



# Arch Capital Group Ltd. Sustainability Accounting Standards Board Disclosure Report 2025

*For the year ended Dec. 31, 2025*



*Prepared in accordance with SASB*

All data in this Sustainability Accounting Standards Board (SASB) disclosure is as of, or for the year ended, Dec. 31, 2025 unless otherwise noted.

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD DISCLOSURE

### Important Legal Information

Arch Capital Group Ltd. (together with its subsidiaries, Arch or the Company) is a publicly listed Bermuda exempted company with approximately \$26.9 billion in capital at Dec. 31, 2025, and is part of the S&P 500 index. Arch provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly-owned subsidiaries. While we are positioned to provide a full range of property, casualty and mortgage insurance and reinsurance lines, we focus on writing specialty lines of insurance and reinsurance. In addition to providing comprehensive disclosure on our website regarding our approach to value creation, which integrates sustainability topics, we provide the following disclosures, which are aligned with the Sustainability Accounting Standards Board (SASB) framework for the insurance industry. SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location.

The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For a discussion of information that is material to Arch, please see our 2025 Form 10-K for the fiscal year ended Dec. 31, 2025, filed with the Securities and Exchange Commission (SEC) on Feb. 26, 2026 (2025 Annual Report). Moreover, Arch's approach to disclosures in this report may differ from the approach to disclosures in other reports, including regulatory filings with the SEC and disclosures made under other regulatory frameworks. This report may use certain terms, including those that SASB or others may refer to as "material," to reflect the issues or priorities of the Company, its subsidiaries and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. This report is intended to present information from a different perspective and, in some cases, in more detail than may be required in other Arch reports, including filings with the SEC or other regulatory disclosures.

This report may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA), which reflect our current views with respect to future events, risks and uncertainties. All statements other than statements of historical fact included, or incorporated by reference, in this report are forward-looking statements. Forward-looking statements, for purposes of the PSLRA or otherwise, can generally be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" and similar statements of a future or forward-looking nature or their negative or variations or similar terminology. Actual events and results may differ materially from those expressed or implied in these statements. Important factors that could cause actual events or results to differ materially from those indicated in such statements include, among other things, our ability to meet our sustainability goals and targets such as our greenhouse gas reduction targets and those other factors discussed in Item 1A, pages 46-64 of our 2025 Annual Report, and our quarterly reports on Form 10-Q filed with the SEC. These forward-looking statements speak only as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This report may contain links to, or information from, other internet sites. Such links and information are not endorsements of any products or services in such sites, and no information in such sites has been endorsed or approved by the Company.

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## Transparent Information & Fair Advice for Customers

### FN-IN-270a.1

*Total amount of monetary losses due to legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers*

In compliance with the regulations set forth by the Securities and Exchange Commission (SEC), Arch discloses all material legal proceedings, other than ordinary routine litigation incidental to the business, in its annual reports on Form 10-K and quarterly reports on Form 10-Q. In 2025, legal proceedings and/or monetary losses, if any, associated with marketing and communication of insurance product-related information to new and returning customers were not material and, accordingly, have not been disclosed in our Form 10-K. [See Item 3, page 67 of our 2025 Annual Report.](#)

### FN-IN-270a.2

*Complaints-to-claims ratio*

We are committed to delivering a consistent, exceptional level of service to our insureds. We strive to provide swift and efficient responses to every coverage inquiry or claim. Our team of experienced underwriters and claims handlers assists with the process, addressing queries, customer coverage questions, complaints and/or claims.

For the past five years, our insurance operations executed a global strategic initiative called "The Arch Experience." The initiative sets standards for behaviors and expectations for how all colleagues interact with customers, each other and partners across multiple areas, including customer coverage issues, complaints and claims. In 2025, our focused trainings emphasized our commitment to our brand purpose, "Pursuing Better Together." These sessions covered key areas and highlighted principles to proactively solve problems, embrace new ideas, continuously improve, and stay prepared for any situation. We believe prompt responses to customer needs will help build strong, trust-based relationships with our clients. By promoting curiosity and meaningful engagement with our clients, we strengthen our ability to anticipate opportunities and take proactive measures to provide optimal solutions. We also actively obtained internal and external feedback to identify and implement initiatives to better serve our claimants. [See also FN-IN-270a.4, "Description of Approach to Informing Customers about Products,"](#) for additional details regarding The Arch Experience.

We provide a wide range of commercial property and casualty insurance products primarily through our U.S.-based insurance subsidiaries, subject to insurance regulations in the various states and jurisdictions where they transact business. As a multi-line insurance carrier, we are

subject to insurance regulations in all 50 states and other jurisdictions. State insurance departments voluntarily provide consumer complaint data to the National Association of Insurance Commissioners (NAIC). The NAIC does not calculate or report on a complaints-to-claims ratio but instead provides a summary listing of all closed complaints by business line for each underwriting company in the U.S. Closed complaints, as defined by the NAIC, are complaints that have been investigated by the state insurance department and given a resolution code. The NAIC "National Complaint Index Report" is calculated by dividing each underwriting company's share of closed complaints in the U.S. market by the underwriting company's market share of premiums in the U.S. The NAIC does not provide one ratio for all our underwriting companies combined. Closed complaint ratio data, calculated by the NAIC, is available on its consumer site [https://www.naic.org/cis\\_refined\\_results.htm](https://www.naic.org/cis_refined_results.htm). Data for the following companies is available: Arch Insurance Company, Arch Indemnity Insurance Company, Arch Specialty Insurance Company, Arch Property Casualty Insurance Company and Arch Wilsure Insurance Company (formerly, Watford Insurance Company).

