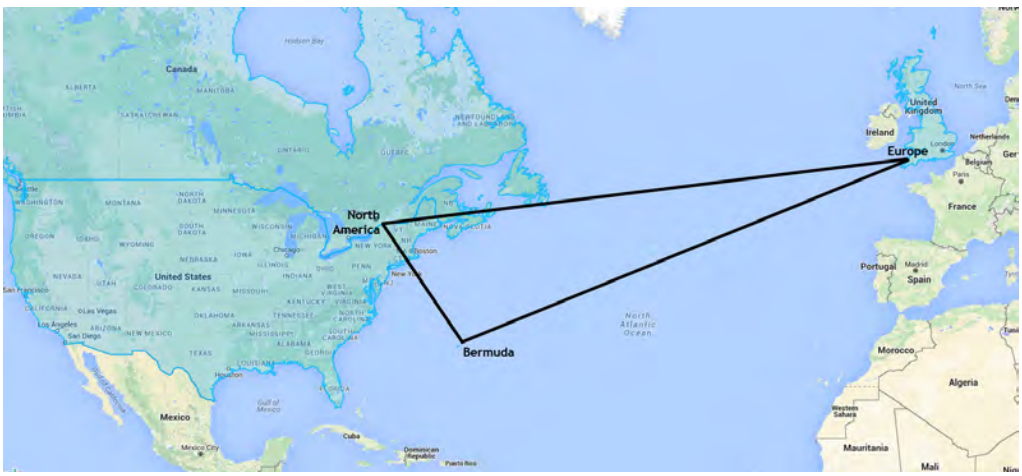
INSURANCE BERMUDA TRIANGLE EVENT

JULY 12, 2016

FAIRMONT SOUTHAMPTON AND XL CATLIN - BERMUDA



Listen to speakers from North America, Bermuda, and Europe as they discuss emerging trends and issues in the insurance industry.

HIGHLIGHTS

- Enforcing International Arbitration Awards
- London/Bermuda Arbitration – Practical Thoughts and Considerations
- The Towering Infernos – Lloyds Markets, Syndicates, Coverage Towers Explained
- Insurance and Reinsurance in a Low Carbon Economy
- M&A: Merger Mania in the Bermuda Insurance Market
- All Change! England Completes Insurance Law Review

INTRODUCTION

Insurance and Reinsurance in a Low Carbon Economy

Climate change has dramatic implications for the insurance and reinsurance industry globally. Exposure to liability risks and those who may cause damage has consequences. For those unprepared, the consequences may have a direct impact upon the model of the business enterprise. Specifically, exposure to liability risks presents challenges for insurers including but not limited to: liability risk, fiscal risk; and transition risk. It is the transition risk that presents the far greater unknown. The program is intended to be a discussion not about the science or politics of climate change, but rather the financial risks in adjusting to a low carbon economy. Financial officers and underwriters may be challenged to evaluate fiscal policy, technology, physical risk, all of which could have an impact upon the assets of an insurer. Assets being described as: technology, automation, data information, underwriting, claims, reserving, capital, surplus, and the uncertainty of financial stress. Investors may be cautious. The impact upon natural resource and extraction sectors such as energy, chemical, construction, industrial, will likely have a corresponding impact upon underwriting. Historically, other natural disasters over the last half century have had consequences for the insurance and reinsurance industry. The increase in weather related losses over the past half century is a beginning reference point. Interruption of global supply chains is merely but one example. Capital adequacy will be at the forefront giving reinsurers, insurers, underwriters, and investors a more informed view when it comes to financial risk. Physical risks to assets, floods, storms, damage to property, and trade may worsen. Liability risks where loss or damage is claimed from climate change and who seek indemnity will be uncertain. The obvious areas of liability exposure involve carbon extractors and emitters and their primary, excess, and reinsurers.

Transition risks also involve pricing models for financial stability. An unknown is the reaction by regulators wherever they may be in the world. Thoughtful attention may provide the insurance and reinsurance industry with leadership opportunities in the short and long term.

MARSH

SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.

Insurance and Reinsurance in a Low Carbon Economy – *D&O Perspective*

2016 IADC Insurance Bermuda Triangle Event

July 12, 2016

Presented by:

Carole Lynn ("CL") Proferes, CPCU
Managing Director
Marsh
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Philadelphia, PA 19103
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MARSH & McLENNAN COMPANIES

D&O Exposures

- Directors and officers can be held <u>personally</u> liable in their capacity as such, for alleged breach of fiduciary duty.
- Corporate indemnification is the first line of protection, but D&O insurance is a critical component of overall risk management, especially when indemnification is not available to the individual director or officer (i.e. their personal assets are directly exposed).
- In the context of the Low Carbon Economy, potential D&O allegations/claim scenarios could include:
  - Failure to properly disclose the risks that stricter limits on carbon emissions and overall climate change could have on your business (i.e. reduced demand for your products).
  - Failure to participate constructively in transitioning to a low carbon economy resulting in negative impact on earnings, financial restatements, or overall financial instability.
  - Failure to service debt levels, resulting in bankruptcy, restructuring, getting acquired, etc.

