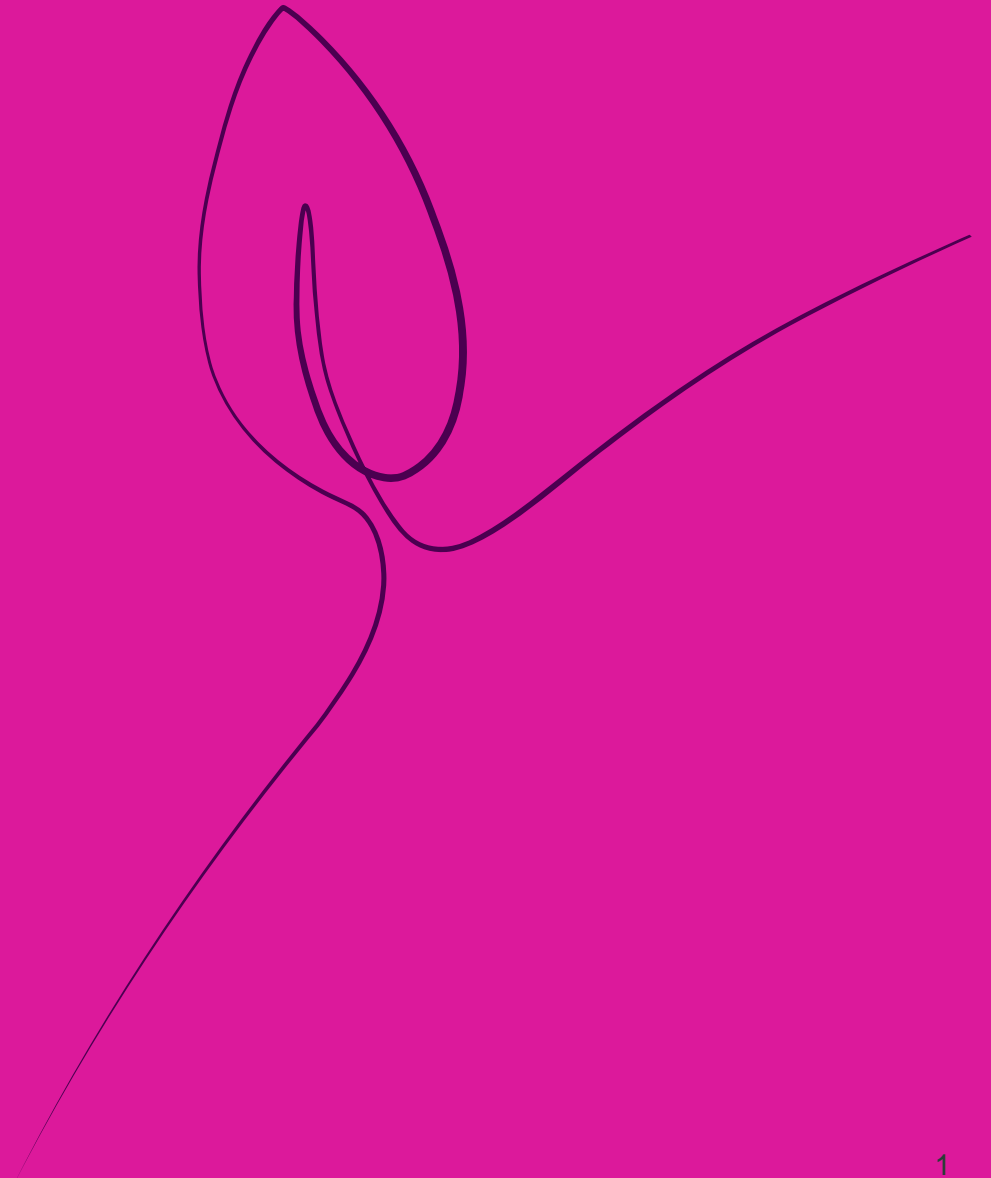


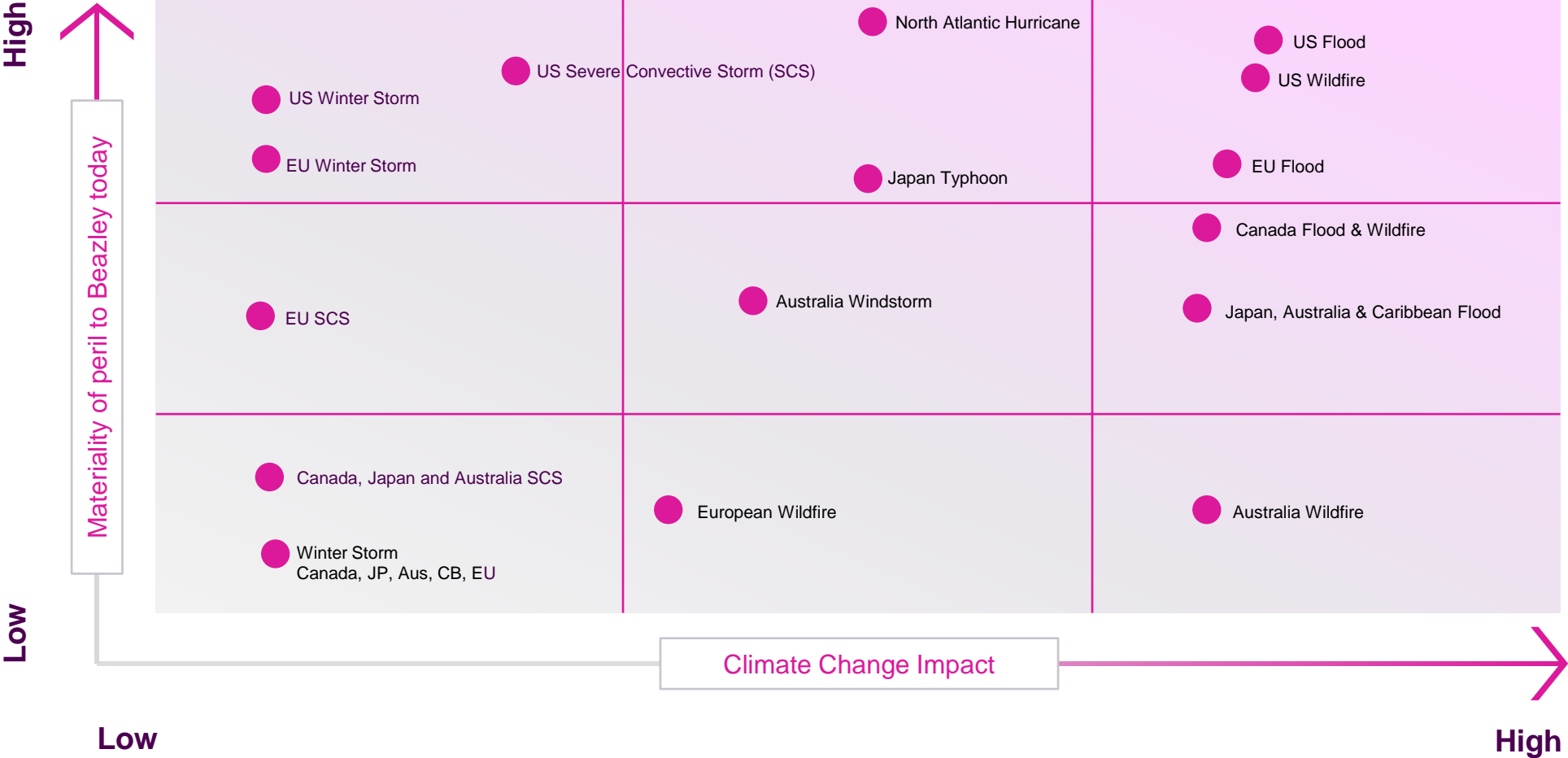
# Underwriting for climate change

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November 2023

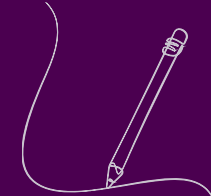


# Materiality Assessment



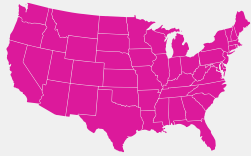
\* Climate change impact includes both severity of impact and scientific consensus

