FY 2023 NAIC Climate Risk Disclosure Survey

Governance

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

Ategrity's Board is responsible for ensuring that the company is operating in accordance with our mission and objectives. This includes overseeing the Ategrity's risk exposure framework for which climate-related risks are one of many factors considered. This year climate related risks were further escalated and broken out as part of Ategrity's Enterprise Risk Management ("ERM") framework, which includes the development of specific risk appetites and tolerances related to climate risks.

1A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

The Board is responsible for Ategrity's compliance with federal and state regulations and monitors climate related risks and opportunities as may relate to those objectives. The Audit Committee is responsible for financial risks and risk management activities, including overseeing Ategrity's ERM. The Audit Committee receives quarterly reports on the climate related risks and whether they are within defined tolerances. Further, the Investment Committee are responsible for directing Ategrity's fixed income investment activity in accordance with an investment policy that contemplates climate-related risks and is reviewed, and where required updated by the Board based on the most current information available.

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

The Executive Leadership team oversees Ategrity's exposure risk framework. On a day-to-day basis the management of the exposure risk framework is overseen by the Chief Underwriting Officer or their designee, who leads a team of professionals helping to evaluate potential risks, including identifying climate-related risks and opportunities. In addition to understanding such risks this team also considers metrics that could be used to establish benchmarks to inform the future incorporation of climate-related risks into our exposure risk framework. Additionally, the results of this analysis form a critical input for the broader ERM framework and are regularly reviewed.

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.

Ategrity has undertaken several steps consider climate-related risk factors across its operations and exposure risk framework. Ategrity has approached this analysis from the perspective of evaluating potential risks from a Short-, Medium- and Long-Term perspective. Ategrity has also focused on identifying climate-related risks and opportunities across its current product lines as well as incorporating an evolving understanding of climate-related risks into future product development.

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

Short Term (1-5 years) - Increased unpredictability and uncertainty in severity and frequency of losses driven by climate-related risks have resulted in additional risk around proper pricing of exposures and calculation of loss reserves.

Medium Term (5-10 years) - In addition to the Short Term risks, based on the increased unpredictability of climate related risks, there is increased uncertainty around changing dynamics within the lines Ategrity offers, including changes in market appetite. Further as Ategrity moves across a longer time horizon it believes that the ability to model future risk will be more difficult due to decreased predictive value in historical data.

Long Term (10-30 years) - In addition to the Short Term and Medium Term risks, over a longer time horizon Ategrity must evaluate how the cumulative impact of climate-risk related events may drive changes in market participants and such changes may result in shifting appetites that may result in more difficulty balancing risk via reinsurance transfer.

2B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.

Ategrity is well positioned to ensure that climate-related risks are minimized, and opportunities maximized by taking a thoughtful approach to incorporating the latest information into its underwriting process. This ensures that Ategrity can develop and position its products to meet the needs of partners and insureds as climate-related events become more frequent and less predictable.

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

Ategrity recognizes that unpredictability with respect to climate-related risks poses the greatest challenge and as a result it has made a commitment to re-evaluating its strategies as added information and scenarios arise. Ategrity's catastrophe modeling includes various rounds of model stress testing, which is in conjunction with risk aggregation approaches is designed to address various climate scenarios.

Risk Management

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

As part of the exposure risk framework, Ategrity incorporates climate-related risks into the development of its products and the markets it chooses to operate in. In addition, Ategrity has worked to ensure that its fixed income investment portfolio is managed with a similar view towards climate-related risks. This analysis allows Ategrity to use the best available information to ensure that it can accurately price its policies based on the corresponding climate-related risk.

3A. Describe the insurers' processes for identifying and assessing climate-related risks.

At Ategrity the foundation of good risk management rests on leveraging quality data and rigorous scientific methods to reach the best possible conclusions. To that end, Ategrity has implemented a variety of data sources and software tools both developed internally and in partnership with leaders in the industry that have enabled it to better analyze climate-based risks.

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

As part of the exposure risk framework and further described in the Metrics and Targets section Ategrity has developed a plan to manage risk through the selective targeting of geographies and using strategic risk transfer mechanisms.

3C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.

In addition to the development of the exposure risk framework, Ategrity has appointed a head of exposure management who has focused on evaluating climate related risks. Such evaluation has the head of exposure risk incorporating various predictive models to manage risk as well as model risk based on a broader geographic distribution to ensure that we are not subject to an undue exposure in a region as the result of an unpredictable climate-related event.

Metrics & Targets

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

Ategrity recognizes the potential damage that climate-related risks can present to it, as well as insureds. As a result, Ategrity has ensured that its catastrophe modeling incorporates sophisticated convective storm, hurricane, and storm surge models to ensure that it can evaluate the corresponding probable maximum loss scenarios across its lines of business.

4A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

In addition to Ategrity's modeling guidelines, it maintains proprietary measures to ensure that it does not accumulate disproportionate levels of risk in any specific geography through the analysis of not just those areas most likely at risk due to a climate-related event, but all zip codes. This process ensures that Ategrity can mitigate the risk of "black swan" events that may result from changing climate-related risks.

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

Ategrity in the preliminary stages of analyzing and tracking Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. We believe however that we have already updated our policies in a manner that we believe will lead to a reduction in the greenhouse gas emissions from our operations, including as described in the strategy section a move to a "remote first" organization without the heavy reliance on dedicated facilities

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

It is critical to evaluate past performance to help Ategrity improve its products on going forward basis. The evaluation of the performance of these models against actual outcomes is a critical piece of that evaluation and essential in creating the constant feedback loop between past performance, current evaluation, and future development that has been critical to Ategrity's success. As a result of this analysis in conjunction with the steps taken to analyze climate related risks, Ategrity can effectively manage those risks and evaluate performance based on its proprietary metrics.