Types of D&O Actions

- **Litigation**
  - Traditional “Stock Drop” Cases as a result of an announcement of “bad news” per examples on prior page. (Securities Claim).
  - Claims brought by the shareholders against directors and officers *on behalf* of the Company. (Derivative Securities Claim – non-bankruptcy context).
  - Claims brought by a Creditors Committee/Bankruptcy Trustee against directors and officers *on behalf* of the Debtor. (Derivative Securities Claim – bankruptcy context).
  - Claims brought by the shareholders against director and officers on behalf of the Company, objecting to a merger, citing the deal price as undervalued and collusion between buyer and seller. (Derivative Securities Claim - Merger Objection).
  - **These general scenarios are typically covered under a D&O policy.**

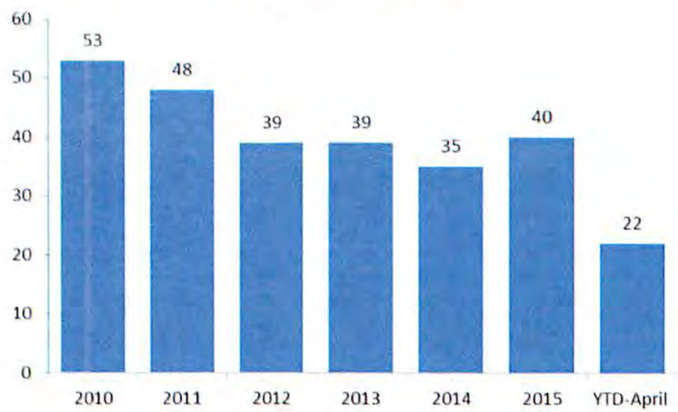
Types of D&O Actions

- **Pre-Litigation: Investigations**
  - Informal or Formal Investigation of the corporation and/or directors and officers by a regulatory body such as the SEC or DOJ.
  - Investigations or actions brought by State Attorney Generals.
    - Example: Exxon subpoena by NY AG in November 2015 re climate-change disclosures.
    - Example: On November 9, 2015, the NY AG's office announced that it had reached a settlement with Peabody Coal of charges that the company's climate change related disclosure violated New York law. The company agreed to file revised shareholder disclosures that "accurately and objectively represent these risks to investors and the public."
  - Pressure from activist shareholders and company whistleblowers can prompt investigations.
  - Coverage can vary widely with regard to coverage under a D&O policy for these types of actions. At a minimum, your policy should include coverage for investigations and pre-claim inquiries against individual directors and officers. Some insurers are offering new coverage solutions for investigations solely against the entity which in large part are NOT automatically covered.

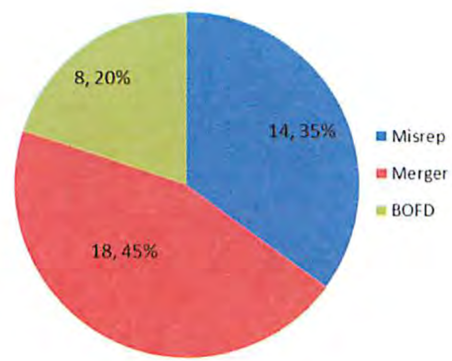
Facts and Figures

- Many upstream energy clients are facing liquidity challenges and insolvency risk. There are 130 North American oil and gas producers and service companies that filed for bankruptcy since the start of 2015. This includes 27 oil producer bankruptcies and 22 oil field service company bankruptcies through April 2016. (*Source: Haynes & Boone LLP "Oil Patch Bankruptcy Monitor"*).
- We are aware of 40 energy sector federal and state securities filings in 2015 and an additional 22 YTD through April 2016.
- Merger objection claims accounted for 45% of industry filings in 2015.
- Upstream segment accounted for 56% of industry filings in 2015.

