AmTrust Financial Services, Inc.

NAIC Climate Risk Disclosure Survey 2024

TCFD-aligned

Reporting Year 2023

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

AmTrust FINANCIAL

Contents

Governance

Disclose the organization's governance around climate-related risks and opportunities

(The statements listed next to numbers and letters are directly taken from the TCFD Framework and should be fully addressed in the insurer's response. Insurers should consider including the bulleted items in their response to the TCFD statement above it. *Asterisks represent questions derived from the original Climate Risk Disclosure Survey.)

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.*

AmTrust Financial Services, Inc. ("AmTrust" or the "Company") is a privately owned company. AmTrust currently does not have any publicly stated goals on climate-related risks and opportunities.

The board governance and climate-related disclosure are handled at a group level in the U.S. For AmTrust's international entities, the governance and disclosure are handled at a company level.

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

AmTrust's Board of Directors is responsible for the Company's climate-related risks and opportunities. The Company's Board of Directors recognizes its ultimate responsibility to understand relevant climate risks facing the Company and oversee the management of such climate risks within the Company's overall business strategy and risk appetite. The Company's Board of Directors designated one of its members to be responsible for the oversight of the Company's management of climate risks. This Board member is a member of the Company's management Risk Committee and attends the Company's Audit Committee meetings. In addition, the Company's Board of Directors designated the Global Chief Risk Officer ("Global CRO") as the member of senior management responsible for the Company's management of climate risks. The Global CRO has presented to the Company's Board of Directors to explain how AmTrust assesses its risk exposures related to climate change, its focus on opportunities to be a good environmental steward, providing descriptions of AmTrust's several social-based initiatives that focus on diversity, equity, and inclusion, to mitigate social-related risk exposures, and. how AmTrust continues to enhance its governance practices to mitigate the new risks associated with the emerging market trends, including significant reliance on technology and information.

In 2023, the Company formed a dedicated ESG Forum ("the Forum") to reflect the Company's broader focus on ESG policies, processes and disclosures, with a direct reporting line to the Executive Committee and Board of Directors. The Climate Council, a subcommittee of the Forum, is designed to review and manage climate-related risks and opportunities throughout the business and associated with strategy, financial planning, underwriting and investment decisions and product development. The cross-functional membership of the Forum and Climate Council helps embed ESG goals, objectives, and initiatives into the strategy and operations of the Company. The members of the Forum and Climate Council represent a myriad of business functions, including Actuarial, Risk, DEI&B, Human Resources, AmTrust International, Governance and Regulatory Counsel, Legal Counsel, Investments, Operations, Commercial P&C, Specialty Risk, Compliance, Treasury, Underwriting, Real Estate, and Exposure Management.

At the March 2024 meeting of the Company's Board of Directors, the Chief People & Communications Officer ("CP&CO") reporting on the significant development of the Company's first annual sustainability report ("Business & Sustainability Review") and then shared the report with the Company's Board of Directors several weeks later. The Company is also working with a third-party to track baseline Scope 1 and Scope 2 greenhouse gas (GHG) emissions and is developing metrics to establish a benchmark for the Company.

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

The Company's Enterprise Risk Management ("ERM") function is responsible for monitoring climate-related risks that impact the Company's insurance business. The Company's Global CRO provides the Company's Audit Committee with an ERM report each quarter, a portion of which is dedicated to climate risks. A climate change financial stress is considered in AmTrust's Own Risk and Solvency Assessment (ORSA) summary reports annually.

The process of climate risk identification and assessment as it relates to natural catastrophe risks is in place and embedded in ERM. The Company has an Emerging Risk Committee, which identifies new and changing risks to the business.

Within the quarterly ERM report, risks are identified by category (e.g., financial, operational, strategic, external and insurance) and sub-category (market, credit, liquidity, etc.). At the business unit level, the risk management process consists of, but is not limited to, stakeholder discussions with key executives and risk owners, examinations of risk state by risk category, reviews of design and control effectiveness test results, where deemed necessary. AmTrust's ERM team members continue to gain skills and knowledge for assessing and managing climate risks by attending training events, industry events and other forums. The ERM team uses data from the scientific community and resources provided by the TCFD guidance to advise the ERM team and keep up to date of potential consequences or opportunities of climate-related impacts.

