



**2023**

# Sustainability Accounting Standards Board Index

Topic	Code	Accounting Metric	Palomar Response
Transparent Information and Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Palomar does not disclose this specific information, however the company does disclose certain applicable material pending legal proceedings, other than ordinary routine litigation incidental to the business, as required by applicable Securities and Exchange Commission (SEC) disclosure requirements in Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q (collectively, <a href="#">SEC Filings</a> ).
	FN-IN-270a.2	Complaints-to-claims ratio	Palomar does not calculate a complaints-to-claims ratio, however the National Association of Insurance Commissioners (NAIC) publishes a Closed Complaint ratio. <a href="https://content.naic.org/cis_consumer_information.htm">https://content.naic.org/cis_consumer_information.htm</a>
	FN-IN-270a.3	Customer retention rate	Palomar's products demonstrate strong premium retention trends, which the company believes are an indication of the distinctive value provided to insureds.
	FN-IN-270a.4	Description of approach to informing customers about products	Palomar develops product communications in accordance with regulations set forth by state departments of insurance. The company aims to go beyond regulatory requirements. Palomar invests in excellent customer service to provide clear, frequent communication to keep customers apprised of their insurance coverages.

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Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	<p>For information with respect to Palomar's investment activities, including disclosures on asset class and asset ratings, see section "IV. Results of Operations—Investments" under Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2023 Annual Report on Form 10-K.</p> <p>\$689.6 million Total Invested Assets, as of December 31, 2023</p> <p>U.S. Governments: 5.7%            States, Territories and Political Subdivisions: 1.4%            Special revenue excluding mortgage/asset-backed securities: 4.3%            Corporate and other: 43.5%            Mortgage/asset-backed securities: 38.4%            Equity securities: 6.7%            Total: 100%</p>
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	<p>In 2023, Palomar committed to doubling our green investments and allocating no less than 2% of our overall portfolio to those instruments.</p> <p><a href="#">Responsible Investment Statement</a></p>
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Palomar is unable to measure or disclose this metric at this time.
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally-responsible actions and/or behaviors	<a href="#">Environmental Statement</a>

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Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Palomar does not disclose this information at this time.
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes, and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Palomar does not categorize catastrophic events as modeled versus non-modeled as the company does not believe this categorization is meaningful to the business. For reporting purposes, Palomar defines catastrophe losses as certain losses resulting from events involving multiple claims and policyholders, including earthquakes, hurricanes, floods, convective storms, terrorist acts or other aggregating events. Palomar reports net catastrophe losses in our SEC Filings. The SEC Filings also include an overview of reinsurance and the recoverables recorded. For more information on how we manage climate-related risks, please see our 2023 Task Force on Climate Related Financial Disclosures report.  <a href="#">Sustainability Portal</a>
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts, and (2) the management of firm-level risks and capital adequacy	Palomar evaluates climate-related considerations relevant to policyholders' location during the underwriting process. The company analyzes the potential impact to capital as a result of possible natural catastrophe events. Additionally, the ERM Committee assesses and monitors enterprise risks related to climate change.
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally-cleared derivatives	As of December 31, 2023, Palomar did not have any derivatives outstanding.
	FN-IN-550a.2	Total fair value of securities lending collateral assets	As of December 31, 2023, Palomar did not have any securities lending reinvested collateral assets per Schedule DL filed with the NAIC.
	FN-IN-550a.3	Description of approach to managing capital and liquidity related risks associated with systemic non-insurance activities	See section "II. Financial Condition" under Management's Discussion and Analysis of Financial Condition and Results of Operations in 2023 Annual Report on Form 10-K.  <a href="https://ir.palomarspecialty.com/static-files/95eff4e7-cbf8-4a1b-b008-e4796f7d69b8">https://ir.palomarspecialty.com/static-files/95eff4e7-cbf8-4a1b-b008-e4796f7d69b8</a>



7979 Ivanhoe Avenue, Suite 500  
La Jolla, CA 92037  
619-567-5290

[plmr.com](http://plmr.com)