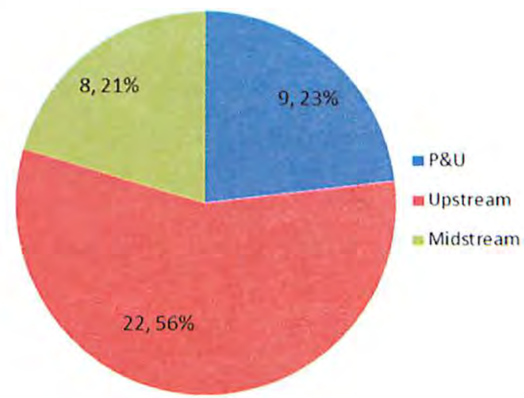
Energy Sector Securities Filings
Annual Average = 40



2015 Energy Securities Allegations



2015 Securities Filing Segments



Source: Advisen Master Significant Cases & Actions database (MSCAd)

Top 10 D&O Insurance Questions to Raise

1. Will my carriers pay a claim when I need it most?
2. Does the alleged “bad behavior” of one person nullify coverage for all?
3. Do the allegations of fraud limit coverage from the outset?
4. Is there any coverage in a criminal context, fines/penalties, etc.?
5. Does the appointment of a Bankruptcy Trustee cease D&O coverage?
6. Is an investigation against the entity alone covered?
7. Can I pick my own defense counsel?
8. Do I have to pay defense costs out of my own pocket?
9. Do I have coverage if I sit on an outside board?
10. Is our D&O limit sufficient?

Other Management Liability Exposures

- ***Fiduciary Liability:*** The amount of company stock in retirement plans can lead to a significant decline in value when faced with a large stock drop. Is the Company match only in stock?

- ***Employment Practices Liability/Wage and Hour:*** Have financial issues resulted in lay-offs, plant closures, reduced overtime?

- ***Transactional Risk:*** Are you buying a company that is making certain representations and warranties related to carbon footprint, etc?

Recap of Possible Illustrative Scenarios

Company gets a securities suit due to stock drop. → Increase in D&O Claims

Company defaults on loans so the Banks get hurt and suffer a D&O suit. → Increase in D&O Claims

Drop in company stock leads to significant devaluation in 401K plans. → Increase in Fiduciary Liability Claims

Poor financial performance leads to layoffs. → Increase in Employment Practices Liability Claims

Marsh At-a-Glance

- **Marsh**, a global leader in insurance broking and risk management, teams with our clients to define, design, and deliver innovative industry-specific solutions that help them protect their future and thrive. We have approximately 27,000 colleagues who collaborate to provide advice and transactional capabilities to clients in over 130 countries. Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy, and human capital. With over 57,000 employees worldwide and annual revenue exceeding $13 billion, Marsh & McLennan Companies is also the parent company of Guy Carpenter, a global leader in providing risk and reinsurance intermediary services; Mercer, a global leader in talent, health, retirement, and investment consulting; and Oliver Wyman, a global leader in management consulting.

    - **Marsh FINPRO** is our specialty risk practice for management liability coverages. Our signature lines include D&O, EPL/Wage and Hour, Fiduciary, Professional Liability, Cyber/Network Security, Fidelity, and Transactional Risk.

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Q1 2016

MARSH DIRECTORS' & OFFICERS' LIABILITY

"D&O Diagnostic 360"

