CLIMATE RISK DISCLOSURE SURVEY REPORTING YEAR 2023
ELEPHANT INSURANCE COMPANY -NAIC No 13688

NAIC Number	13688
Company Name	Elephant Ins Co
Line Of Business	Property & Casualty
Group Filing	**N**

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 Governance

Elephant Insurance is a subsidiary of Admiral Group, PLC ("Admiral"). In 2019, Admiral began to report in line with the Task Force on Climate-related Financial Disclosures (TCFD), in order to provide better transparency around the ways in which climate change will impact the Group now and in the future. The Admiral Group Board, which is responsible for promoting the long-term, sustainable success of the Group, has ultimate oversight of climate change-related risks and opportunities. While the Group Board maintains ultimate oversight, the Group Risk Committee has primary oversight responsibility for climate change risk, as it has delegated authority from the Group Board for overseeing risk management activities. Additionally, Senior management from across the Group have various responsibilities relating to climate change-related issues, and most sit on appropriate forum, such as the Sustainability working group (SWG) and the Climate steering group.

Within Elephant Insurance there are no formal policies or plans that create a governance structure related to climate-related risks. Senior management and others within the organization receive requests and updates from Admiral related to climate change to consider and decisions are made with climate-related risks considered.

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-Syears as short term, 5-lOyears 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

While Elephant does not have a formalized climate-related risk plan, Elephant Insurance cares about its impact on the environment and works to reduce emissions. Many of the Company's decisions are aimed at becoming more efficient and reducing its expenses and carbon footprint.

For example, Elephant has worked to increase flexibility in working from home which reduces employee commuting emissions. In response to the COVID-19 pandemic, Elephant employees transitioned almost entirely to work from home. The Company is currently allowing continued work from home options going forward.

Elephant aims to be a paperless company, allowing customers and claimants to electronically sign documents and receive electronic funds transfers instead of paper checks. Customers are incentivized to sign documents electronically in our rating plan through our e-signature discount.

Our claims adjusters have moved towards utilizing hybrid vehicles to reduce emissions as our current leases expire.

The Company has not taken steps to directly engage key constituencies on the topic of climate change. Elephant is a member of several industry groups, such as PCI, that engage constituents on behalf of the insurance industry.

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

Although Elephant does not have a climate change policy with respect to risk management and investment management, we model our potential catastrophe losses each year and are cognizant of vehicle location concentration. Risk related to climate change is considered as part of the Company's enterprise risk assessment process in relation to catastrophe risk and business continuity risk. Additionally, the Company's investment guidelines contain specific Environmental, Social and Governance ("ESG") targets. The guidelines target an overall weighted-average ESG score above a 5.0, based on MSCI ratings and require the asset manager notify the Company if they fall below a 5.5.

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.

Response to Metrics and Targets The Company has a process for identifying climate change-related risks and assessing the degree that it could affect our business including financial implications. Risks related to climate change are considered in relation to catastrophe weather risk, principally hurricanes and hailstorms, and business continuity risk. The Company uses a variety of catastrophe models to evaluate the potential impact on our book of business. RMS and AIR catastrophe modeling systems are used to help us manage our risks and exposure, including those caused by or related to climate change. We use this as a guide of how much risk we are willing to retain as a company and what level of reinsurance we need to purchase to help mitigate this risk.

The Company mitigates risk though the purchase of catastrophe excess of loss reinsurance. The RMS and AIR tropical cyclone and severe convective perils are used to model the catastrophe risk of our current portfolio. These models utilize the latest climate science to project both the frequency and severity of these perils. Additionally, during Elephant's own risk solvency assessment several stress tests are modeled on the portfolio. One such stress test scenarios involves increased convective storm activity in Texas and a 1-in-200year hurricane impacting the gulf coast of Texas.