe the position on the board and or committees responsible for the oversight of managing climate-related financial risks.
- d. Describe management's role in assessing and managing climate-related risks and opportunities.

Incline Casualty Company ("ICC") is a Texas domiciled property and casualty insurance company that only offers private passenger automobile insurance in California; ICC does not provide commercial or residential property insurance, and a majority of our insurance products in California are liability only policies.

ICC writes and places business through general agents in forty-four (44) states, and all underwriting is performed internally or through general agents under the supervision of ICC's management. ICC has an Underwriting Review Committee comprised of our CEO and officers from Risk, Legal, Finance, Underwriting, and Actuarial that meet two times a month to discuss amongst others, our business operations, placement, and production of business by our general agents, underwriting guidelines, and current and future risks in our operating states, which includes climate-related risks and opportunities. ICC does not currently have any publicly stated goals on climate-related risks and opportunities; however, ICC supports public and private climate-related initiatives including the option for employees to work remote and encouraging virtual meetings, thus reducing employee commutes and the resulting carbon emissions. ICC's Chief Risk Officer reports to ICC's CEO and the Board of Directors, and is responsible for the identification, analysis, monitoring, and reporting of any and all risks associated with our internal and external business practices and general agent partners. ICC's Chief Risk Officer continues to monitor and implement strategic approaches to managing climate risks that considers both current and forward-looking risks, and identifies actions required to manage those risks in relation to the scope, scale, and complexity of ICC's business. ICC's management is actively involved with oversight and assessment of climate-related risks as it relates to our business, and partners with our general agents and actuarial and underwriting teams to determine property and liability exposures in establishing appropriate pricing levels to ensure adequacy to cover claims, future loss, and loss adjustment expense development. ICC's management and Board of Directors ultimately considers and evaluates climate-related risks, the associated underwriting implications, reinsurance needs, as well as opportunities for maximizing operating efficiency with our general agents.

2. Strategy:

- a. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's business, strategy, and financial planning where such information is material.
- b. Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.
- c. Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.
- d. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.
- e. Discuss if and how the insurer provides products and services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.
- f. Discuss if the insurer makes investments to support the transition to a low carbon economy.

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In the medium and long-term, climate risk may affect the coverage we are able to provide to customers, through higher deductibles, revisions to or discontinuation of replacement coverage, and increased rates. These factors in turn could implicate our ability to obtain reinsurance, and therefore, ICC has a tiered reinsurance program based on catastrophic modeling, which produces the probable maximum losses under various scenarios throughout ICC's operating states which is reported to ICC's management and Board of Directors. Climate change poses the potential risk of deteriorating loss experience resulting from increased frequency of significant natural disasters, and therefore will be considered in ongoing pricing analysis. ICC and its general agents routinely communicate and plan for operational, strategic, and financial risks, while incorporating catastrophic weather event scenarios within business continuity and disaster recovery plans. ICC utilizes cloud-based resources for networking and data management which ensures that our systems and data are at a low risk to natural disasters, and also resulting in a reduction of paper and printer toner usage. ICC annually reviews our investment policy and all risks associated with our portfolio, while maintaining liquidity to ensure we are well positioned to support our underwriting and claim risks. Liquidity needs during a catastrophe have also been considered in our investment portfolio. ICC, through its general agents, can't directly influence customer choices in selecting lower carbon products or adapting to climate risk, though our general agents provide education and incentives such as discounts on premiums for risk prevention and mitigation efforts. Discounts incentivize resilience measures, which can help prevent or mitigate property losses.

3. Risk Management:

- a. Disclose how the insurer identifies, assesses, and manages climate-related risks.
- b. 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.
- c. Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate-related risks.
- d. Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including investment classes.
- e. Describe the insurers process for identifying and assessing climate-related risks.
- f. Discuss whether the process includes an assessment of financial implications and how frequently the process is completed.
- g. Discuss whether climate-related risks are addressed through the insurers general enterprise risk management process or a separate process and how frequently.
- h. Discuss the climate scenarios utilized by the insurer to analyze its underwriting risk, investments, and which factors are considered and utilized.

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ICC utilizes our enterprise risk management processes to identify, assess, monitor, and mitigate any and all existing and emerging risks that could become material to our business operations. ICC recognizes that certain lines of business are impacted by climate change. ICC manages climate-related risks in its underwriting portfolio and guidelines through a number of industry-standard approaches, including geographic diversification and limits, individual policy limits, exclusions, or limitations from coverage, and routinely meets with its general agents to discuss and review rates. General agents are encouraged to manage their own climate-related risks. ICC’s investment portfolio is limited to cash and U.S. Treasury Bonds only and ICC does not hold any equities. ICC, through its general agents, has implemented environmental considerations and utilizes tools [Cat modeling] to assess climate-related risks and scenario analysis, which enhances our understanding through qualitative and quantitative insights into how ICC can manage the implications of climate-related risks to ICC’s business and operations.

4. Metrics and Targets:

- a. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.
- b. Discuss how the insurer uses cat modeling to manage climate-related risks to business.
- c. Disclose metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy.
- d. Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas emissions.
- e. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

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ICC has implemented a number of industry methods to limit its exposure to climate-related losses, including monitoring exposure concentration, catastrophic risk modeling, and the purchase of reinsurance for catastrophic events.