

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.*

First Protective Insurance Company (FPIC) and Frontline Insurance Unlimited Company (FIUC) (collectively Frontline) are privately held companies, and have implemented the following processes to address climate-related risks and opportunities at the group level:

Frontline bases its risk management and investment management decisions on actual insurance underwriting, claims, and related experience, and qualified investment counsel. This information is incorporated into Frontline's risk management framework, which is designed to reasonably mitigate relevant risks affecting the organization, including the risk of weather-related events and natural disasters. The Company's implemented catastrophe modelling is also an integral aspect of assessing our weather-related risks. Frontline considers multiple factors that could impact the business objectives, including existing and emerging regulatory requirements related to climate change. Loss trends, including those caused by climate-related risks, are also monitored as part of Frontline's risk management framework.

Frontline's key business risks are communicated to and evaluated by its senior leadership. In addition, Frontline maintains reinsurance to help mitigate its insurance underwriting risk and has business continuity and disaster recovery programs. Regarding specific activities undertaken, Frontline has incorporated renewable, sustainable, solar energy into the powering of its headquarters. Frontline also continues to explore ways to reduce expenses which may reduce emissions in its operations. Examples include but are not limited to electronic delivery of policies, notifications, and required disclosures where required by law, digital communications, and servicing where allowed by law, and energy efficient information technology. As a privately held company, Frontline has no publicly stated goals on climate-related risks and opportunities.

- 1.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.*

One function of the Board of Directors ("Board") is to oversee Frontline's operations. Directly and through multiple committees operating cohesively, including the Audit

Committee and Investment Committee, the Board is charged with determining that all appropriate policies and practices are in place for managing the identified risks faced by the Company, including those risks pertaining to climate change. Achieving our environmental goals is heavily reliant upon this multi-faceted and collaborative approach. The Board and related committees receive, analyze, and discuss relevant and material information and reports requested from and supplied by management. This includes the governance and approval of the Own Risk Solvency Assessment (ORSA) report which underscores the importance and weight placed on risk and capital throughout the organization. Frontline's Chief Financial Officer, Investment Committee, and Investment Advisor (retained by the Investment Committee) are responsible for the oversight of all investments subject to approval by the entire Board. Frontline's Investment Guidelines, with which all investments must comply, undergo an annual review by the Board. While the Investment Guidelines do not specifically refer to climate-related risks and opportunities, those issues are considered by the CFO, the Committee, the advisor, and the Board.

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

Management has an extensive role in assessing and managing climate-related risks and opportunities while simultaneously ensuring that the Board has all the necessary and pertinent information, they require in order to exercise their oversight responsibilities. Management is actively involved in assessing climate impacts to our lines of business and partnering with actuarial team members, business analysts, as well as strategy and risk committee members to determine property and liability exposures in establishing appropriate pricing levels to ensure adequate coverage of claims and future loss and loss adjustment expense development. In addition, management utilizes recognized catastrophic modeling resources to assess its exposure, and to ensure a geographic spread of risk across counties and states in an effort to mitigate any potential vulnerability due to highly concentrated climate-related claims.

*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.*

Frontline continually assesses and reflects on the actual and potential impacts of climate-related risks and opportunities on the business, strategy, and financial planning. For example, Frontline regularly utilizes computer-generated weather models to assess our concentrations of risk, potential impacts to frequency and severity of storms, and those interrelated effects on our underwriting and product pricing. Frontline will continue to monitor the impact that weather and other climate change factors may have on our business, ensuring adaptability with this process in the future as more data and a better understanding of the patterns emerge. Frontline's most susceptible property exposures with regards to climate-related changes are primarily related to our coastal insureds. Through our assessments, we can analyze the information and take appropriate actions to mitigate the effects to the business.

Frontline has relatively minor greenhouse gas impacts from our operations or customers we serve. Our home office campus has capacity to house approximately three hundred employees, but our work environment allows team members to customize their work location and schedule. Frontline is constantly re-assessing our home office facilities to identify opportunities to enhance energy efficiency and reduce or mitigate emissions. We continue to replace and update water saving devices and energy efficient lighting throughout the building. The Company's solar panel farm in our parking lot provides our employees' cars with shade as well as contributes to powering the building and multiple electric-vehicle charging ports. These charging stations also incentivize the purchase and use of electric vehicles among our employees by providing ease of access. Additionally, we've implemented several projects that are geared towards more electronic policy and document delivery, as well as fewer physical mailings.

