Sentruity Casualty Company (NAIC#12780) Climate Survey

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.

1A. 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.

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

RESPONSES

Response to 1

Sentruity Casualty Company's ("Sentruity") governance around climate-related risks and opportunities is based on the Enterprise Risk Management Committee (ERM), whose activities related to such risks are discussed in the response to item 1.A below. Although Sentruity has not articulated publicly-stated goals on climate-related risks or opportunities, the process for identifying such risks does not preclude future publicly-stated goals. Any climate-related disclosures (currently there are none) would be addressed through the ERM and Sentruity's management. Please also see the response to item 4 for more information.

Response to 1.A

The Sentruity ERM assesses the company's inherent and residual risks. The ERM is responsible for the leadership, innovation, governance, and management necessary to identify, evaluate, mitigate, and manage the operational and strategic risk. As part of identifying the risks to Sentruity, it has considered climate risk, specifically within the risks associated with Underwriting and Operations. Furthermore, the ERM, in conjunction with Sentruity's Business Continuity Planning working group, monitors and has developed plans to address the loss of material resources, including those related to climate-driven events and the company's mitigation responses tied to those events. Sentruity bases its investment risk management decisions on market data and trends, and in consultation with its qualified investment advisors.

Response to 1.B

Management assesses natural catastrophe (CAT) risk as part of the annual ERM process. Sentruity is exposed to potential aggregate losses from CAT such as hurricanes, earthquakes, and wildfires on the guaranteed automobile protection (GAP) business. A significant portion of the business is reinsured through producer-owned reinsurance companies, which reduces the exposure to such events. In addition, Sentruity purchases per occurrence GAP XOL (Excess of Loss) for CAT events. The overall CAT risk is managed by the Underwriting and Risk team.

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.

2. A Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term by completing the chart below.

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 1-5 years as short term, 5-10years as medium term, and 10-30years as long term.

2. 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 low carbon transition or helps customers adapt to climate-related risk.
- Discuss if and how the insurer makes investments to support the low carbon transition.

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

RESPONSES

Response to 2

As part of identifying the risks to Sentruity, it has considered climate risk, specifically within the risks associated with Underwriting and Operations. Furthermore, the ERM, in conjunction with Sentruity's Business Continuity Planning working group, monitors and has developed plans to address the loss of material resources, including those related to climate driven events and the company's mitigation responses tied to those events. Please also refer to the response to 1.A.

Response to 2.A

Time Horizon	Risks	Opportunities
Short-term	Hurricanes Flooding Fires Investments in entities that are subject to significant regulatory changes which could have a potential impact of their ability pay their loans	Reinsurance Diversification of the company's investment portfolio
Medium-term	Hurricanes Flooding Fires	We do not have medium-term catastrophic risk. While the GAP term can extend past 5 years, the actual GAP exposure after 5 years is minimal or non-existent based on how the loan is amortized when compared to the value of the vehicle of a total loss after 5 years.
Long-term	The average Sentruity policy is 7 years, and as a block of business the same risks exist as described above	We do not have Long-term catastrophic risk. While the GAP term can extend past 5 years, the actual GAP exposure after 5 years is minimal or non-existent based on how the loan is amortized when compared to the value of the vehicle of a total loss after 5 years.

Response to 2.B

Sentruity partakes in an annual planning process which engages all levels of management, to identify the risks to the company, which includes climate risk. Based on its risk appetite, the management team makes decisions about which geographical areas to enter, exit, and grow. Management monitors and tracks CAT exposures through our quarterly ERM process to ensure that we remain within an acceptable range.

Sentruity does not engage in conversations with insureds related to the transition to a low carbon economy or adaptation to climate-related risk. However, the company began offering this year coverage backing Electric Vehicle Service Contracts and continues to explore options to strategically leverage environmentally-focused customers.

Response to 2.C

Please refer to the response to item 2 above.

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.

3. 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.

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

3. 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.

RESPONSES

Response to 3

Management assesses CAT risk as part of the annual ERM process. Sentruity is exposed to losses from climate-related risks for its GAP business. The company is exposed to potential aggregate losses CAT such as hurricanes, flooding, ice storms and earthquakes. Management monitors these risks as part of its pricing process which is driven by underwriting results which consider historical climate-related events.

Response to 3.A

In addition to the role played by the ERM discussed in the response to item 3 above, Sentruity's process for identifying and assessing the financial implications of climate-related risks are discussed in more detail under the response to item 3.C below.

Response to 3.B

Please refer to the response to 3, above.

Response to 3.C

Sentruity bases its investment management decisions on market data and trends, and in consultation with its qualified investment advisors. Sentruity maintains an investment portfolio broadly diversified with respect to the investment sector, public versus private holdings, and geographic location. Market data and trends, and investment advice are incorporated into Sentruity's risk management framework, which is designed to reasonably mitigate relevant risks affecting the company, including the risk of weather-related events and natural disasters. The company's key business risks, including investment risk, are communicated to and evaluated by its senior management. Sentruity believes that its investment strategy reasonably mitigates the company's investment risk exposure to weather-related events and/or CAT.

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:

- Describe 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.

4. 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)

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

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

RESPONSES

Response to 4

While Sentruity does not model the climate risks associated with the GAP business, it uses Guy Carpenter's assessment which proactively assesses the impact of any catastrophic events. The results of the assessment, if appropriate, are recorded in the Financial Statement consistent with Statutory Accounting Standards. Furthermore, historical impacts of climate-related events are considered when performing the budget setting process at a consolidated level. Additionally, Sentruity engages outside actuaries in assessing loss patterns and these are used in the development of earnings curves, which considers the risks and associated losses incurred related to climate change.

Response to 4A – 4C

Please refer to the response to item 4 above.