NAIC Numbers:	12944 & 15885
Company Names:	Homeowners Choice Property & Casualty Insurance Company, Inc. TypTap Insurance Company
Line of Business:	Property & Casualty
Group Filing:	Y
Group Number:	4792
Group Name:	HCI Group, Inc.

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.

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

Response to Governance:

At HCI Group, Inc. (the Company), the ultimate controlling parent of Homeowners Choice Property & Casualty Insurance, Inc. and TypTap Insurance Company, we believe Environmental, Social and Governance (ESG) oversight begins at the top. In March 2020, our Board of Directors established the Sustainability Committee, which is tasked with providing oversight and guidance with respect to material environmental, social and other sustainability matters. Management subsequently ensures implementation of ESG policies at all levels of the Company and regularly reports to the Committee regarding the status of ESG initiatives. Our integrated approach ensures that we achieve our ESG goals.

The Sustainability Committee has the power and authority to conduct or authorize studies and investigations into any matter of interest or concern within the scope of its responsibilities that the Committee deems appropriate and has the sole authority to retain and terminate any search firm, consultants, or other experts to assist in the conduct of any such study or investigation, including the authority to approve fees payable to such experts and any other terms of retention.

The most material environmental risk to the Company is that of extreme weather. Notably, climate change has been identified as one of the risk factors that could have a material effect on our results of operations, financial condition and liquidity in the Form 10K filed each year with the U.S. Securities and Exchange Commission by HCI Group, Inc. The disclosure notes that "There is an emerging scientific consensus on climate change, which may affect the frequency and severity of storms, floods and other weather events, and negatively affect our business, results of operations, and/or financial condition". We work to mitigate this risk by offering insurance policies with only a one-year duration and securing reinsurance from other insurance companies that indemnify us against losses we might incur as the result of catastrophic events impacting our policyholders, capital setting and investment decisions. All private insurance companies reinsuring the Company are AM Best rated 'A-' (Excellent) or better or have fully collateralized their obligations to the Company. Risks are reviewed and assessed at regularly scheduled meetings of our senior management, board of directors and investment committee.

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

The Company offers residential insurance products, and it operates mainly in the state of Florida which is impacted largely by climate change due to its exposure to rising sea levels, rising temperatures, increasing precipitation, and intensifying storms/storm surge.

- Negative impact in our results of operations and financial condition as a result of possible increased frequency and/or severity of weather-related catastrophic losses
- Loss or significant impairment of functionality in our facilities due to severe weather
- Changes in the frequency and severity of weather-related events may have an impact on the demand and price of homeowners insurance and reinsurance coverages
- Erosion of our investment portfolio
- Negative impact due to changing regulatory environment related to climate change

As a member of several industry organizations, the company relies on these organizations to address climate change risks. Further, HCI keeps its shareholders informed of climate risk and other key risks it faces, through the disclosures on Forms 10K and 8K, proxy statement and shareholders' meetings.

The Company offers several discounts for risk mitigation efforts to its policyholders. Discounts reduce the premium we charge while reducing the potential losses due to weather-type events. Discounts are based on property features which include, but are not limited to, age of the home, roof shape, roof covering, secondary water resistance and opening protection. The Company also provides policyholders with "A Notice of Premium Discounts for Hurricane Loss Mitigation" which describes discounts available to further reduce their premium if their home is updated with additional features. The utilization of hurricane deductibles also encourages consumers to proactively mitigate weather claims.

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:

The Company manages its catastrophe exposures by looking at both stochastic and deterministic metrics. These metrics are contemplated in reinsurance buying and portfolio and catastrophe management decisions. The Company utilizes a catastrophe model that is commonly accepted in the industry to assess its catastrophe risk. The Company regularly evaluates its books of business to confirm that all policies continue to meet internal underwriting standards. Loss trends including losses from weather events are reviewed consistently from senior management.

In addition, the Company utilizes Guy Carpenter & Company, LLC, a leading global risk and reinsurance intermediary, to help them assess their risk to natural catastrophe perils which includes several model views, including both near-term and long-term views of risk, as well as supplemental sources of data that leverage the latest weather data and technology.

The Company has also in place a business continuity and disaster recovery program that is renewed and updated annually that addresses Company's response in case of a major weather event.

The Company has a very conservative approach regarding its investment portfolio which follows guidelines as established in the investment policy. However, over the recent years we have in fact adjusted our outlook and asset allocation in part due to concerns about many inputs of information one of which would be climate change.

Here are some of the actions we have taken as a result:

- Eliminated our risk to municipal bonds and the states and counties which could be impacted negatively by climate change.
- Shortened the duration of our taxable bond portfolio to reduce risk and be in a better position to reinvest later with more current information.

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 Metric and Targets:

The Company works closely with its reinsurance intermediary to identify climate change-related risks and to assess these risks through catastrophe modeling and risk score analyses of current and future climate scenarios. The catastrophe model is based on long term data which includes indicators of climate change from the recent years inherently within it. In addition, it includes sea surface temperature trends as a predictor for anomalous Atlantic Hurricane activity. As part of our on-going risk assessment and monitoring of our capital adequacy, the Company evaluates the financial impact of potential catastrophes under various scenarios and purchases reinsurance to mitigate such risks.

The reinsurance intermediary relies on an internal group of scientists as well as academic collaborations to produce the climate change products. The hazard layers will be intersected with our book of business to better understand how the company's physical risk is driven by certain geographies and perils and how that compares to its peers.

The Company is committed to reducing emissions and our environmental impact in our operations. Our facilities are equipped with the following:

- Energy Management System, which monitors AC, carbon dioxide, exhaust and lighting
- Solar shielding on windows
- LED lights throughout
- Low pressure faucets
- Low flow toilets
- Motion sensing light switches

In addition, we have discontinued the use of clear plastic solo cups, paper coffee cups, and straws; we have provided reusable cups to all of our employees; we recycle plastic, paper and aluminum cans, and use online services and video conferencing capabilities for meetings and interviews when possible.

Since the COVID-19 pandemic of 2020, remote and/or hybrid working schedules have been set and remain in place at HCI, enhanced by the use of virtual conferencing technology, thus greatly reducing carbon footprint.

With respect to our IT operations, the Company looks to reduce our energy consumption. Specifically, IT operations has consolidated its on-premises server environment to virtual technologies. This virtual consolidation allows our servers to share resources and in-turn reduce electrical usage. Additionally, IT operations has contracted with professional co-location services and cloud infrastructure providers for offsite server infrastructure. These services are multi-tenant, providing economy of scale and purposeful design to run with lower electrical usage than our on-premises server environment.