Two Board members, one of whom is responsible for the oversight of the Company's management of climate risks, are members of the Company's management Risk Committee and attend the Company's Audit Committee meetings. The Audit Committee, supported by Internal Audit, provides independent assurance on the design and effectiveness of the overall system of internal control, including risk management and compliance. Internal Audit is independent of both the business and the ERM function and reports directly to the Audit Committee.

Strategy

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

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 1-5years as short term, 5-10years 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.

The Company has taken initial steps to address the topic of climate risk and resiliency in its operations and business strategy.

While AmTrust does not have a formal emissions reduction plan, the Company recognizes the value of reducing emissions and has implemented the following measures:

In its Data Centers:

- Virtualized 90% of the Company's infrastructure, minimizing its hardware footprint.
- Constantly upgrading hardware to more energy efficient solutions.
- Upgraded power and cooling systems to more energy efficient solutions.

In its Print Facilities:

- Print vendors have formal sustainability programs in place and are compliant with Chain of Custody, Sony Green Partner, Energy Star and SmartWay Transport requirements.
- The paper the Company uses has at least 10% post-consumer waste.

In its Workspaces:

- Many of the Company's facilities are LEED certified.
- Installed motion sensors in conference rooms and offices to automatically extinguish lights after short periods of inactivity.
- Deployed flat-screen monitors and activated features to reduce power after brief periods of inactivity.
- Installed audio and video conferencing systems to minimize the need to travel

In its Business Processes:

- Proactively promoted the benefits of electronic payments vs. checks, reducing paper handling by 25%.
- Call Center employees are incented to promote the benefits of the Company's Go Green electronic document program over traditional paper-based communications with agents.
- Implemented high speed document scanning and electronic storage capabilities reducing the amount of re-printing and copying required to share information across the company.
- One of the Company's subsidiaries in the UK, Car Care Plan Holdings (CCPH), began tracking its carbon emissions in 2023.
- In 2024, the Company partnered with a third-party to measure groupwide 2023 Scope 1 and Scope 2 emissions. This was AmTrust's first participation in this measurement exercise, which provided a clearer understanding of its baseline Scope 1 and Scope 2 emissions.

Hybrid work model:

- The Company's hybrid work model implemented in 2021 also helps to reduce emissions as employees are driving less mileage to work.

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

AmTrust is a commercial property and casualty insurance group that focuses on small businesses. The Company provides workers' compensation coverage and other commercial coverages for small and medium-sized businesses. The businesses AmTrust insures include restaurants, retail stores, small artisan contractors and medical and professional offices. The Company also provides coverage to apartment buildings, condominiums, and hotels. Even though AmTrust is the third largest workers' compensation insurer in the U.S., 96% of its workers' compensation policies have annual premiums that are less than $25,000. The Company's other commercial property and casualty lines also target smaller businesses.

AmTrust also is one of the leading warranty insurers in the U.S. The Company provides the insurance backstop for auto warranties issued by manufacturers and other warranty providers. The Company also insures warranties on consumer products offered by many leading brands. These products protect tens of thousands of consumers. The Company does not insure big businesses or high hazard industries.

The Company has identified five core climate-related risk categories by leveraging guidance provided by independent experts, regulators and the Company's own assessment of which categories are most likely to elicit a better understanding of the financial risks facing the Company. Within each core risk category, material risk factors were identified over various time horizons.

Five core climate-related risk categories identified are as follows:

1. Physical Risks
    - Description: immediate risks arising from weather-related events and slow onset climate changes

- Examples:
    - i. Risks associated with increased claims activity and reserve strengthening across the various lines of business
        1. Short- to long-term: severe storms (Property) and other weather events (Warranty)
        2. Long-term: increasing sea level (Property)
    - ii. Short- to long-term: extreme weather events may disrupt business continuity by negatively impacting AmTrust carriers' infrastructure and systems