# Materiality Assessment



# Pricing for Climate Risk

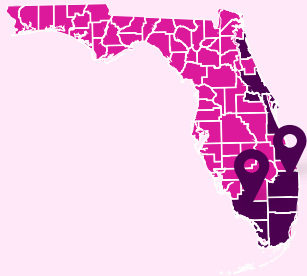
Then



Blanket load for perils

Models based on climate science and historical data

Now



Granular modelling

Models enhanced for forward looking view of risk

Individual peril, asset and location modelling

Climate conditioned catastrophe model



Enhanced by analysis and validation from our natural hazard research team



Climate Adjusted Perils

End of 22

US Hurricane  
US Flood,  
US Wildfire



End of 23

US SCS,  
US Winter Storm

Benefits



1 Improved risk selection

2 Forward looking view

3 Management of catastrophe lines

# Catastrophe Modelling – a forward looking view

## Improving our tools

## Strengthening our skillset

## Monitoring our exposure

Catastrophe models adjusted for non-modelled perils and reflect recent events

Creation of a natural hazard research function

Restructure of catastrophe modelling to create dedicated reporting function

Climate change impact incorporated in catastrophe models for key perils

Scientific assessment of new catastrophe model releases

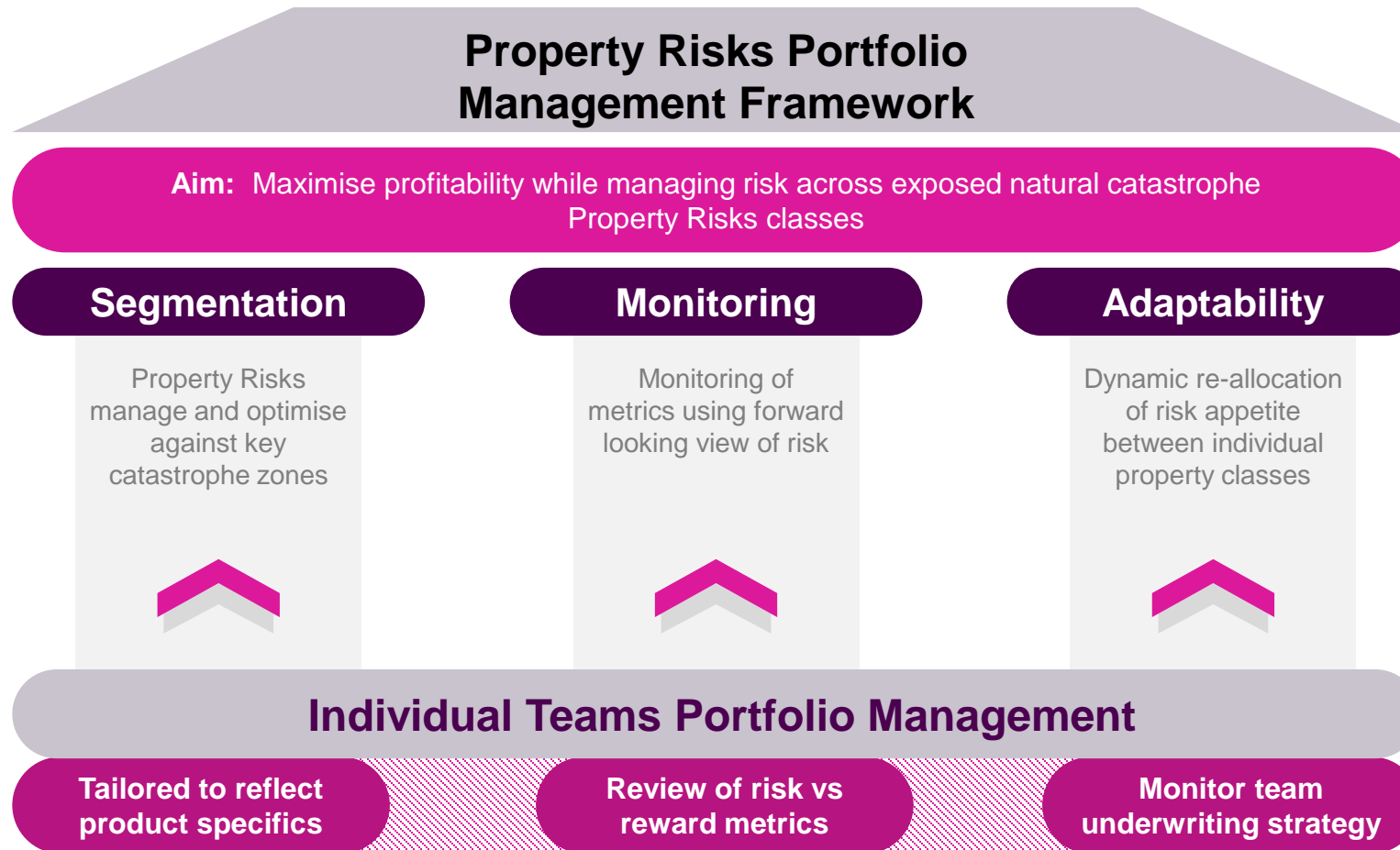
Allows for increased reporting and insights to business

