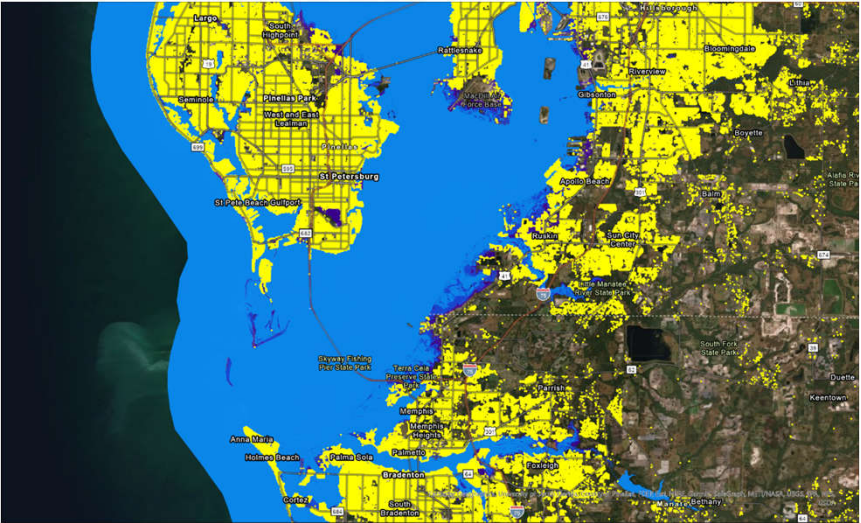
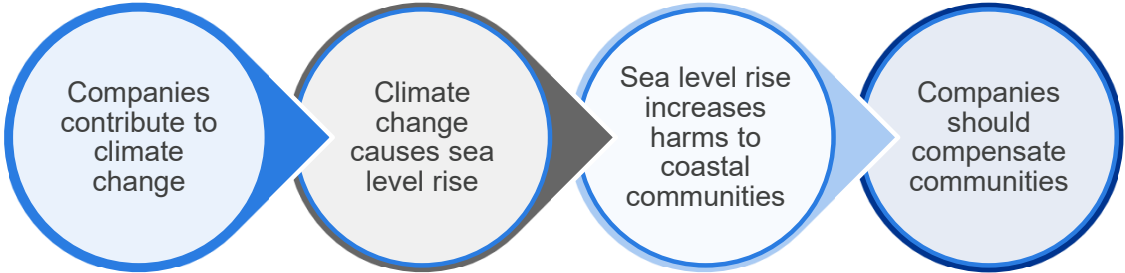


The background features a dark blue wave-like shape on the left side. To the right, a grid of small, light blue dots forms a wavy pattern that recedes into the distance, creating a sense of depth and movement.

Climate Change Liability

Direct and indirect exposures

Direct Exposure: Liability for Contributing to Sea Level Rise



Climate change's impacts on underlying physical conditions and how society responds to perceived climate risks could impact known catastrophic liability event types.

Liability for Failing to Prepare and Mitigate Against Known and Foreseeable Risks: Wildfires

BUSINESS

PG&E Announces \$13.5 Billion Settlement Of Claims Linked To California Wildfires

December 7, 2019 · 12:05 AM ET

RICHARD GONZALES



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By Alastair Clarke, Doug Fullam, Peter Sousounis | October 25, 2021



Liability for Failing to Prepare and Mitigate Against Known and Foreseeable Risks: Sea level rise

Judge OKs deal on Hurricane Katrina oil spill

By Reuters Staff

2 MIN READ



NEW ORLEANS (Reuters) - A federal judge in New Orleans on Tuesday approved a \$330 million class action settlement between Murphy Oil Corp. and residents of a New Orleans suburb flooded by crude oil during Hurricane Katrina.



Floods Are Getting Worse, and 2,500 Chemical Sites Lie in the Water's Path

By HIROKO TABUCHI, NADJA POPOVICH, BLACKI MIGLIOZZI and ANDREW W. LEHREN FEB. 6, 2018

Anchored in flood-prone areas in every American state are more than 2,500 sites that handle toxic chemicals, a New York Times analysis of federal floodplain and industrial data shows. About 1,400 are located in areas at highest risk of flooding.