2. Investment Risks
    - Description: risks arising from the exposure to market value deterioration of investments driven by a current or expected impact of behavior relating to climate change
    - Examples:
        - i. Short-term: material and unforeseen drop in the value of an investment holdings resulting from the perception that the issuer will be negatively impacted by climate change related events or market activity
        - ii. Long-term: loss of market confidence in issuer to adapt business model to address climate change related events or market demands
3. Transition Risks
    - Description: financial risks arising from the transition to a lower-carbon economy including changes to policies, regulations and public perception
    - Examples:
        - i. Medium- to long-term: lower demand for current product offering distributed through traditional methods, including auto warranty and the shift away from diesel and gas fuel sources
        - ii. Medium- to long-term: lower demand for consumer electronics and major appliances that do not comply with the market's perception of meeting adequate environmental standards
        - iii. Medium- and long-term: introduction of new technologies which render products currently offered (or insured) by AmTrust as obsolete, requiring a shift to new products and distribution channels
        - iv. Medium-term: new policies and regulations that restrict products that are included in AmTrust's business plan
4. Liability (Litigation) Risks
    - Description: risks of actions initiated by claimants who have suffered loss and damage arising from climate change
    - Examples:
        - i. Short- to medium-term: business partners (including reinsurance counterparties) introducing strict climate-related minimum standards which may be onerous
        - ii. Medium- to long-term: Climate litigation against AmTrust itself or its policyholders, specifically those covered by its Professional Indemnity and or any Director & Officer ("D&O") Insurance policies for failing to avoid or minimize adverse impacts on the climate, or failing to adapt to climate change
5. Reputational Risks
    - Description: risks of negative publicity resulting from support (i.e. investment, partnership, etc.) in organizations that are seen to exacerbate climate change or perceived inaction by AmTrust to reverse its practices that are seen to contribute to climate change
    - Examples:

i. Short- to medium-term: Regulatory – Increased scrutiny by regulators as a result of a real or perceived unmitigated exposure to climate related risks including those mentioned in the other risk categories
ii. Short- to medium-term: Market confidence – the insurance market (agents, brokers and policyholders) losing faith in AmTrust due to a real or perceived unmitigated exposure to climate related risks including those highlighted in the other risk categories
iii. Short- to medium-term: Rating agencies and other third parties losing faith in AmTrust's ability to effectively manage climate change related risks
iv. Medium- to long-term: Losing market share due to an increased desire to work with companies that take public and proactive steps to combat the causes of climate change. Given the power of social media, the impact of this risk could be both rapid and substantial.
v. Short- to medium-term: Talent management – difficulty attracting and retaining employees due to the Company's negative impact on climate.

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

Two specific areas are being prioritized as they present more risk to AmTrust based on its current strategic and financial position.

1. Property Insurance: While each line of business AmTrust underwrites is vulnerable to various risk factors arising from the changing climate, Property insurance is currently seen as the most likely to experience negative impacts as a result of rising sea levels or changing weather patterns. As described below in Section C, AmTrust has a limited appetite for risks exposed to extreme weather events such as hurricanes, storm surge, inland flooding or wildfires. AmTrust manages its exposure to adverse weather risks through disciplined underwriting in its risk selection, pricing, deductibles, loss control and risk transfer. AmTrust's property segment is a small part of its insured portfolio overall.

   Climate-related losses have not been a material threat to the Company's solvency. AmTrust has a relatively low exposure to severe weather and catastrophe-type insurance events. AmTrust's insurance contracts renew annually, which would enable a quick response to changes, as needed, by adjusting pricing or by restricting exposure.

2. Investment Value Deterioration: AmTrust maintains conservative and diversified investment portfolios but the market impacts of climate change to companies in which AmTrust invests is difficult to anticipate and could lead to deteriorations in the valuation of related investment holdings.

   The Company has analyzed its investment portfolio to determine what its concentration in fossil fuels and other carbon-related holdings. The Company's fossil fuel investments comprise less than 10% of its overall investment portfolio, which is mainly comprised of readily marketable investment-grade fixed-income securities with relatively short duration. As such, climate change risk on the Company's investment portfolio is currently low due to any impact taking place over a longer time horizon than the average duration of the portfolio. The Company's corporate bond portfolio is well diversified by sector and issuer and the impact of climate change, if any, on the creditworthiness of any issuer is insignificant in the context of the whole portfolio. The Company believes climate risk is tempered by a relatively short duration portfolio comprised of diverse issuers, which allows the Company to react and reposition quickly to emerging climate risks.