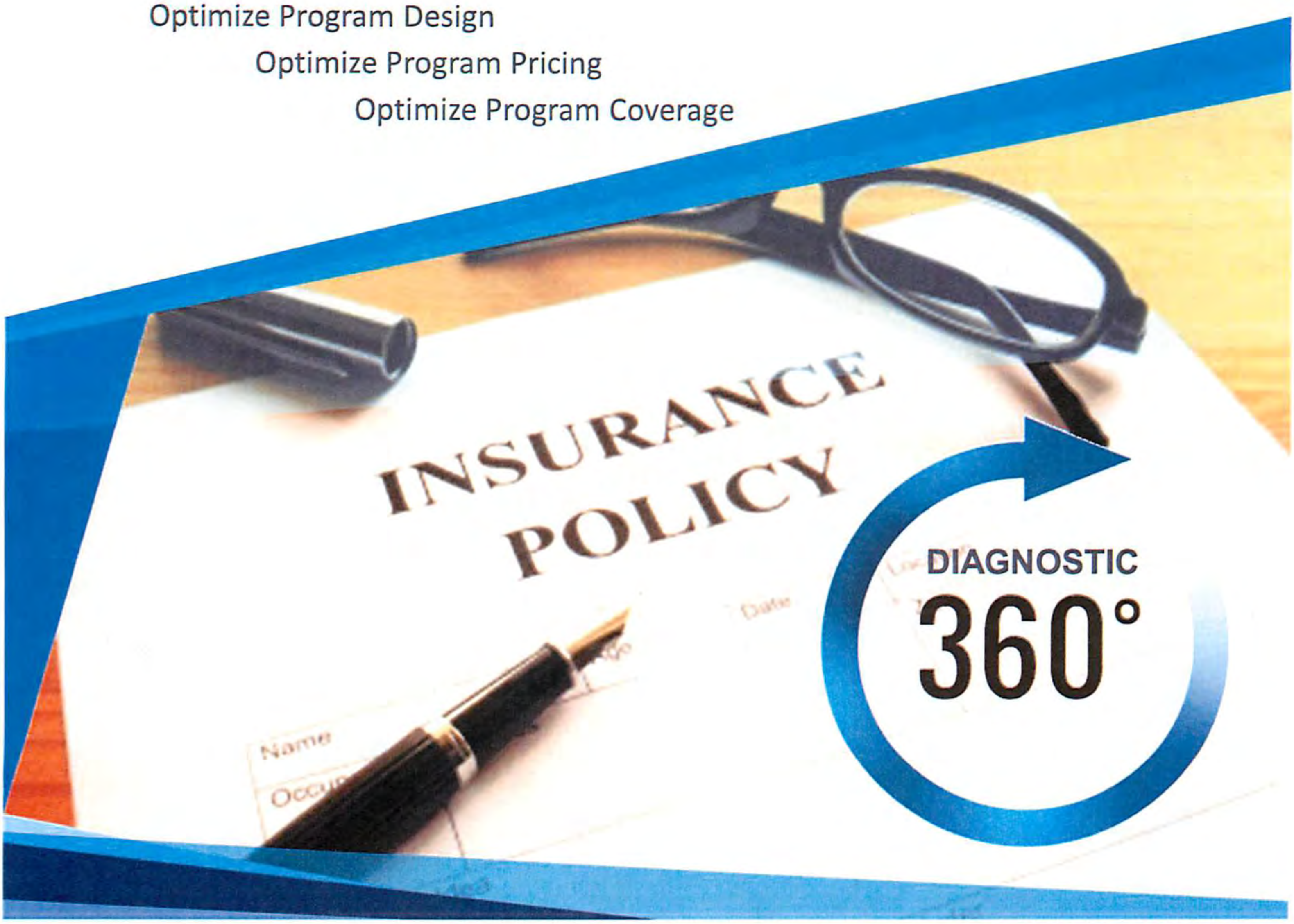
WHY NOW?

Expertise. Analytics. Results.

Optimize Program Design

Optimize Program Pricing

Optimize Program Coverage



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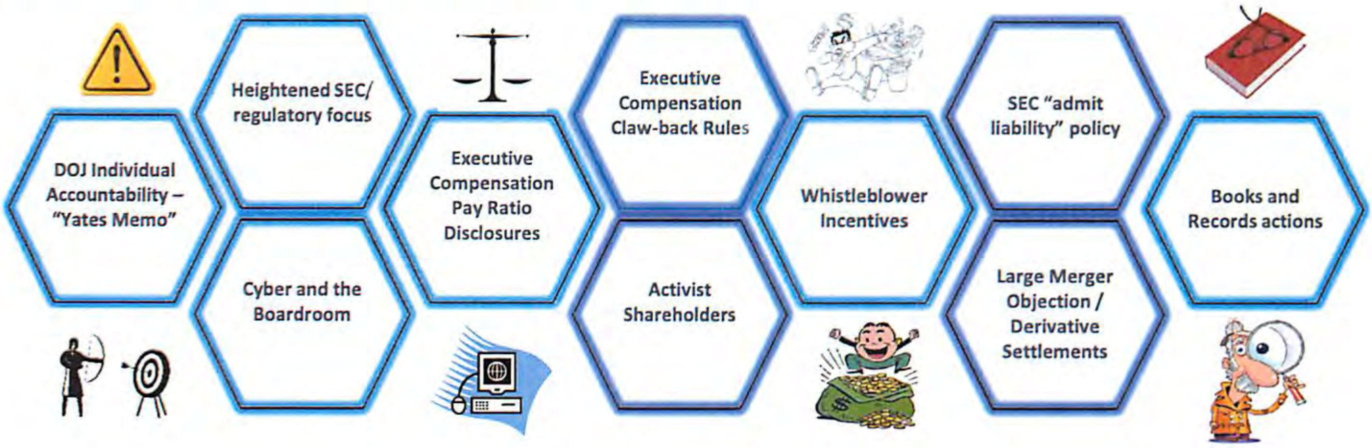
MARSH & McLENNAN COMPANIES

▷ THE MARSH D&O DIAGNOSTIC – WHY NOW?

The Marsh D&O Diagnostic – Why Now?



Our Process:

Never has it been more important to have the utmost confidence that your D&O program adequately protects your directors and officers. With the recent announcement by the Department of Justice that they will be seeking *individual* accountability, the personal assets of your directors and officers will become much more vulnerable, rendering the D&O policy even more critical.

