

# Climate Risk Disclosure Survey

## The Old Republic Group of Insurance Companies

### Governance

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

Old Republic Group of Insurance Companies ("Insurer") is primarily involved in the commercial liability, risk management and title insurance businesses that it underwrites across diverse industries, coverages and geographies. The impact of climate change will not meaningfully affect its title insurance business as title insurance does not provide property or liability coverage, but rather protects against defects in title ownership. With regard to its liability insurance business, it is mostly concentrated in workers' compensation and vehicle liability insurance that would not have as significant a climate risk exposure as property insurers would have.

Insurer has determined that it has limited climate exposure as its Property & Casualty underwriting risk is (a) mostly subjected to re-pricing on an annual basis, and (b) reinsured, which reduces net exposure volatility. Therefore, to the extent that climate change may impact the number and severity of losses for Insurer's policyholders and clients – that impact would likely be long-term in nature and would be considered in Insurer's normal pricing & underwriting process.

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

One function of the Board of Directors ("Board") is to oversee Insurer's operations. Directly and through several committees operating cohesively, including the Audit Committee and the Executive Committee, the Board is charged with ascertaining that appropriate policies and practices are in place for managing the identified risks faced by the enterprise, including those risks related to climate change, if applicable. Insurer's Board and related committees receive, analyze and discuss relevant and material information and reports requested from and supplied by Insurer's management.

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

Insurer's management discusses risk management with each subsidiary on an ongoing basis, including through in-depth annual reviews of prospective annual operating plans. In addition, Insurer's management utilizes recognized catastrophic modeling resources to assess its exposure. In light of these companies' exposure to concentrated property risk, the present catastrophe modeling resources and efforts are appropriate for their circumstances. Insurer's management provides analysis to the Board on an ongoing basis to facilitate their analysis and discussion of relevant risk management considerations.

## 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.

Please see the response to item 1.

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

Insurer underwrites a diverse set of products and coverages across both the Property & Casualty and Title industries. As part of its Enterprise Risk Management framework, Insurer utilizes recognized catastrophic modeling resources and reinsurance to understand, analyze and mitigate risk. In light of these efforts, Insurer has determined that its companies have limited net exposure to concentrated property risk and its present catastrophe modeling resources and reinsurance efforts are appropriate for its circumstances. Further, Property & Casualty underwriting risks are mostly subjected to re-pricing on an annual basis. Therefore, to the extent that climate change may impact the number and severity of losses for Insurer's policyholders and clients that impact would likely be long-term in nature and would be considered in the normal pricing & underwriting process.

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

Please see the response to Items 1. and 2.A.

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

Given the aforementioned mitigants, including but not limited to, the diversity of Insurer's exposures, the use of catastrophe modeling and reinsurance, Insurer has determined that it is resilient to severe climate-related scenarios.

## 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:

See the above responses. In addition, Insurer's management has determined that any attempt to measure the influence of climate change on the lines of insurance Insurer produces would be speculative in nature and likely would lack actuarial credibility.

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

Climate-related risks are assessed as part of Insurer's Enterprise Risk Management process generally, and as part of its underwriting criteria within each subsidiary, as relevant, based on specific product, coverage and customer considerations.

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

Please see the response to items 1. and 2.

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

Please see the response to items 1. and 3.

## **Metrics and Targets**

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

Insurer uses catastrophe modeling as discussed in the responses in items 1.A. and B. above.

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

Insurer uses Probable Maximum Loss (PML) modeling to determine the extent of its necessary catastrophe reinsurance program structure and limits. This modeling is updated regularly to capture current exposures.

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

Insurer has yet to develop specific metrics to assess and monitor certain greenhouse gas emissions.

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

Please see the response to item 4.A.

While Insurer has taken a reasonable position and steps concerning the risk of climate change, there can be no assurance that these assumptions, policies or practices will be sufficient to insulate it from any long-term effects of climate change.