Catastrophe modelling capabilities expanded into new perils and territories

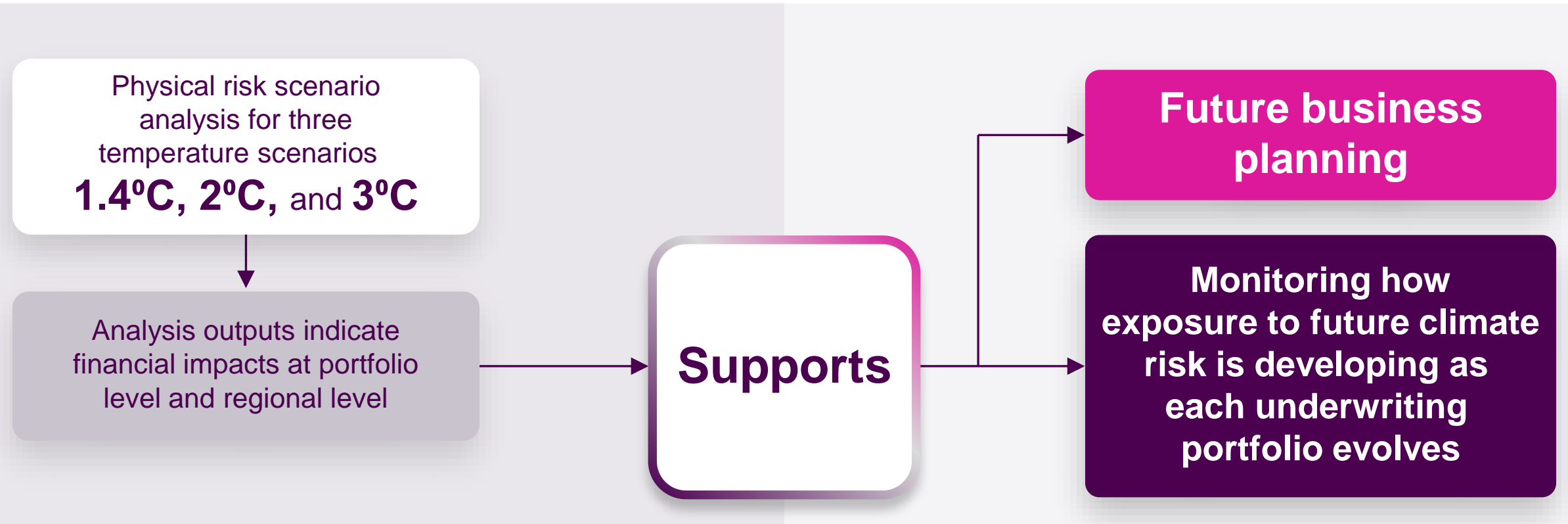
Scientific study of climate trends and knowledge sharing with business

