NAIC CLIMATE RISK DISCLOSURE SURVEY For Reporting Year 2023

Company Name:	California Casualty & Fire Insurance Company		ty & Fire Insurance Company
NAIC No.:	27464	Group No.:	0033
Nationwide Direct Premiums Written: \$19,796,97		75	
Survey Questions			Narrative Responses
	rative: urer's governance around clima ities, insurers should consider in		
related risks and o • Describe where of within the insurer'	ude any publicly stated goals or pportunities. climate-related disclosure is had s structure, e.g., at a group leve ation. If handled at the group le	ndled el, entity	None Not Applicable
describe what activities are undertaken at the company level.			
oversight of climat	ard and/or committee responsing re-related risks and opportunitien resider including the following:	-	
•	ition on the board and/or comi e oversight of managing the clin sks.		The ERM Committee provides oversight on company risks including climate related risks. The Audit & Financial Review Committee of the Advisory Board is updated regularly and provides feedback on our ERM practices.
			Underwriting executives on company underwriting policy while conducting individual policy review, whereas the Reinsurance Committee oversees portfolio risk and makes catastrophe reinsurance purchases.
_	ement's role in assessing and n ks and opportunities.	nanaging	
	ed-ended questions directly copove, allowing for explanation e yes/no answers:	-	
	have publicly stated goals on c pportunities? (Y/N)	limate-	No

• Does your board have a member, members, a Yes committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N) Yes • Does management have a role in assessing climaterelated risks and opportunities? (Y/N) Yes • Does management have a role in managing climaterelated risks and opportunities? (Y/N) **Strategy Narrative:** 2. Disclose the actual and potential impacts of climaterelated risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material, insurers should consider including the following: • Describe the steps the insurer has taken to engage key The company's approach is to focus on avoiding loss constituencies on the topic of climate risk and resiliency. situations up-front through effective utilization of underwriting and acceptability guidelines. California Casualty does not have a formal plan for assessing or reducing emissions; however, many measures are taken to reduce environmental. impact. Waste services include composting and recycling of paper, glass and plastic in all of our office locations. And we use motion-sensor light controls, and green cleaning products are used. California Casualty does not have a formal plan for • Describe the insurer's plan to assess, reduce, or mitigate assessing or reducing emissions; however, many its greenhouse gas emissions in its operations or measures are taken to reduce environmental organizations. impact. Waste services include composting and recycling of paper, glass and plastic in our office locations. And we use motion-sensor light controls, and green cleaning products. A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term, insurers should consider including the following: The company continues to refine our approach to • Define short, medium, and long-term, if different than 1wildfire underwriting and has made product 5years as short term, 5-10 years as medium term, and 10changes to reduce loss costs associated with 30years as long term. wind/hail risks in the mid-west. We have also partnered with other carriers to provide our

customers with various options related to Earthquake risk. B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider to include the following: • Discuss if and how the insurer provides products or We do not. 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 We continually monitor our portfolio to ensure we remain divested from any thermal coal and carbon support the transition to a low carbon economy. fuel sectors. C. Describe the resilience of the insurer's strategy, taking The company performs stochastic modeling related into consideration different climate-related scenarios, to various business risk including catastrophe risk to including a 2 degree Celsius or lower scenario. understand the impact of catastrophe loss at various levels on the company's surplus position. Strategy - closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers: • Has the insurer taken steps to engage key constituencies No on the topic of climate risk and resiliency? (Y/N) • Does the insurer provide products or services to support No the transition to a low carbon economy or help customers adapt to climate risk? (Y/N) • Does the insurer make investments to support the Yes transition to a low carbon economy? (Y/N) • Does the insurer have a plan to assess, reduce or mitigate No, California Casualty does not currently have a its greenhouse gas emissions in its operations or plan in place to assess greenhouse gas emissions. organizations? (Y/N) However, the measures stated in a previous question above help the company reduce and mitigate greenhouse gas emissions. **Risk Management – Narrative:** 3. Disclose 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 California Casualty assesses climate related risks related risks on its underwriting portfolio, and how the through the use of risk models, on-site inspections, company is managing its underwriting exposure with concentration of business assessment at the point respect to physical, transition and liability risk. of sale and purchases catastrophe reinsurance.

• Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.

The company has periodically sent mailings to customer located in high wildfire risk areas advising them of the benefits of maintaining defensible space around their homes. Similarly, to the extent climate change could increase the risk of floods, either from heavier rains inland or from free storms from offshore, we do offer flood insurance via California Casualty's Agency Services.

• Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.

California Casualty is well-capitalized and has a very conservative investment portfolio. Accordingly, we are well-positioned to support our underwriting risks, including catastrophes resulting from climate change. Starting in 2016 and annually since California Casualty has monitored its investments to ensure they remain divested from the thermal coal and carbon fuel sectors. Monitoring of Environmental, Social and Governance (ESG) investing trends is ongoing.

- A. Describe 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.

Not Applicable

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

California Casualty utilizes Arc-GIS mapping software that is on the underwriter's desktop to understand how adding any additional property will change our total TIV and wildfire risk within a defined radius of the risk address.

- C. Describe 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.

California Casualty addresses climate-related risks in our underwriting practices described above as well as through our general ERM process and reinsurance purchase.

• Discuss the climate scenarios utilized by the insurer to California Casualty models a number of perils (fireanalyze its underwriting risks, including which risk factors following EQ, tornado/hail, winter storm, and the scenarios consider, what types of scenarios are used, hurricane and wildfire) which could be affected by and what timeframes are considered. climate change. California Casualty works with its investment • Discuss the climate scenarios utilized by the insurer to portfolio managers who model a number of perils analyze risks on its investments, including which risk (fire-following EQ, tornado/hail, winter storm, and factors are utilized, what types of scenarios are used, and hurricane, and wildfire) which could be affected by what timeframes are considered. climate change. Risk Management - closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers: Yes • Does the insurer have a process for identifying climaterelated risks? (Y/N) Yes, and also through line underwriter review! • If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) Yes • Does the insurer have a process for assessing climaterelated risks? (Y/N) • If yes, does the process include an assessment of Yes financial implications? (Y/N) Yes • Does the insurer have a process for managing climaterelated risks? (Y/N) Yes • Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable) Yes • Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N) • Has the insurer considered the impact of climate-related Yes risks on its investment portfolio? (Y/N) Yes • Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) Yes • Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) **Metrics and Targets Narrative:** 4. Disclose 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 California Casualty models a number of perils which manage the climate-related risks to your business. Please could be affected by climate change.

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, insurers should consider including the following:	Climate change, including global warming and sealevel rise is expected to result in increased annual variability in weather-related events, including wildfires, convective storms, winter storms, hurricanes, and floods. Damage resulting from such events is generally covered by policies underwritten by California Casualty and has instituted a number of methods to limit its exposure to such losses.
• 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)	Not applicable
B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Not applicable
C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.	Not applicable
Metrics and Targets – closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers:	
• Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N)	Yes
• Does the insurer use metrics to assess and monitor climate-related risks? (Y/N)	Yes
• Does the insurer have targets to manage climate-related risks and opportunities? (Y/N)	Yes
• Does the insurer have targets to manage climate-related	Yes