AMERISURE INSURANCE 2024 TCFD REPORT

August 2024

Governance

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

At this time, Amerisure does not have a separate or specific policy for governing or managing climate-related risks and opportunities. However, Amerisure has dedicated considerable time and attention to Environmental, Social and Corporate Governance (ESG) topics in recent years and views each as a crucial component in the company's strategic success. Amerisure understands the importance of adapting to the impacts of climate change as well as understanding climate-related risks and opportunities across markets.

a. Describe the board's oversight of climate-related risks and opportunities

Amerisure's Board of Directors has ultimate responsibility for the oversight of the organization's performance objectives, business strategies and risk appetites. This includes the comprehension and consideration of all the organization's most important risks and potential opportunities associated with the company's chosen strategies along with overseeing the management team's decision making and execution in pursuit of those strategies. The Board of Directors receives regular updates from the corporate governance and enterprise risk management teams detailing the company's highest priority issues and risks, along with any progress on chosen and approved mitigation efforts. Specifically, the Board of Directors received regularly scheduled Enterprise Risk Management (ERM) updates in the May and December board meetings, which is inclusive of ESG topics.

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

Within Amerisure's management teams, the primary units leading the assessment and management of climate-related risks are the legal and enterprise risk management departments. The legal department at Amerisure has dedicated attorneys to focus on specific areas of the law, including corporate, regulatory, compliance, public policy, corporate litigation and legal operations. These team members stay informed of the regulatory landscape, including emerging requirements related to ESG. The team members of the legal department are in contact with regulators and lawmakers and are familiar with ESG issues including climate change. These members liaise with Amerisure's operational departments and through these communications ensure compliance with any regulations and laws regarding climate risk. In addition, the legal team actively engages in dialogue with Amerisure's operational departments around these developing topics. The ERM team is the primary unit conducting identification and assessment of risks for possible impact on the company's strategic success. The ERM team also leads efforts around the subsequent review of potential mitigation strategies with Amerisure's management teams where climate-related risks are assessed to be of high priority. Both departments are regularly included in

quarterly board meeting agendas and speak to climate-related risks and opportunities when warranted or requested.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.

Amerisure's strategy is to create exceptional value for its agency partners, policyholders and employees by operating as an industry-leading specialist, transforming the insurance experience through partnership and expertise. Amerisure's core strengths are its deep and widespread expertise in the construction and manufacturing industries, uniquely strong partnerships with select distribution partners and specialized product offerings tailored to our targeted industries and niche markets. Leveraging these strengths, Amerisure differentiates itself by virtue of being an extremely focused and effective financial partner that provides improved operational results, reduced financial costs and service second to none.

Amerisure distributes its insurance products through an exclusive network of elite, closely aligned independent agency partners, our Partners for Success program, and managing general agents. These tightly formed relationships further enhance Amerisure's strategic focus on industry specialization and service standards by bringing us closer to our policyholders and their priorities. High levels of success and trust with our agency partners, as demonstrated by Amerisure's Net Promotor Scores that rank above the industry average with agents and lead the industry with policyholders, are further proof of the success Amerisure has achieved with its strategy.

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

Amerisure takes a holistic approach to enterprise risk management, under which the company's most significant risks are regularly identified, assessed and prioritized in the context of Amerisure's operating and strategic objectives. Where significant risk is assessed – irrespective of source – Amerisure's management team evaluates strategies developed by involved business units, teams and departments for minimizing exposures, maximizing successes, and always improving Amerisure's ability to achieve its business goals.

Climate risk has not yet been identified or prioritized as a discrete, stand-alone risk by Amerisure under this paradigm, and is instead considered by its potential influence on other more effectively controllable, measurable and exploitable risks within the company's ERM risk catalog. Its potential effects and influences on other identified and cataloged risks are considered as part of the existing assessment processes in place. As such, climate-related risk is considered in a variety of locations throughout the

company and is addressed in the context of those location's effected risks when encountered as a priority.