Ability to further integrate catastrophe modelling outputs into pricing models

# Portfolio management

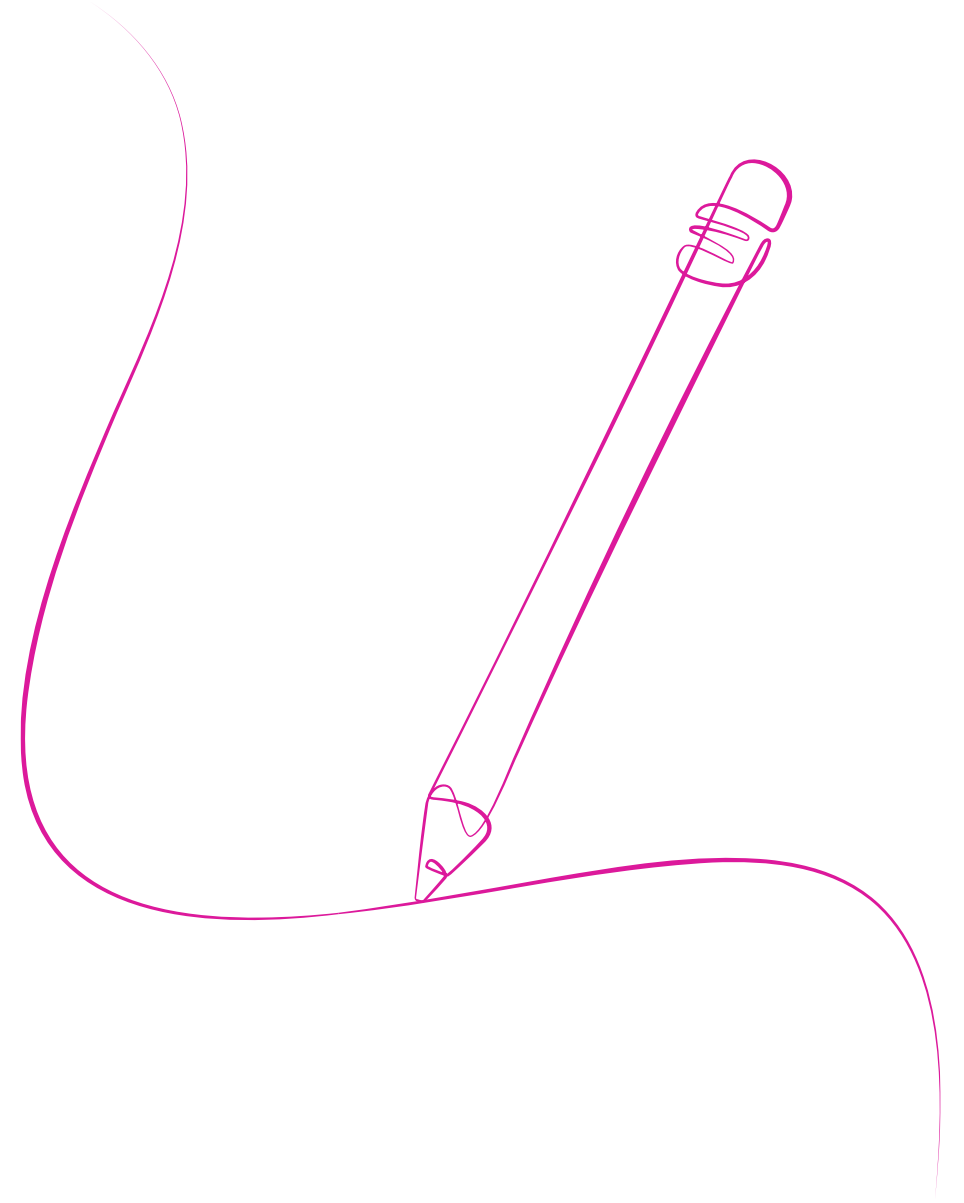


## Scenario Analysis – assessing the financial risk of climate change



## Underwriting – individual risk focused

- 1** Climate change metric designed to assess long-term impact of US hurricane risk and factoring in client's own risk management
- 2** Dialogue improves client and broker interaction
  - Improves understanding of client resiliency
  - Drives client retention
- 3** Underwriting for climate change demonstrates the value of speciality insurance expertise





## Our climate risk management journey

**01**

Transitioning to forward-looking modelling

**02**

Pricing each peril, asset and location

**03**

Active individual risk selection

**04**

Positive feedback loop consistently updating our approach

**05**

E&S market has agility to effectively underwrite property risks in the US