The Company has taken steps to engage its key constituencies, including policyholders, agents and other partnerships, on the topic of climate risk and resiliency.

AmTrust proactively encourages its policyholders to reduce the potential losses caused by climate influenced events through methods such as:

- Utilization of AmTrust's highly knowledgeable producer base to provide policyholder education and guidance on purchasing appropriate coverages needed to mitigate specific risk exposures.
- Policyholder notifications providing loss mitigation strategies and notices for ascertaining coverage for certain catastrophic coverage through other Federal programs, such as flood insurance.
- AmTrust provides online news releases, videos and links to important resources, e.g. disastersafety.org and Insurance Institute for Business and Home Safety...all aimed at proactively educating and training its customers on potential risk hazards and exposures along with mitigation analysis, tips and solutions for flood, wind, winter weather, including top convective events.
- AmTrust provides Loss Control services that identify various exposures to its policyholders' property and their ability to produce income that include means of mitigating weather related losses induced by climate change.

In addition, the Company has ongoing partnerships to support its commitment to appropriately managing environmental risks.

- Partnered with a third-party to create industry first electric VSC (vehicle service contract) covering batteries, and have partnered with various other administrators to expand AmTrust's green footprint.
- Developed and launched service contract program for electric vehicle residential charging station.
- Ongoing research for whole home green infrastructure offerings to bundle coverage for electric vehicles, at-home charging stations, solar panels, and electricity storage units.
- AmTrust Title's energy division is dedicated to supporting the growth of clean energy initiatives by partnering with developers, investors, and lending partners to navigate the unique challenges of energy project goals. AmTrust's range of energy projects includes wind and solar farms, battery storage, hydroelectric, hydrogen, liquid nitrogen gas, renewable natural gas, and transmission lines.

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

Property Insurance -

As the potential for property damage increases because of the changing climate, it is critical to maintain a strong understanding of the myriad of factors that impact the assessment of properties within AmTrust's portfolio. The mitigants, as outlined below, explain further the Company's steps to reduce the negative effects of major catastrophic events.

Mitigants:

- AmTrust has a limited appetite for risks exposed to extreme weather events such as hurricanes, storm surge, inland flooding or wildfires. The Company manages its exposure to adverse weather risks through disciplined underwriting in its risk selection, pricing, deductibles, loss control, and risk transfer.
- AmTrust considers extreme weather events in pricing and underwriting its insurance products. To determine the premium associated with the costs of these extreme events the Company relies on historical storm data, as well as utilizing catastrophe models to supplement this historical data due to the infrequent nature of extreme weather events.
- ERM's Exposure Management Team has been regularly performing detailed analysis over the property and workers' compensation insurance portfolios for AmTrust as a whole. On a quarterly basis, North American natural catastrophe exposures are monitored using the Verisk/AIR models. Hurricane modelled results are based on warm sea surface temperatures catalogues, which recognize the near/medium term view on sea-surface temperatures, thereby capturing recent trends. AmTrust's catastrophe risk appetite states that the modelled per occurrence 1:250-year catastrophe probable maximum loss ("PML") be protected by reinsurance purchases for property.

The modelled 1:250-year catastrophe PML for property and workers' compensation are monitored against approved risk appetites. In addition, the Company runs Lloyd's Realistic Disaster Scenarios to estimate the potential losses incurred from a variety of hypothetical disaster scenarios, using consistent and appropriate methods and assumptions.

