

NAIC CLIMATE RISK DISCLOSURE SURVEY

TCFD-ALIGNED SURVEY RESPONSES FOR APPLIED MEDICO LEGAL SOLUTIONS RRG-11598

GOVERNANCE

A. Board/Committee Responsibility:

The oversight of climate-related risks for Applied Medico-Legal Solutions Risk Retention Group, Inc. (the Company) is managed by the Board of Directors. The Board reviews any potential risks to the business, including those related to climate change, at least annually, although the Company's exposure to climate risks is minimal given its focus on medical malpractice liability insurance rather than property insurance.

B. Management's Role:

Management's role includes assessing climate-related risks as part of the overall enterprise risk management (ERM) process. This involves monitoring indirect risks such as potential climate impacts on the Company's investment portfolio and reinsurers, which may be exposed to property-related climate risks. Management also ensures that the Company remains informed on regulatory developments and best practices in managing any emerging climate-related financial risks.

STRATEGY

A. Climate-Related Risks and Opportunities:

Given that the Company writes medical malpractice insurance, its direct exposure to climate-related risks is minimal. Climate risks that could impact the Company are indirect, such as those posed to its investment portfolio or the reinsurers it partners with. The Company has not identified any material climate-related opportunities that would affect its business model.

B. Business Strategy and Financial Planning:

The Company does not anticipate significant impacts on its business strategy or financial planning due to climate-related risks. Any potential impacts would likely come from external factors such as changes in the valuation of investments or the financial health of its reinsurers. The Company remains vigilant and will adjust its strategy if these risks become material.

C. Resilience of Strategy:

The Company's strategy is considered resilient to climate-related risks due to its focus on medical malpractice liability insurance. While climate change scenarios such as a 2-degree Celsius or lower scenario may affect global financial markets and some reinsurers, the Company's business lines are not directly influenced by climate-related property risks.

RISK MANAGEMENT

A. Identifying and Assessing Climate-Related Risks:

The Company's climate-related risk assessment is integrated into its overall risk management processes. The risks considered are primarily indirect, such as the financial health of reinsurers and the impact of climate change on investment portfolios. These assessments are conducted annually as part of the ERM process.

B. Managing Climate-Related Risks:

Climate-related risks are managed through careful selection of investments and monitoring the stability of reinsurers. The Company does not underwrite property insurance, so physical climate risks do not directly impact its portfolio. Indirect risks from investments and reinsurers are mitigated through diversification and regular monitoring.

C. Integration into Risk Management:

The Company addresses climate-related risks as part of its general enterprise risk management process. Climate risks are assessed within the broader context of financial risks, particularly regarding investments and reinsurance arrangements. These processes are reviewed annually or more frequently as necessary.

METRICS AND TARGETS

A. Metrics Used:

The Company does not use specific climate-related metrics, such as catastrophe models, as its insurance lines do not cover property-related climate risks. Indirect risks from climate impacts on investments and reinsurers are monitored as part of the ERM process, and any material changes are evaluated annually.

B. Greenhouse Gas (GHG) Emissions:

As a provider of medical malpractice insurance, the Company's operations generate minimal direct greenhouse gas emissions (Scope 1 and 2). Scope 3 emissions, which may be tied to investments, are not currently quantified but are indirectly monitored as part of the Company's investment risk management.

C. Targets for Climate-Related Risks:

The Company has no specific targets for managing climate-related risks due to the minimal impact of climate change on its core business. However, the Company remains committed to monitoring any evolving risks or opportunities that may arise from climate-related financial impacts.