Marsh has a proven diagnostic process that will provide you with a comprehensive and independent review of your D&O program. Our deliverable will focus on three key areas, providing commentary and analysis on the following:

1 OPTIMAL PROGRAM DESIGN:

a. Insurers
b. Structural options
c. Limit and Retention Assessment
d. Securities Class Action Modeling

2 OPTIMAL PRICING:

a. Risk Profile and pricing barometer
b. Tailored benchmarking

3 OPTIMAL COVERAGE:

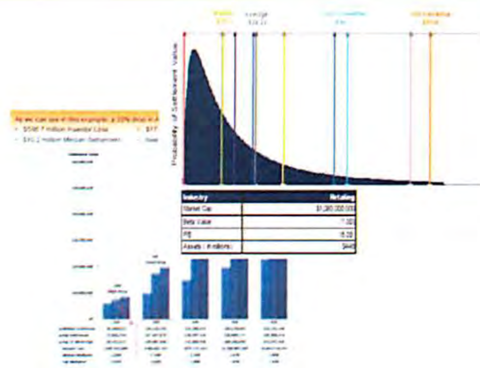
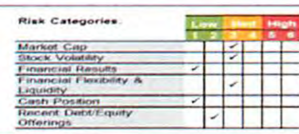
a. Primary
b. Traditional Excess Follow Form Stress Test
c. Lead Side A DIC and excess Side A
d. Other related coverages to consider

Minimal Information Needed From You:

- Complete copy of your primary D&O policy
- All traditional excess policies
- Lead Side A DIC Policy
- Any excess Side A DIC policies
- D&O Claims history

▷ THE MARSH D&O DIAGNOSTIC: INNOVATIVE ANALYTICAL TOOLS

Our Diagnostic Will Answer the Following Questions for You:

QUESTION	MARSH TOOL	SAMPLE OUTPUT EXTRACT
1. ***What is the likelihood my company will have a securities class action lawsuit over the next 12 months?***	**Marsh IDEAL MODEL – Probability Section**	
2. ***If our company suffers a securities class action lawsuit:*** ***(a) what is the likelihood of it getting dismissed?*** ***(b) If not dismissed, how long does one typically last?*** ***(c) What are the range of potential settlements and defense costs?*** ***(d) Do the potential settlement amounts vary at different stock drop levels?***	**MARSH IDEAL MODEL – Stock Drop Model and Severity Sections; NERA Report**	
3. ***How do the insurers determine the price for my coverage?***	**MARSH RISK PROFILE EVALUATION**	
4, ***How do I optimize the balance between limit, retention and price?*** ***(a) Is my pricing competitive?*** ***(b) Should I change my retention?*** ***(c) Should I buy more limits?***	**MARSH IN-DEPTH BENCHMARKING AND PRICING BAROMETER**	
5. ***How do I know if my coverage is state-of-the-art?***	**MARSH THREE STEP COVERAGE PEER REVIEW PROCESS**	
6. ***Does my program properly address any current or future international D&O needs?***	**MARSH INTERNATIONAL RISK PROFILE EVALUATION**	

▷ THE MARSH D&O DIAGNOSTIC: RECENT SUCCESS STORIES

Tangible Results:

Below are specific examples of current clients that recently selected Marsh as their broker as a result of our D&O Diagnostic process. References available as well.

COMPANY A:

All FINPRO lines appointment

- Saved $1,241,361 or 57% in premium still while increasing Side A limits by $5 million.
- Cured over 25 coverage deficiencies in the primary and excess layers.
- Moved Cyber to AIG from RSUI who offered much better terms and conditions than RSUI.

COMPANY C:

Directors & Officers

- Saved $293,618 in premium, or 40%, and secured a lower retention, for the same limits. Client ultimately decided to invest some of that savings in $20M of additional limits on top of their existing $25M of limits. Even when buying $20M more in limits than expiring, we still saved $188,619, or 26%, over expiring pricing.
- Cured over 15 coverage deficiencies.

COMPANY B:

Directors & Officers

- Saved $136,000 or 22% in premium.
- Cured over 20 coverage deficiencies in the primary and excess layers.

COMPANY D:

All FINPRO lines appointment

- Saved them $97,568, or 19%, in premium over expiring pricing for the same D&O limits.
- Achieved more than 20 enhancements to coverage on the D&O program.

MARSH FINPRO

Marsh's Financial and Professional practice (FINPRO) is the world's leading management liability insurance risk advisor and is the authority in the placement of Directors' and Officers' Liability (D&O) insurance. Our mission is to create and deliver risk solutions and services that make our clients more successful with a focus on long term objectives. Our deep industry expertise and robust analytics can help your business design an appropriate risk management and insurance program that properly reflects your unique risk profile.