Using this strategy, Amerisure has considered multiple scenarios in which climate-related risk could manifest through influence and impact on risks identified in our risk catalog in the coming periods. Examples of climate-related risk scenarios considered are shown in the table below:

Scenario Description	Risk Style	Risk	Risk Category
Reduced relative and absolute performance of company investment portfolio due to lack of ESG-specific policies in portfolio policy and guidelines	Transition	Asset	Financial
Ability to place preferred reinsurance platform negatively impacted due to increasing frequency of catastrophe events	Transition	Reinsurance	Financial
Migration of wildfire-prone geographies into eastern territories impacting loss experience and underwriting risk profiles due to climate change	Physical	Catastrophe	Insurance
Increased frequency and severity of hurricane storms along eastern US coast impacting insurance portfolio profitability	Physical	Catastrophe	Insurance
Change in surface area of insurable risks in target industries due to legislative/regulatory changes and evolving risk profiles related to climate-related risk	Transition	Underwriting	Insurance
New regulations enacted aimed at curbing emissions in construction and manufacturing industries result in significant financial strain on policyholders.	Transition	Concentration	Strategy

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

Amerisure's current assessment of climate-related risk is that physical risks related to increased catastrophic storm events and the potential impact these events may have on our property insurance products create the most direct exposure. However, with around 10% of our annual premium writings in the property insurance segments and a robust catastrophe reinsurance program in place, the impact from physical climate-related risks relative to other risks has been assessed to be non-material. This is supported by multiple years of analysis performed on both Amerisure's modelled annual exceedance probability (AEP) of net pre-catastrophe insurance losses, annual deterministic scenario modelling of severe convective storm (SCS) losses performed with the assistance of our reinsurance broker as well as through annual stress testing using the Company's internal capital models. In the most recent version of the Company's stress testing analysis, a Climate Risk scenario was constructed in which all hurricane event frequency and severities were scaled up by 50% in order to estimate potential increased hurricane activity in the 2030-2040 time periods. Analysis of the scenario supports our conclusion of climate risk being non-material as the impact to expected earnings, change in surplus and capital adequacy ratios were all minimal. Along with the catastrophe reinsurance program currently in place, impact of company surplus is minimal from catastrophe events even considering any impact from climate change in reasonable prediction horizons.

While the immediate impact of increased physical risks is limited, Amerisure has observed the increased occurrence of severe weather across much of the United States in recent years. Wildfires, aided by

severe droughts, are increasingly prevalent in the West. Severe storms, commonly leading to wind and hail damage, are relatively commonplace in the South-Central now. Specifically, there have been three consecutive years of increased hurricane activity in the Gulf of Mexico with increased landfalls (including Louisiana and Florida being struck). In the Southwest and Midwest, there has been an increase in both the frequency and severity of convective storms. Across the Midwest and Northeast, artic temperatures are increasing as well as experiencing an increase in large snow falls and more severe storms than previously recorded.

Amerisure is also focused on the recent spells of increased temperatures being experienced for prolonged periods, particularly in the western half of the United States. These increased temperatures and their potential impact on working conditions are of particular interest to Amerisure's underwriting and risk management units. Continuous testing and evaluation of existing underwriting standards, worker safety and loss prevention procedures have been underway. Changes to communications and messaging with our agencies and policyholders regarding worker safety, hydration and heat management have already been made, however the majority of the company's existing underwriting standards and safety procedures were deemed sufficient to handle the adverse conditions. With these emerging challenges, Amerisure remains alert to the evolving impact climate-related risk may have over the medium- and long-term horizons on our underwriting strategy in property and casualty lines and is monitoring these challenges closely with our underwriting processes, while looking at the capacity our organization is willing and able to offer to the market, and at what cost this capacity is offered. To these ends, Amerisure continues to invest in new technologies aimed at improving our capabilities to underwrite policies subject to evolving risk profiles due to climate change. Amerisure has also recently created new capacity allocation processes and tolerances to control aggregate exposures to single events by geographic region. Additionally, Amerisure is constantly exploring new methods to help identify areas of potential greatest impact to create new underwriting guidelines. Amerisure has also observed increasing upward rate pressure in the reinsurance markets as reinsurers spread the cost of these events around to all those they support. Over the medium- to long-term horizons, Amerisure may experience increasing challenges to successfully place our current reinsurance structure as it exists today, however, Amerisure has been successful in securing consistent levels of reinsurance for our programs in recent renewal periods, and will continue seeking out reinsurance opportunities consistent with its risk profiles.