Corporate Liability: Misleading Disclosures and Statements



U.S. SECURITIES AND EXCHANGE COMMISSION

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Press Release

SEC Proposes Rules to Enhance and Standardize Climate-Related Disclosures for Investors

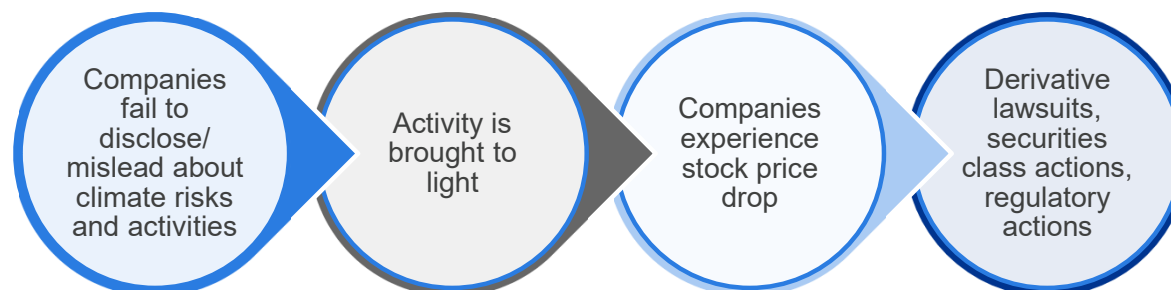
FOR IMMEDIATE RELEASE
2022-46

Washington D.C., March 21, 2022 — The Securities and Exchange Commission today proposed rule changes that would require registrants to include certain climate-related disclosures in their

SEC Targeting ESG Investing In 2022

Thursday, April 7, 2022

On March 30, 2022, the Securities and Exchange Commission (SEC) released its **2022 Examination Priorities** report. In the report, the SEC announced the areas for the year that it intends to focus considerable effort, which included Environmental, Social and Governance (ESG) investing. The SEC targeting ESG is likely news to very few; however, the

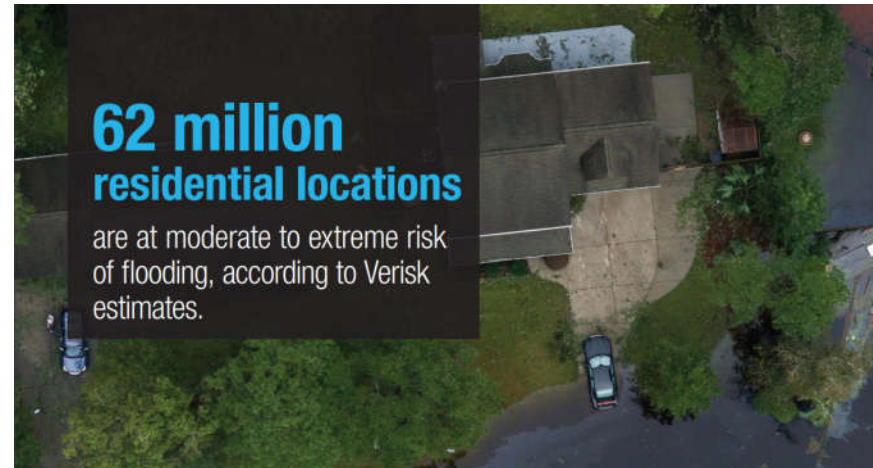


Corporate Liability: Potential Bankruptcies From Transition Risks or Market Changes