Although we do not specifically measure or quantify emissions, we seek to minimize paper and other waste products by promoting paperless systems and electronic communication. We eliminate any potential need for physical documentation by utilizing a full insurance software system for paperless billing, underwriting and claims administration. Employees are encouraged to utilize email and virtual messaging applications for all interpersonal communication to minimize the distribution of paper, and we also utilize websites, agent and insured portals, and mobile applications for agents and policyholders to send and receive policy information electronically. Customers are able to file claims over the phone, through our mobile app or on our public-facing website, which greatly reduces our use of paper.

*2.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.*

The primary consideration of climate-related risks and scenarios, within the short, medium, and long term, applies to property exposures and the range of potential impacts of hurricanes on those exposures. Various industry models are used to forecast the potential losses to determine rate adequacy of these projections and surplus at risk. Frontline utilizes various models in assessing our business operations and strategies and carefully scrutinizes their respective results when establishing prices for the products we offer.

*2.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.*

Frontline underwrites a diverse set of products and coverages across the Property & Casualty industry. As part of its risk management strategy, Frontline utilizes recognized catastrophic modeling resources and reinsurance to understand, analyze and mitigate risk. Considering these efforts, Frontline has determined that its companies have limited net exposure to concentrated property risk and its present catastrophe modeling resources and reinsurance efforts are appropriate for its circumstances. Further, Property & Casualty underwriting risks are mostly subjected to re-pricing on an annual basis. Therefore, to the extent that climate change may impact the number and severity of losses for Frontline's policyholders, that impact would likely be long-term in nature and would be considered in the normal pricing and underwriting process. Additionally, in an effort to support the transition to a low carbon economy, Frontline provides our customers with the ability to file claims over the phone or on our website or client facing portal, further reducing the need for paper or mail.

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

Given the aforementioned mitigants, including but not limited to the diversity of Frontline's exposures, the use of catastrophe modeling, and reinsurance, Frontline has determined that it is resilient to severe climate-related scenarios. We have not currently estimated the impacts of a 2-degree Celsius change.

*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.*

Frontline's Enterprise Risk Management (ERM) process involves recognizing particular circumstances associated with its goals, determining relevant risks, and creating a response strategy. Frontline takes a realistic approach in reference to managing climate risks that characterizes our liability to climate risks while considering our size and geographic location. At the minimum, an enterprise risk assessment is performed annually to identify those risks that have the greatest impact on Frontline. Additionally, these risks are assessed as part of Frontline's underwriting criteria, where applicable, based on specific product, coverage, and customer considerations.

*3.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.*

Our climate-related risks are addressed through the Frontline ERM process as previously described. The ERM process is continually monitored and updated with a full review and publication of our risks and ratings prepared annually.

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

Please see the response to questions 1 and 2.

*3.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.*

Please see the response to questions 1, 2, and 3.

*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.*

As previously described, Frontline considers the primary climate-related risks to be property exposures and the impacts of hurricanes on those exposures. While Frontline has not implemented any procedural metrics, the Company regularly utilizes weather computer models to assess our concentrations of risk, potential impacts of frequency and severity of storms, and those interrelated effects on our underwriting and product pricing. The models are utilized for assessing our property exposures within our operating footprint. Probable Maximum Loss (PML) modeling is used to determine the extent of necessary catastrophe reinsurance, including structure and limits. This modeling is updated regularly to capture current exposures. Weather factors largely encompass hurricane exposures, given that the majority of our business is primarily located on the coast in the southeast United States. Model results at the 1 in 100 years have particular focus. Significant CAT events are overlayed on various anticipated high exposure areas of our footprint to assess some of the most severe impacts as pricing of our products and levels of ceded reinsurance are considered. Additionally, as part of our on-going risk assessment and monitoring of our capital adequacy, we assess the financial effect of potential catastrophes under various

scenarios and purchase reinsurance where needed to preemptively manage those inherent risks.

*4.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.*

Please see the response to question 4.

*4.B Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*

Frontline does not measure or assess carbon emissions and greenhouse gases or their potential implications regarding business lines or geographies. Our primary climate-related physical risks are property exposures which are assessed for potential losses.

*4.C Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.*

Please see the response to question 4.