Climate Risk Disclosure Survey – Reporting Year 2023

Governance

1. Disclose the insurer's governance around climate-related risks and opportunities.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

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

Climate risk is addressed at the holding company level, by the Enterprise Risk Committee (supported by the management level Enterprise Risk Committee) and Finance Committee of the Board of Directors and within the Property, Crop and Enterprise Risk departments.

The Company's management considers catastrophe modeling in assessing climate-related risks and in its regular underwriting processes. The Company's risks are subject to annual re-pricing, and as such, climate-based risks and opportunities can be assessed during the underwriting phase. Some types of risks, such as some Marine risks, are analyzed based on zip code and priced accordingly, dependent upon proximity to hurricane prone areas. Additionally, certain of the Company's business, such as its D&O/Professional Liability business, does not have as great of climate-related exposure as other business, such as Property business.

In the instance of a potential weather event, such as a hurricane, management is provided with regular analysis and updates related to the status of the storm, along with detailed information to enable it to make advance decisions on staffing, business continuity, and potential business impact. Factors monitored include event intensity, potential storm surge, rainfall estimates and the like.

A lead member of the Property department is a member of the Board and Education Committee of International Society of Catastrophe Managers, which researches and monitors climate change. Management considers information garnered from this source in its business planning and underwriting.

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.

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

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.

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

The Company does not currently have a formal plan in place to assess, reduce or mitigate emissions. However, the Company strives to be always mindful of its operational effects on the environment.

The Company continues to provide some work from home and hybrid opportunities, and employees are encouraged to utilize technological resources to hold meetings virtually.

The Company strives to maintain paperless operations and practices when possible, including the use of electronic payments to and from the Company. Certain of the Company's communication with policyholders is electronic, including issuance and delivery of certain policies, billing, claims payments and internal document management.

The Company utilizes a cloud storage strategy, which reduces data center footprint and power usage. In addition, the Company's open offices promote recycling, utilize LED lights and in some spaces utilize vacancy sensors, have water bottle refilling stations, and offer employee bike storage.

Management will continue to consider implementing additional carbon-footprint reducing opportunities in the future.

The Company has not modeled the resilience of its strategy based on a 2 degree Celsius or lower scenario.

Also, see response to Question 3.

Risk Management

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

A. Describe the insurers' processes for identifying and assessing climate-related risks.

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.

The Company has identified climate risk as an emerging risk generally and specifically in relation to the Property and Crop lines of business. This is currently reported to Management's Enterprise Risk Committee and the Board Risk Committee quarterly through Enterprise Risk Management reporting.

The Company works closely with its reinsurers to ensure that all risk factors and effects on limits, costs and terms of catastrophic reinsurance due to climate change are considered and that appropriate coverage is in place. The Company does and will continue to monitor trends that weather and other climate change may have on the business.

The Property department closely follows the work of the Wharton Risk Management and Decision Processes Center, Insurance Institute for Business and Home Safety, Natural Hazards Center (U of Colorado Boulder) and Centre for Risk Studies at University of Cambridge. The Property department also subscribes to numerous industry publications that address climate change issues. In doing so, the Property department remains current on all developments and potential developments and concerns related to climate change.

The Crop department follows the U.S. Department of Agriculture and their research, which directly addresses primary rates for Crop insurance, which in turn, directly correlates with reinsurance rates. The Crop department also closely follows the work of the National Crop Insurance Services, American Association of Crop Insurers and International Hail Association. In doing so, the Crop department remains current on all developments and potential developments and concerns related to climate change.

The Company is a member of and participates in American Property Casualty Insurance Association, which tracks the issue of climate change and reports to its membership on the activities of the National Association of Insurance Commissioners Climate Change Working Group tasked with examining the impact of climate change on the availability and affordability of insurance products. Additionally, the Company is a member of the National Crop Insurance Services which provides highly technical industry crop risk information.

The Company has taken steps to encourage policyholders to reduce the losses caused by climate change influenced events. With regard to the Property line of business, coverages may be restricted unless the potential policyholders take certain actions to mitigate climate-related losses. The Company may also offer certain incentives such as enhancements or pricing credits to policyholders who take actions to reduce such losses. Additionally, certain of the Company's coverages include climate-related loss mitigation features, such as hurricane relocation expenses and annual aggregates and sublimits on named windstorm coverages.

The Company utilizes third-party data vendors such as HazardHub along with NOAA mapping tools for its Commercial Automobile business to identify insureds whose locations are most at risk. In the event of extreme weather, the Company provides its insureds with resources such as wellness calls and information on higher elevation locations to help mitigate losses.

The Company does not have a formal climate change policy with respect to investment management but does assess climate risk. The Company's investment approach recognizes multiple factors including climate events and projections. The Company's investment guidelines prevent concentration in any specific industry or type of risk and the portfolio is reviewed periodically for any concentrations. Additionally, the Company utilizes an independent investment manager that considers the impacts and issues related to risks including climate change, and potential effect on the Company's financial position. The independent investment manager has developed processes and proprietary assessments to incorporate climate risk and ESG evaluations in its investment decisions.

Metrics and Targets

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

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.

The Company is taking actions to manage the risks climate change poses to the business, including the use of computer modeling. The Company believes the greatest risks to our business posed by climate change are coastal risk and changing and prolonged weather patterns related to hail, hurricanes, storms, floods, droughts and catastrophic events. The Company maintains a reasonable spread of risk generally and within the Property line of business specifically, to account for any variability and computer modeling tools are used to model natural perils for both the Property and Crop lines of business.

We evaluate modeled weather risk against several probable maximum loss return periods. To the extent climate change influences weather, we model exposure monthly and review assumptions with reinsurance/capital markets on an annual basis. Trends are reflected in the assumptions. Climate influenced claim activity changes are reflected in loss trends, which follow through to rate indications.