- AmTrust's property insurance portfolio is protected by AmTrust's property catastrophe excess of loss treaty attaching at $70m.
- Climate change financial stress is considered in the Company's ORSA report. The hurricane exceedance probability curve was adjusted to reflect climate change by increasing the frequency of hurricane Category 3 events by 15%, Category 4 events by 25%, Category 5 events by 35%, and increasing storm surge ground up losses by 35%. The post-stress Universal Best's Capital Adequacy Ratio ("BCAR") is used to assess capital adequacy on a group level. The group's capital risk appetite is to maintain a Universal BCAR score at or above 5% at the 99th percentile, which results in a BCAR assessment of "Adequate". The resulting net loss as measured by the 1:200-year PML did not have a significant effect on the Company's capital due to the limit of catastrophe reinsurance purchased.
- No attempt has been made at this time to identify and measure a climate scenario equivalent to two-degrees of Celsius.
- The Exposure Management function within ERM works closely with the underwriting, actuarial pricing and ceded reinsurance teams to inform of the adequacy of AmTrust's reinsurance purchasing as compared to the risk appetites.
- The Company's insurance contracts are renewable annually, which would enable the Company to quickly respond to changes as needed by adjusting its pricing or by restricting its exposure.
- AmTrust's preference for small risks provides a natural diversification against climate change catastrophe due to the spread of the risks within and between geographic regions.
- AmTrust manages its coastal wind exposures based on state-specific eligibility criteria reflecting the building's distance to the coast, construction, as well as the age and condition of the roof. Underwriting actions have reduced coastal exposures in Florida and along the Gulf Coast to further mitigate large hurricane events.
- To mitigate its exposure to extreme weather events in hail-prone areas, AmTrust maintains eligibility requirements on an assessment of the insured vulnerability to damaging hail hazard, plus the building's characteristics, such as a building's roof area, covering materials, and equipment e.g. HVAC or solar panels.
- Corrective pricing and underwriting measures in Property Northeast have limited exposure growth to reduce property catastrophe aggregation risk.

Investment Valuations -

The value of the types of financial instruments in which the Company is invested could be significantly impacted if the market develops a perception that the issuer is either not adequately managing its climate change risk or is accumulating a competitive disadvantage by not adapting its business strategy.

Mitigants:

- AmTrust has analyzed its investment portfolio to determine the concentration of fossil fuel investments, as well as other carbon related investments. The Company's fossil fuel investments comprise less than 10% of its overall group-wide investment portfolio
- The investment portfolio consists of readily marketable investment-grade fixed-income securities with relatively short duration. As such, climate change risk on the Company's investment portfolio is currently low due to any impact taking place over a longer time horizon than the average duration of the portfolio. The Company's corporate bond portfolio is well diversified by sector and issuer and the impact of climate change, if any, on the creditworthiness of any issuer is insignificant in the

context of the whole portfolio. No attempt has been made at this time to identify and measure a climate scenario equivalent to two-degrees of Celsius.

Risk Management

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

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.

The potential impact to AmTrust's underwriting portfolio from the increased physical risk potential due to climate fluctuations are as follows:

- In Coastal areas along the U.S. Eastern coast and Gulf Coast, the potential of climate fluctuations has a higher hurricane, tropical, extra tropical or nor'easter storm event frequency and severity, which could increase policyholder losses for personal and commercial property and commercial auto coverages.
- In Non-coastal areas, the potential risk of climate fluctuations is increased convective storm events or severe weather (winds/derecho/straight-line, hail, flood, tornado, lightning, single day adverse precipitation event, etc.) causing frequency and severity, which could increase losses for personal and commercial property and commercial auto coverages. This could result in higher policyholder losses in any area within the United States, but is at an increased level in

states where AmTrust currently has exposure, such as Texas, Oklahoma, Arkansas, Mississippi, and Louisiana.
- A potential risk of climate fluctuations is an increased frequency and severity of wildfire events, which could increase policyholder losses for commercial property and auto coverages.
- A potential risk of climate fluctuations is increased groundwater withdrawal and drought leading to land subsidence issues, both inland and coastal, which could increase losses for commercial property coverages in the lower Midwest and Southeastern states.
- Reinsurance could become more expensive and scarce if climate induced events become more frequent and severe.
- AmTrust utilizes industry specific CAT predictive modelling, concentration monitoring tools and risk management solutions to manage its exposure to climate fluctuations and impacts including adjusting its guidelines and reinsurance retentions accordingly.

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

The process of climate risk identification and assessment is in place and embedded in the ERM process. The Company has an Emerging Risk Committee comprised of the Group CRO, International CRO, US Head of Risk and other members of the ERM function. This committee, through the engagement of management and other research, identifies new and changing risks to the business, tracks their development and assesses the risk they pose to the Company. These risks are highlighted in the quarterly ERM report and shared with the Risk Committee.

