

NAIC Climate risk Disclosure 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.

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.

RESPONSE TO GOVERNANCE

Not significant to the Company's operation. The Company writes less than 400 high dollar premium liability and workers compensation accounts with a staff of approximately 50 employees. Company does not write property coverage that is subject to weather related catastrophes, which are affected by environmental developments; therefore, climate related risks are not expected to unfavorably impact Cherokee results. Further, in its 26year history, the company has not been significantly affected by a weather/climate (hurricane, earthquake, flood, etc.) catastrophic loss.

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

Not significant to the Company's operation. The Company writes less than 400 high dollar premium liability and workers compensation accounts with a staff of approximately 50 employees. Company does not write property coverage that is subject to weather related catastrophes, which are affected by environmental developments; therefore, climate related risks are not expected to unfavorably impact Cherokee results. Further, in its 26year history, the company has not been significantly affected by a weather/climate (hurricane, earthquake, flood, etc.) catastrophic loss.

The Company's principal line of business is commercial auto liability (trucking). Emission standards are established by Federal and State regulation. Trucking companies are required to follow those regulations. Additionally, they have a natural incentive to improve the efficiency of their trucks. Increase miles per gallon lowers expenses and increases profitability. Over 20+ years, there have been substantial advances in miles per gallon for semi tractors (increasing from 5+miles per gallon to 7+ miles per gallon).

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

Not significant to the Company's operation. Cherokee does not have a geographic concentration exposure, or line of business catastrophe exposure. Cherokee is substantially a casualty insurer. Company does not write property coverage that is subject to weather related catastrophes, which are affected by environmental developments; therefore, climate related risks are not expected to unfavorably (or materially) impact Cherokee results. Further, in its 26year history, the Company has not been significantly affected by a weather/climate relate (hurricane, earthquake, flood, etc.) catastrophic loss.

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

Not significant to the Company's operation. Cherokee does not have a geographic concentration exposure, or line of business catastrophe exposure. Company does not write property coverage that is subject to weather related catastrophes, which are affected by environmental developments; therefore, climate related risks are not expected to unfavorably (or materially) impact Cherokee results. Further, in its 26year history, the Company has not been significantly affected by a weather/climate relate (hurricane, earthquake, flood, etc.) catastrophic loss.