

NAIC CLIMATE RISK DISCLOSURE SURVEY
For Reporting Year 2023

Company Name:	California Casualty General Insurance Company of Oregon		
NAIC No.:	35955	Group No.:	0033
Nationwide Direct Premiums Written:		\$79,364,411	
<u>Survey Questions</u>		<u>Narrative Responses</u>	
<p>Governance – Narrative:</p> <p><i>1. Disclose the insurer’s governance around climate-related risks and opportunities, insurers should consider including the following:</i></p> <ul style="list-style-type: none"> • 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. <p><i>A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities, insurers should consider including the following:</i></p> <ul style="list-style-type: none"> • Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks. <p><i>B. Describe management's role in assessing and managing climate-related risks and opportunities.</i></p> <p>Governance – closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers:</p> <ul style="list-style-type: none"> • Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N) 		<p>None</p> <p>Not Applicable</p> <p>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.</p> <p>Underwriting executives on company underwriting policy while conducting individual policy review, whereas the Reinsurance Committee oversees portfolio risk and makes catastrophe reinsurance purchases.</p> <p>No</p>	

<ul style="list-style-type: none"> • Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N) • Does management have a role in assessing climate-related risks and opportunities? (Y/N) • Does management have a role in managing climate-related risks and opportunities? (Y/N) 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>Strategy Narrative:</p> <p><i>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, insurers should consider including the following:</i></p> <ul style="list-style-type: none"> • 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. <p><i>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:</i></p> <ul style="list-style-type: none"> • 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. 	<p>The company's approach is to focus on avoiding loss situations up-front through effective utilization of underwriting and acceptability guidelines.</p> <p>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.</p> <p>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 our office locations. And we use motion-sensor light controls, and green cleaning products.</p> <p>The company continues to refine our approach to wildfire underwriting and has made product changes to reduce loss costs associated with wind/hail risks in the mid-west. We have also partnered with other carriers to provide our</p>

<p><i>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:</i></p> <ul style="list-style-type: none"> • 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. <p><i>C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.</i></p> <p>Strategy - closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers:</p> <ul style="list-style-type: none"> • Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N) • Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N) • Does the insurer make investments to support the transition to a low carbon economy? (Y/N) • Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N) 	<p>customers with various options related to Earthquake risk.</p> <p>We do not.</p> <p>We continually monitor our portfolio to ensure we remain divested from any thermal coal and carbon fuel sectors.</p> <p>The company performs stochastic modeling related to various business risk including catastrophe risk to understand the impact of catastrophe loss at various levels on the company's surplus position.</p> <p>No</p> <p>No</p> <p>Yes</p> <p>No, California Casualty does not currently have a plan in place to assess greenhouse gas emissions. However, the measures stated in a previous question above help the company reduce and mitigate greenhouse gas emissions.</p>
<p>Risk Management – Narrative:</p> <p><i>3. Disclose how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:</i></p> <ul style="list-style-type: none"> • 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. 	<p>California Casualty assesses climate related risks through the use of risk models, on-site inspections, concentration of business assessment at the point of sale and purchases catastrophe reinsurance.</p>

<ul style="list-style-type: none"> • 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. <p><i>A. Describe the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:</i></p> <ul style="list-style-type: none"> • Discuss whether the process includes an assessment of financial implications and how frequently the process is completed. <p><i>B. Describe the insurer's processes for managing climate-related risks.</i></p> <p><i>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:</i></p> <ul style="list-style-type: none"> • 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. 	<p>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.</p> <p>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.</p> <p>Not Applicable</p> <p>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.</p> <p>California Casualty addresses climate-related risks in our underwriting practices described above as well as through our general ERM process and reinsurance purchase.</p>
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<ul style="list-style-type: none"> • 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. <p>Risk Management – closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers:</p> <ul style="list-style-type: none"> • Does the insurer have a process for identifying climate-related risks? (Y/N) • If yes, are climate-related risks addressed through the insurer’s general enterprise-risk management process? (Y/N) • Does the insurer have a process for assessing climate-related risks? (Y/N) • If yes, does the process include an assessment of financial implications? (Y/N) • Does the insurer have a process for managing climate-related risks? (Y/N) • Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable) • 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 risks on its investment portfolio? (Y/N) • Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) • Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) 	<p>California Casualty models a number of perils (fire-following EQ, tornado/hail, winter storm, and hurricane and wildfire) which could be affected by climate change.</p> <p>California Casualty works with its investment portfolio managers who model a number of perils (fire-following EQ, tornado/hail, winter storm, and hurricane, and wildfire) which could be affected by climate change.</p> <p>Yes</p> <p>Yes, and also through line underwriter review!</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>Metrics and Targets Narrative:</p> <p><i>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:</i></p> <p>Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please</p>	<p>California Casualty models a number of perils which could be affected by climate change.</p>

<p>specify for which climate-related risks the insurer uses catastrophe models to assess, if any.</p> <p><i>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:</i></p> <ul style="list-style-type: none"> • 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) <p><i>B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</i></p> <p><i>C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.</i></p> <p>Metrics and Targets – closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers:</p> <ul style="list-style-type: none"> • Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N) • Does the insurer use metrics to assess and monitor climate-related risks? (Y/N) • Does the insurer have targets to manage climate-related risks and opportunities? (Y/N) • Does the insurer have targets to manage climate-related performance? (Y/N) 	<p>Climate change, including global warming and sea-level 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.</p> <p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
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