FINPRO Practice At-A-Glance

Scale and Expertise

360 Professionals in the US

1,100 Globally

placing over $6 billion in financial and professional lines premiums annually.

Product Specialization

D&O, Fiduciary, EPL, E&O, Crime, Cyber, and other.

Claims Advocacy

14 FINPRO attorneys in the US.

Highly Collaborative Culture

Global Advisory Board weekly FINPRO email quarterly carrier surveys and more.

Risk Analysis

Best-in-class analytics to promote optimal decision making.

FINPRO Practice Market Share

MARSH

MITIGATING BANKRUPTCY-RELATED RISKS: D&O SOLUTIONS FOR DISTRESSED ENERGY COMPANIES

Solvency risk in the energy sector is nearing crisis levels. In 2015, 42 US companies in the shale oil and gas sector filed for Chapter 11 or Chapter 7 bankruptcy protections totaling over $17 billion in debt.[1] And with experts predicting oil prices likely to stay depressed into 2016, those numbers could rise further. Bankruptcies, and the approach leading up to them, create heightened concerns for directors and officers.

With its significant expertise handling insolvency risks and developing creative insurance solutions, Marsh is well positioned to assist companies in distressed situations. Since 2008, Marsh's FINPRO Practice has successfully negotiated debtor-in-possession and run-off directors and officers (D&O) liability coverage for more than 50 US clients holding more than $870 billion in debt.

POTENTIAL D&O COVERGE PITFALLS

The escalation of risk in the energy sector requires thoughtful solutions. Lending resources are extremely limited and bankruptcies are on the rise. The design and coverage breadth of D&O insurance is more important now than ever before. With many kinds of D&O polices available, choosing the right one can mitigate the personal financial exposure of directors and officers.

The following pitfalls should be avoided when considering D&O coverage:

- Restrictive endorsements, including creditors' exclusions or reduced coverage in the event of credit downgrades.
- Change of control wording that may inadvertently trigger run-off coverage.

Who it's for

Energy sector companies contemplating financial restructuring, including potential mergers, divestitures, or bankruptcy protection.

What you get

- Prepaid extended Chapter 11 programs, including prepaid run-off.
- Debtor-in-possession coverage to ensure that directors and officers are covered before, during, and beyond Chapter 11.
- Multiple Side A limit reinstatements.
- Automatic 10-year Side A tail coverage following insolvency with no additional premium.
- Ability to structure multiple renewal towers to address various potential outcomes.
- Liquidating trust errors and omissions coverage.

1. *Oil Patch Bankruptcy Monitor*, Haynes and Boone, January 2016.

- Delayed quotes, creating limited options or subpar terms and pricing.
- Deficiencies in critical areas, such as non-rescission, severability, or insured versus insured exclusion carve backs.
- Inadequate D&O limits.

LESSONS LEARNED — D&O Solutions & How They Are Applied	
CASE	RESOLUTION
A midstream energy company filed for Chapter 11 bankruptcy after amassing more than $2 billion in total debt. The company successfully emerged from bankruptcy more than 12 months later. Directors and officers were defendants in multiple lawsuits filed during and after the bankruptcy proceeding.	Marsh was appointed the D&O broker during Chapter 11 after the incumbent broker failed to secure coverage. Despite challenging circumstances, we successfully negotiated separate run-off and debtor-in-possession programs that protected the directors' and officers' personal assets.
When an energy client prepared a Chapter 11 filing for an underperforming subsidiary, it was apparent that the parent company and its subsidiary had conflicting priorities regarding D&O insurance.	Marsh secured an innovative D&O run-off program incorporating separate towers of insurance to address the conflicting needs of the different corporate entities. We also placed a long-term, multiyear debtor-in-possession policy designed to address the directors and officers needs throughout the Chapter 11 period, including pre-paid run-off that was triggered upon the debtor's emergence from bankruptcy.

ABOUT MARSH FINPRO

Marsh's financial and professional liability practice (FINPRO) is an industry leader placing more than $6 billion of premiums annually into the market. Our claims advocates are engaged in 25% of all securities class-actions annually. Marsh FINPRO has the leverage and expertise to negotiate optimal risk transference and favorable claims recoveries. We are well positioned to assist clients through challenging times and have developed creative solutions for distressed companies with manageable pricing and favorable coverage.

For more information on D&O solutions for energy companies, please contact:

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Insurance and Reinsurance in a Low Carbon Economy

"Low" Carbon Interests......... "High" Risk?