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

Annually, Amerisure performs a variety of scenario stress tests on overall capital position using its internal capital model. Results of this scenario testing are utilized in the development of the overall company strategy as well as in the determination of excess capital available for use within the company's defined risk appetite and tolerances. To assess climate risk, Amerisure utilizes hurricane event tables that have been scaled upward by 50% to estimate the potential increased hurricane activity in the 2030-2040 time period. Analysis of this scenario shows very limited impact to projected company earnings, change in policyholder surplus or capital adequacy ratios.

As discussed above, Amerisure's current assessment of climate-related risk is that physical risks related to increased catastrophic storm events impacting our property insurance products are most directly exposed. However, given our limited writings in the property insurance segments and robust reinsurance structure, total exposure to physical risks from climate-related risks are limited in total as well as relative to other carriers with whom we compete. Given that, Amerisure believes that its current specialist strategy focused on exceptional loss control service in the casualty-oriented lines of business should be particularly resilient to climate-related risks. Our position within the market as a specialist within the construction and manufacturing industries that provides unique and innovative loss control abilities to our customers positions us well to confront and mitigate future challenges related to climate-related risk be it either physical or transition risk.

Risk Management

Describe how the organization identifies, assesses, and manages climate-related risks.

a. Describe the organization's process for identifying and assessing climate-related risks.

Amerisure takes a holistic approach to enterprise risk management under which the company's risks are regularly identified, assessed and prioritized in the context of Amerisure's operating and strategic objectives. Where significant risk is assessed – irrespective of source – Amerisure's management team evaluates strategies for the organization to minimize exposures, maximize successes, and improve Amerisure's ability to achieve its business goals.

Due to the wide-ranging variety of impacts and its ability to influence and change nearly every category of risk already identified by Amerisure's process, climate risk has not been defined as a discrete, stand-alone risk under this paradigm. Instead, its potential influences on other more effectively definable, controllable, measurable and exploitable risks within the company's ERM risk catalog are considered via identification of specific scenarios in which climate-related risk plays a role. These scenarios are then assessed as part of the ERM risk assessment process and results of underlying scenarios are used to rank risks against each other for priority. As such, climate-related risks are considered in a variety of locations throughout the company's risk hierarchy and are addressed in the context of the given risks when assessed as a priority.

Using this strategy, Amerisure has considered a variety of scenarios in which climate-related risk could manifest itself in Amerisure's strategy and business plans. Examples of scenarios considered include: the impact on reinsurance cost that increased catastrophic storm frequency along eastern US coastal geographies, the impact on underwriting risk from increased wildfire risk in the western US geographies, the impact to underwriting risk caused by a reduced footprint of insurable risks within Amerisure's underwriting appetite, and the impact to strategy risk and associated existing concentrations in our distribution network and target markets caused by climate-related risk. As explained above, each of these climate-related scenarios are assessed along with all other non-climate-related scenarios for overall risk scoring and prioritization against company goals.

Assessment of scenarios is performed by subject matter experts for each risk. Most often these assessments are based on a mosaic of information gathered through multiple sources including analytical analysis, consideration of industry research, feedback from consultants and professional experience. As an example, reinsurance risk considers a scenario describing significant cost increases in hurricane catastrophe reinsurance coverage due to increased climate-risk. To provide an assessment of relative risk for this scenario, the reinsurance team relies on a combination of sources that include modeling results of our predicted exposure to hurricane storms, discussions with our reinsurance broker on market

conditions, discussions with management on budget constraints, the study of historical experience and direct discussions with reinsurance counterparties.

b. Describe the organization's processes for managing climate-related risks.

Utilizing the assessment process described in the prior section, any risk that is prioritized highly undergoes subsequent review by the relevant business units, leadership teams and the Enterprise Risk Management team. Options for increased mitigation efforts, adjusted risk appetites and increased monitoring are all reviewed and considered within the context of company strategic plans and financial impact. For risks that have been assessed highly in the past and undergone subsequent evaluation, Amerisure has taken action in multiple ways. A common response is the identification and establishment of a set of risk metrics and associated tolerances that are tracked and reported on regularly to management teams and to the Board of Directors. Changes to business policies and adjusting business plans have also been enacted following the evaluation of highly prioritized risks.

