

California Department of Insurance

**INSURER CLIMATE RISK DISCLOSURE SURVEY
For Calendar Year 2010**

Due Date: May 1, 2011

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|-----------------------------------|---|-----------------------|---|-------------------------|----|
| Company Name: | ICW Group Insurance Companies (See attachment) | | | | |
| NAIC No. | See attachment | NAIC Group No. | 0922 | Domiciled State: | CA |
| CA Direct Premiums Written | See attachment | | Nationwide Direct Premiums Written | See attachment | |

| <u>Survey Questions</u> | <u>Comparable CDP Questions</u> |
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| <p>1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.</p> <p>Answer:</p> <p>This Response is on behalf of Insurance Company of the West, Explorer Insurance Company, Explorer American Insurance Company and Insurance Casualty and Surety Company (collectively "ICW Group").</p> <p>ICW Group is committed to reducing or mitigating its carbon footprint. As such ICW Group has an extensive recycling program, we recycle all paper, printer, toner, and ink cartridges, we e-cycle all of our electronics, we have recycling bins at every work station, and in all break areas. We also use dual side printing, energy saving light bulbs, and have begun installing smart light systems that use motion sensor technology. Further we provide ridesharing opportunities to our employees. ICW Group also allows telecommuting and has decreased the travel and commuting times for our field managers by reducing their territories. Finally, we have also installed web conferencing to reduce the need to travel across the organization.</p> | <p>Performance Question 21</p> |
| <p>2. Does the company have a climate change policy with respect to risk management and investment management? If yes, please summarize. If no, how do you account for climate change in your risk management?</p> <p>Answer:</p> <p>ICW Group does not have a written policy on climate change with respect to risk management and investment management. We take into account a wide range of factors in our Risk Management and Investment Management assessments and reviews, which would include climate change risks.</p> | |

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| <p>3. Describe your company’s process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications.</p> <p><u>Answer:</u></p> <p>ICW Group does not have a written process to identify only climate change related risks. We perform annual risk assessments which encompass the overall risks of the company, which would include climate change risks. Although ICW Group does not anticipate a material impact on its financial position due to climate change; ICW Group purchases reinsurance to minimize the impacts of catastrophic losses as well as maintaining an ample surplus.</p> | <p>Risks and Opportunities Questions 1-3</p> |
| <p>4. Summarize the current or anticipated risks that climate change poses to your company. Explain the ways that these risks could affect your business. Include identification of the geographical areas affected by these risks.</p> <p><u>Answer:</u></p> <p>ICW Group anticipates the possibility of climate change risks associated with increases in fire hazards in San Diego and Los Angeles counties which could affect its operations by destroying offices or causing temporary office closures. ICW Group has prepared for these risks by implementing Business Resiliency and Disaster Recovery plans, exercises and drills. All departments within the company have Disaster Recovery plans so they are able to continue working from other locations during any office closures.</p> <p>Climate change may also affect our agriculture and construction workers compensation policy holders. Climate change may cause an increase in heat related illnesses or injuries. ICW Group provides training to our policy holders on heat illness prevention plans through our Risk Management Services. .</p> | <p>Risks and Opportunities Questions 1-3</p> |
| <p>5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.</p> <p><u>Answer:</u></p> <p>ICW Group has not modified its written investment policy to address climate change. We routinely review our investment policy and any risks associated therewith, which would include climate change risks if they affect the portfolio. ICW Group does not currently anticipate any effect on its portfolio due to climate change.</p> | <p>Risks and Opportunities Question 3: “Other Risks” Question 6: “Other Opportunities”</p> |

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| <p>6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events. <u>Answer:</u> ICW Group’s products include Workers Compensation, automobile and earthquake coverage. We do not anticipate increases in losses due to climate change within these lines of business, except as noted in Question 5 above. As previously stated our Risk Management Services provide knowledge and advice regarding heat related illnesses for our Worker’s Compensation policy holders which could be a result of climate change.</p> | <p>Risks and Opportunities Questions 4-6</p> |
| <p>7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change. <u>Answer:</u> None</p> | <p>Governance Questions 24, 26, 27</p> |
| <p>8. Describe actions your company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling. <u>Answer:</u> ICW Group has implemented a Business Resiliency and Disaster Recovery plan which will help us manage risks which may be attributable to climate change. We do not currently use any computer modeling of climate change risks. We are unaware if any of our reinsurers use computer modeling to model climate change risk.</p> | <p>Risks and Opportunities Questions 1-3</p> |

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ATTACHMENT:

| Company Name | NAIC Number | CA Direct Written Premium | Nationwide Direct Written Premium |
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| Insurance Company of the West | 27847 | 206,307,887 | 246,959,890 |
| Explorer Insurance Company | 40029 | 121,366,496 | 146,616,871 |
| Independence Casualty and Surety Company | 10024 | None | 3,511,418 |
| Explorer American Insurance Company | 24635 | None | None |