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July 12, 2016

marcumllp.com

Fiduciary Responsibility

The financial relevance of climate change depends more on the sophistication of company risk management than on the prevailing regulatory environment.

As a recent Ceres report found, "the more information on climate-related change damage accumulates, the more the refusal to examine these risks carries the potential for breach of fiduciary duty."

Limiting Liability in the Greenhouse: Insurance Risk-Management Strategies in the Context of Global Climate Change (2007)
– Stanford Law Journal (Vol. 26A/43A:251-334)

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0914000N

Parallel Avenues of Climate Risk Exposure

From the Insured	At the Insurance Co.
Event & occurrence of damages suffered Damage claim prepared	ERM emphasized & synthesizing all information with input/ assessment from claims level through to board of directors.
Investors / other 3rd parties sue: - Misstated financials - Inadequate disclosures	Internal management reports are sufficient for accounting & governance group (i.e. D&O)
	Investors / other 3rd parties sue: **- Misstated financials** **- Inadequate disclosures**

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Court Cases of Note

- Connecticut v. American Electric Power (2005 - USDC, SD - New York)
  - 5 power companies sued by 8 attorneys general - Dismissed
  - US Supreme Court – denied rehearing. (2011)

- Comer v. Murphy Oil Co. (2005 –USDC, SD - Mississippi)
  - Various energy companies sued by Hurricane Katrina victims class – Dismissed [*Likely FIRST climate change liability suit*.]

- Native Village of Kivalina v. ExxonMobil Corp.,et al (2009 – USDC, ND - Calif.)
  - 19 power companies sued by Alaskan village of Kivalina – Dismissed
  - Derivative declaratory judgment action:

    AES Corporation v. Steadfast Insurance Co. (Circuit Court, VA.)
    - Virginia Supreme Court ultimately agreed with lower court, coverage properly denied as damage not an "occurrence" as defined.

Climate Change Litigation Study Highlights (Non US focused)

- Covers all climate change "decisions" through 2013.
- 173 cases identified outside US. (*compares to 420 US cases*)
- Non-US litigation is successful less than 40% of the time.
- Non-US litigation is tactical & focused on specific projects or details of implementation of European Union Emissions Trading System (EU ETS) regulations. (*US is strategic & focused on forcing or blocking GHG regulation*.)
- Over 90% of the 173 cases within 5 jurisdictions – Australia (40%), the UK, the EU, New Zealand and Spain.
- 96% of Non-US cases were private plaintiffs suing governments.

Litigation "has not resulted in...distinct climate change jurisprudence."

Columbia Law School – Sabin Center for Climate Change Law
Climate Change in the Courts... (Wilensky 2/15)

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Climate Change Litigation – a Real Risk

History:

"...the idea that plaintiffs may eventually win a climate change case is that it also took a long time for...the tobacco and asbestos litigation to stick, and that climate change litigants may, in fact, never have to prove a causation link. The tobacco torts turned on evidence that cigarette companies suppressed evidence of the dangers of smoking, while knowing it was harmful." (*e360 publication of Yale School of Forestry & Environmental Studies*)

Various Motives:

"Global climate change demands immediate action and I am committed to using the authority of my office to address the problem...and exploring litigation options that will hold the worst polluters accountable..."
(*Maine Attorney General Janet Mills; noted in connection with formal coalition of almost 20 Attorneys General in US; NY AG 3/29/16 press release.*)

Climate Change – Selected Timeline Elements

- **2003** – CDP (f/k/a – Carbon Disclosure Project) issue first questionnaire survey request;
- **2005** – NAIC hosted public hearing to discuss implications;
- **2007** – US Supreme Court (Mass. v. EPA) finds that GHGs are pollutants;
- **2008** – NAIC issued white paper "The Potential Impact of Climate Change on Insurance Regulation";
- **2010** – SEC adopted voluntary disclosure guidelines re: climate change impact;
- **2010** – NAIC adopted risk disclosure survey;
- **2012** – NAIC revisions adopted for "Financial Condition Examiners Handbook";
- **2014** – Farmers Insurance class action against various Chicago communities;

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Climate Change – Selected Timeline Elements (Cont'd)

- **2015** – Paris Climate Conference (COP21) – nearly 200 countries signed
- COP21 agreement
- **2015** – Peabody Energy settled and amended its climate change disclosures after 8 year NY AG investigation
- **2015** – NY AG opens investigation into ExxonMobil regarding climate change disclosures (subpoenas records back to 1977)
- **2015** – The Hague District Court rendered judgment in so-called first successful climate change action ***(1)***
- **2015** – French Treasury Department published Decree No. 2015-1850 imposing reporting requirements on institutional investors and financial asset managers. "Institutional Investors" includes French insurance companies.