Amerisure's current assessment of climate-related risk is that physical risks related to increased catastrophic storm events impacting our property insurance products are most directly exposed. However, around 10% of our business writings are in the property insurance segments, limiting the total exposure the company has to physical, climate-related risks relative to other carriers with whom we compete. No climate-related specific risks have been assessed highly enough to warrant subsequent ERM-lead mitigation analysis to date. However, if a climate-related risk were to be prioritized, the described process would be applied as with other risks. Despite the limited scope of climate-related risk to Amerisure's risk profile, we acknowledge climate change as a factor causing change within many areas of our risk catalog. Amerisure has already begun measuring the increasing frequency or intensity of natural hazard events and continues to assess our exposure to climate-related risks. We have in place already, multiple risk metric tolerances tracking our predicted exposure to catastrophe loss events and reinsurance structure resiliency to both ability- and willingness-to pay events with reinsurer counterparties. Additionally, as discussed earlier, Amerisure conducts an annual scenario stress testing analysis which includes a Climate Risk scenario to estimate the current potential for impact to Amerisure's financial health.

Metrics and Targets

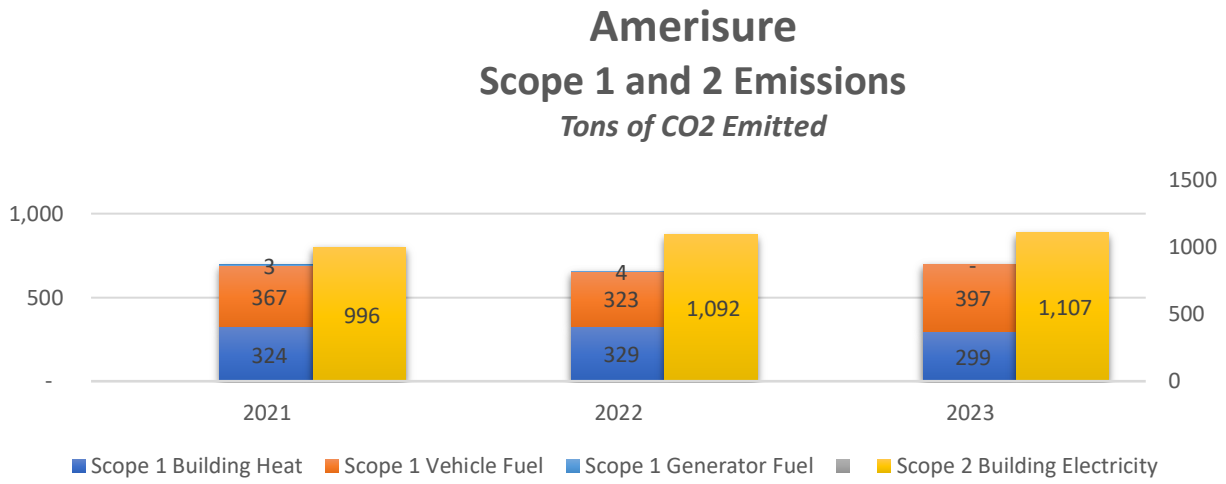
Disclose metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

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

Net pre-cat occurrence PML, net pre-cat annual PML, TIV in 1-mile radius, TIV in 3-mile radius, TIV by county, premium concentration by industry, premium concentration by risk state

b. Disclose scope 1, scope 2 and if appropriate scope 3 greenhouse gas (GHG) emissions, and the related risks.

Amerisure's scope 1 and 2 emissions are included below. Scope 3 emissions are not yet tracked.



c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Amerisure has not yet established targets specifically to manage climate-related risks that have been prioritized within the company's ERM risk process. Several risk tolerances have been put in place for metrics that are used to assess relative amounts of climate-related risk, however. Those include modeled net pre-cat occurrence PML of the company's current underwriting exposures, premium concentrations by risk state, estimated loss from SCS by county, premium concentrations by industry and premium concentration by agency.