Transition Away From Certain Sectors

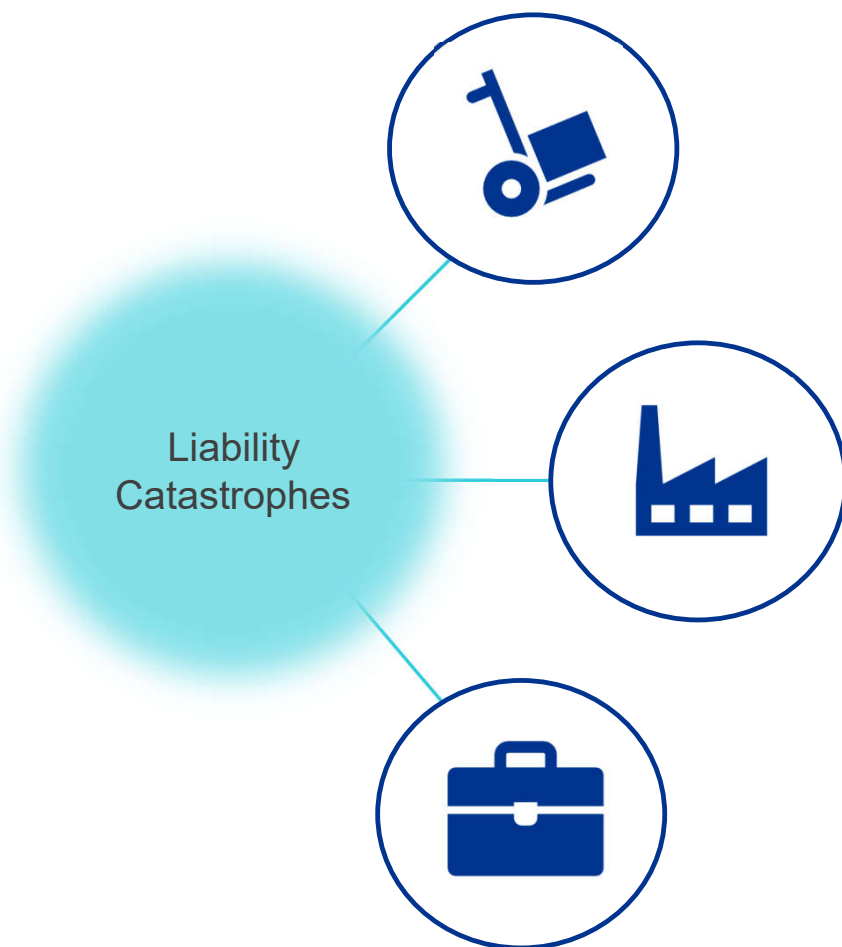


Stranded Coastal Property Assets



How might policy, regulatory, and social responses to climate risks expose corporates to liability for stranded / devalued assets and failure to prepare for a transition?

Climate change liability: Modelling the risk



Universe of existing liability catastrophes

*Arium's scenario library currently includes **255** recurring scenarios across:*

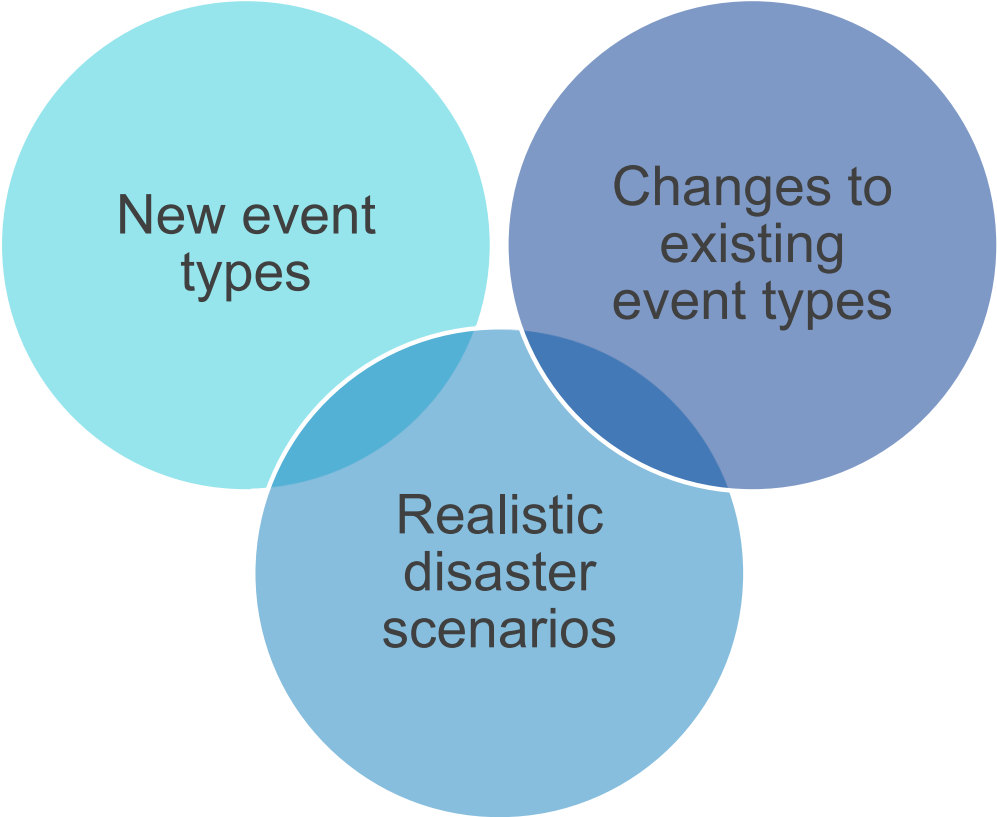
- Product events (e.g. defective drugs)
- Corporate events (e.g. bankruptcies)
- Infrastructure / operational events (e.g. oil rig explosions)

These scenarios are grouped into 30+ sub-categories with frequencies to provide a view of risk across a variety of event types and other parameters

What might the possible future universes of liability catastrophes look like?



Modeling future possible liability universes



Summary

- **Direct exposures** – low probability, but potential for significant impacts if litigation proceeds
 - Modelling the risk – quantifying a new type of large loss liability event
- **Indirect exposures** – climate change impacts on underlying conditions can create significant and varied exposures across portfolios
 - Modelling the risk – accounting for how climate change may alter the parameters of known liability events to help manage a climate-conditioned liability universe



Thank you!