ERM's Exposure Management Team regularly performs detailed analysis of the property and workers' compensation insurance portfolios. On a quarterly basis, North American natural catastrophe exposures are monitored using the Verisk/AIR models, with separate modeling for the perils of hurricane, convective storm, winter storm and wildfire. Hurricane modelled results are based on the warm sea surface temperature catalogue, which recognize the near/medium term view on sea temperatures and capture the increased frequency and severity of hurricanes experienced in these warmer periods.

B. Describe the insurer's processes for managing climate-related risks.

AmTrust has a limited appetite for risks exposed to extreme weather events such as hurricanes, storm surge, inland flooding or wildfires. The Company manages its exposure to adverse weather risks through disciplined underwriting in its risk selection, pricing, deductibles, loss control, and risk transfer. AmTrust considers extreme weather events in pricing and underwriting its insurance products. To determine the premium associated with the costs of these extreme events AmTrust relies on historical storm data, as well as utilizing catastrophe models to supplement this historical data due to the infrequent nature of extreme weather events

AmTrust manages its coastal wind exposures based on state-specific eligibility criteria reflecting the building's distance to the coast, construction, as well as the age and condition of the roof. To mitigate its exposure to extreme weather events in hail-prone areas, the Company maintains eligibility requirements on an assessment of the insured vulnerability to damaging hail hazard, plus the building's characteristics, such as a building's roof area, covering materials, and equipment e.g. HVAC or solar panels. AmTrust utilizes catastrophe models to manage its portfolio's probable maximum losses to these types of extreme events.

AmTrust's catastrophe risk appetite states that the modelled per occurrence 1:250-year catastrophe PML be protected by reinsurance purchases for property and workers' compensation, respectively. The modelled 1:250-year catastrophe PML for property and workers' compensation are monitored against approved risk appetites. In addition, the Company runs Lloyd's Realistic Disaster Scenarios to estimate the potential losses incurred from a variety of hypothetical disaster scenarios, using consistent and appropriate methods and assumptions, which allow for the recognition of exposure changes in various geographic areas.

Climate change financial stress is considered annually in the Company's ORSA report. The hurricane exceedance probability curve was adjusted to reflect climate change by increasing the frequency of hurricane Category 3 events by 15%, Category 4 events by 25%, Category 5 events by 35%, and increasing storm surge ground up losses by 35%. The post-stress Universal Best's Capital Adequacy Ratio (BCAR) is used to assess capital adequacy on a group level. AmTrust's capital risk appetite is to maintain a Universal BCAR score at or above 5% at the 99th percentile which results in a BCAR assessment of “Adequate”. The 1:200-year PML with the aforementioned adjustments for climate change did not result in a significant stress to the Company’s capital due to the level of reinsurance coverage in place.

The Exposure Management Team works closely with the underwriting, actuarial pricing and ceded reinsurance teams to inform AmTrust’s reinsurance purchasing.

Management of climate-related risks is incorporated into the Company’s risk function. The Company is conducting a core risk assessment and developing a Climate Change Financial Risk Framework (“the Framework”). The Framework will be used to monitor exposure to climate change and how it could impact the resilience of the Company’s financial and physical operations.

The Company will consider including additional stress scenarios that simulate potential impacts relating to climate risks into its ORSA process. Additionally, the Company uses data from the scientific community and resources provided by the Task Force for Climate Related Financial Disclosures to advise its risk team and keep up to date of potential consequences or opportunities of climate-related impacts that it incorporates into its risk assessment. This will support strategic decision making by providing management and the board with a deeper understanding of the impact of a given climate scenario on its chosen business model and strategy. This is an important step to embed the Framework into the Company’s strategy, governance, and decision-making process.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer’s overall risk management.

The process of climate risk identification and assessment is in place and embedded in the general ERM process. The Company has an Emerging Risk Committee, which identifies new and changing risks to the business. The ERM function is responsible for monitoring climate-related risks that impact the Company’s insurance business. The Company’s Global Chief Risk Officer provides to the Company’s Audit Committee an ERM report each quarter, a portion of which is dedicated to climate risks.