(1) CIGI PAPERS No. 79 Nov. 2015; Robert Cox – A Climate Change Precedent Urgenda Foundation v. The State of the Netherlands.

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After the History, what about the future?

Looking forward from the Urgenda Foundation v. The State of the Netherlands

Per Roger Cox, lead counsel notes:

> "…what makes the Dutch climate case significant: it is precedent setting."

> "As we have seen in asbestos and tobacco lawsuits, momentum seems to be gained after an initial – and thus historic – ruling sets precedent. It is almost a rule that more judgments will follow."

CIGI PAPERS No. 79 Nov. 2015; Robert Cox – A Climate Change Precedent Urgenda Foundation v. The State of the Netherlands.

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CLOSING THOUGHTS on potential liability issue:

"Although climate change litigation
faces many obstacles to recovery,
it is possible that a court
will reach the merits in a future case."

The Georgetown Law Journal (2009), Vol. 98:185

- ☐ Have you reasonably addressed related risks throughout your company, with specific emphasis in its ERM process?
- ☐ Are your board members and officers fully in the loop?

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MARCUM Fast Facts

Professionals

- More than 200 Partners
- 1,500 Professionals

Qualifications

- Participate in AICPA peer review program
- Registered with Public Company Accounting Oversight Board ("PCAOB")

Locations

- New York, New York
- Melville, Long Island
- Roseland, New Jersey
- Neptune, New Jersey
- Hartford, Connecticut
- New Haven, Connecticut
- Greenwich, Connecticut
- Boston, Massachusetts
- Needham, Massachusetts
- Providence Rhode Island
- **Philadelphia, Pennsylvania**
- Bala Cynwyd, Pennsylvania
- King of Prussia, Pennsylvania
- Chicago, Illinois
- Deerfield, Illinois
- Nashville, Tennessee
- Miami, Florida
- Fort Lauderdale, Florida
- West Palm Beach, Florida
- Orlando, Florida
- Grand Cayman, BWI
- Los Angeles, California
- San Francisco, California
- Irvine, California
- Beijing, China
- Hangzhou, China
- Guangzhou, China
- Shanghai, China
- Shenzhen, China

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Insurance and Reinsurance in a Low Carbon Economy

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Presented by:
Key Coleman, CPA, CFA, CPCU, ARe

July 12, 2016

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- Needham, Massachusetts
- Providence Rhode Island
- Philadelphia, Pennsylvania
- Bala Cynwyd, Pennsylvania
- King of Prussia, Pennsylvania
- Chicago, Illinois
- Deerfield, Illinois
- Nashville, Tennessee
- Miami, Florida
- Fort Lauderdale, Florida
- West Palm Beach, Florida
- Orlando, Florida
- Grand Cayman, BWI
- Los Angeles, California
- San Francisco, California
- Irvine, California
- Beijing, China
- Hangzhou, China
- Guangzhou, China
- Shanghai, China
- Shenzhen, China

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Is Climate Change the New Mass Tort for the Industry?

- Defining Climate Change
- Are there Similarities to Asbestos as a Potential Mass Tort?
- Process of an Emerging Mass Tort
  - Report of Harm
  - Claims Submitted
  - Denial of Claims
  - Science Weighs In
  - Adverse Judgments
  - Acceptance or Rejection
- Borel v. Fibreboard Paper Products - 1971

Where do insurers have exposure?

- Property Insurance / Business Income
- General Liability
- Investments
- Directors & Officers Insurance
- Insurance Company Disclosures

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Property / Business Income Exposure

- A change in weather altering patterns in
  - Wind
  - Hail
  - Flood
  - Earthquake, etc.

- Affects
  - Underwriters
  - Actuaries
  - Purchasers of reinsurance
  - Entity as a whole

General Liability

- Causation needs to be established
- Liability needs to be established
- Affects policyholders who become liable due to:
  - Fossil fuel extraction
  - Burning of fossil fuel, etc.
- AES Corp. v. Steadfast Ins. Co.

Investments

- Types
  - Real estate
  - Stocks
  - Municipal Bonds

- Issues
  - Investment Correlation with the Insurance Business
  - Devaluation of Assets from Carbon Divestiture

Insurance Company Regualtory Disclosure

- Recognizing a Liability and Reserving for it
  - Property / Business Income Policies
  - Liability Policies
  - Pre-Event Catastrophe Reserving
- NAIC Disclosure Survey
- California Disclosure Survey
  - Analysis of Survey Results
    - 700 Companies report
    - Most Companies claim to address climate change
  - Carbon investment disclosure
  - Voluntary Coal Divestiture

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