AmTrust considers climate change risk factors in its investment and underwriting practices, as mentioned previously in Risk Management, Sections A and B, and Strategy, Section B, above.

Metrics and Targets

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

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.

ERM's Exposure Management Team has been regularly performing detailed analysis over the property and workers' compensation insurance portfolios for the entire AmTrust group. On a quarterly basis, North American natural catastrophe exposures are monitored using the Verisk/AIR models, with separate modeling for the perils of hurricane, convective storm, winter storm and wildfire. Hurricane modelled results are based on the warm sea surface temperature catalogue, which recognize the near/medium term view on sea-surface temperatures. The modelled 1:250 year catastrophe probable maximum loss ("PML") for property and workers' compensation are monitored against approved risk appetites. In addition, the Exposure Management team runs Lloyd's Realistic Disaster Scenarios to estimate the potential losses incurred from a variety of hypothetical disaster scenarios, using consistent and appropriate methods and assumptions.

Climate change stress is considered in the Company's ORSA report. The hurricane exceedance probability curve was adjusted to reflect climate change by increasing the frequency of hurricane Category

3 events by 15%, Category 4 events by 25%, Category 5 events by 35%, and increasing storm surge ground up losses by 35%. The post-stress Universal Best's Capital Adequacy Ratio ("BCAR") is used to assess capital adequacy on a group level. The group's capital risk appetite is to maintain a Universal BCAR score at or above 5% at the 99th percentile which results in a BCAR assessment of "Adequate".

The Exposure Management Team works closely with the underwriting, actuarial pricing and also the ceded reinsurance team to inform AmTrust's reinsurance purchasing.

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

The Company maintains catastrophe risk appetites that are currently defined based on the modelled 1:250-year catastrophe PMLs (per occurrence). Management monitors that these loss events are protected by adequate reinsurance structures. Exposure to these events is regularly simulated for the property and workers' compensation portfolios. AFSI compares the reinsurance limits and the simulated PML from realistic disaster scenarios, and also the net loss resulting from a 1:250 year hurricane event as a ratio to surplus.

The Company has started to measure its 2023 Scope 1 and Scope 2 Greenhouse Gas ("GHG") emissions in 2024. Most of AmTrust's Scope1 and Scope 2 GHG emissions come from office activity and company-owned/controlled mobile combustion sources. The Company has not set any GHG emissions reduction targets but plans on developing strategies to mitigate emissions.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

The Company is beginning to measure its baseline Scope 1, Scope 2, and Scope 3 emissions. AmTrust aims to partner with a third party to measure and validate its emissions and plans to disclose next year.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

AmTrust's catastrophe risk appetite states that the modelled per occurrence 1:250-year catastrophe PMLs be protected by reinsurance purchases for property and workers' compensation, respectively. On a quarterly basis, the modelled 1:250 year catastrophe PMLs for property and workers' compensation are monitored against this target. AmTrust's catastrophe excess-of-loss reinsurance purchases annually correspond to the 1:250-year hurricane PML.

Closed-ended Questions (Voluntary basis)

Closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers. Closed-ended questions are voluntary for reporting year 2022 and individual states may elect not to request them.

Governance
• Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N) N
• Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N) Y
• Does management have a role in assessing climate-related risks and opportunities? (Y/N) Y
• Does management have a role in managing climate-related risks and opportunities? (Y/N) Y

Strategy
• Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N) * Y
• Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N) Y
• Does the insurer make investments to support the transition to a low carbon economy? (Y/N) Y
• Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)* N

Risk Management
• Does the insurer have a process for identifying climate-related risks? (Y/N) Y ○ If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) Y

• Does the insurer have a process for assessing climate-related risks? (Y/N) Y ○ If yes, does the process include an assessment of financial implications? (Y/N) Y

• Does the insurer have a process for managing climate-related risks? (Y/N) Y
• Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)* Y
• Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)* Y
• Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)* Y
• Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) Y
• Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) N

Metrics and Targets
• Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N) Y
• Does the insurer use metrics to assess and monitor climate-related risks? (Y/N) Y
• Does the insurer have targets to manage climate-related risks and opportunities? (Y/N) Y
• Does the insurer have targets to manage climate-related performance? (Y/N) Y

AmTrust Financial Services Inc

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