For our **U.S. mortgage insurance (MI)** subsidiaries, we rarely deal directly with consumers and do not often receive consumer complaints filed with state insurance departments. Due to the structure of MI products, the minimal number of complaints received is not a meaningful metric for assessing our claims-handling process. Therefore, our U.S. MI subsidiaries do not measure claims performance based on complaint volume.

Our **U.S. reinsurance** subsidiaries do not engage directly with consumers and do not receive consumer complaints filed with state insurance departments. In addition, our reinsurance subsidiaries typically do not receive formal complaints from their ceding company clients except for infrequent claims disputes. Therefore, our reinsurance subsidiaries do not track or measure claims performance based on complaint volume.

### FN-IN-270a.3

*Customer retention rate*

**Global Insurance Operations.** For our insurance subsidiaries, we routinely monitor customer retention rates for all measurable lines of business, excluding nonrecurring products (e.g., surety products, travel products, transactional risk products and political risk coverages). We include this measure in our internal management reporting, ensuring we account for and address any unexpected changes within a business unit. We look at customer retention on both a premium-weighted and policy-count-weighted basis. Each diagnostic is informative, and we analyze customer retention at lower segmented levels where useful or applicable. Our methodology does not

adjust the calculation for involuntarily terminated customers as provided by the SASB methodology.

Because of the diversity of business written by our insurance subsidiaries, the expected customer retention ratio varies significantly across our business units. Most of our business units achieve retention ratios in excess of 75% and have remained relatively consistent over time.

**U.S. Mortgage Insurance Operations.** We do not track customer retention rates for our U.S. MI subsidiaries because we do not have direct consumer contact. Instead, for our MI business, the customer is a lending institution. Based on this structure, a more meaningful metric is the retention rate of new insurance written (NIW), a common term in mortgage insurance that refers to the aggregate dollar amount of newly insured mortgage loans. In 2024 and 2025, on average, 87.1% of the lender home offices that submitted at least one loan (or unit count) that became NIW, submitted at least one loan (or unit count) that became NIW the following quarter.

**U.S. Reinsurance Operations.** We do not track customer retention at the group level for our U.S.-based reinsurance business because we do not find it a useful metric, given that our customers are insurance companies, and our strategic focus is on adjusting capacity in different markets based on pricing. Although we do not track the metric at a group level, some individual departments track retention rates when it makes sense for their part of the business.

#### **FN-IN-270a.4**

*Description of approach to informing customers about products*

Our global primary insurance operations follow a blueprint, "The Arch Experience," aimed at delivering an exceptional customer experience. This initiative is embedded in our business, encompassing all employees within our worldwide insurance segment. The program centers on reinforcing specific behaviors and standards geared toward enhancing solutions-oriented communication with our valued customers.

The Arch Experience follows principles to proactively solve problems, embrace new ideas, continuously improve, and stay prepared for any situation. By promoting curiosity and meaningful client engagement, we strengthen our ability to anticipate opportunities and take proactive measures to provide optimal solutions.

For our insurance and MI products, customer interactions are generally handled through a limited number of specialized intermediaries, including professionally licensed brokers, agents, wholesalers, coverholders, administrators and, when relevant, mortgage originators. These experts, as applicable, are instrumental in providing information and offering advisory support to existing and prospective customers. These intermediaries also participate in the post-

purchase phase by reviewing policies and overseeing the ongoing insurance relationship. Policyholders are also encouraged to review policy content carefully and, should inquiries arise, to seek clarification from these intermediaries.

Our underwriters, sales employees and coverholders maintain regular contact with the intermediaries to ensure they have a clear and comprehensive understanding of our product offerings. The applicable underwriting business unit, communications group and legal department are involved in preparing and reviewing communications distributed to current or prospective customers. Our communications are tailored to meet the customer's specific needs and vary depending on the specific product type and segment. The information we provide may include, among other things, the specific product and policy scope (including limits and deductibles as relevant), underwriting terms and conditions, pricing information, industry and exposure-related materials, risk management support and other general information about the company issuing the underlying policy, our brand and/or our financial strength and information regarding how to make a claim and claims procedures, as applicable.

In our MI business, we work closely with lenders and industry associations to identify opportunities to educate the public on our solutions and address common misconceptions about down payment requirements and the home-buying process. We understand owning a home can be financially challenging, so we see immense value in participating in inclusive opportunities for the public to engage with experts at Arch and across the industry.

On an ongoing basis, we provide educational materials on the role MI plays in society. We support the efforts of the U.S. Department of Housing and Urban Development (HUD) to identify approved housing counseling agencies across states on its website. These programs advise people on the home-buying process, default prevention and credit management. By providing this consumer education, we facilitate consumer awareness of products and services and provide them with the knowledge and skills to improve their ability to manage risk.

We help borrowers prepare for the challenges and responsibilities of homeownership through our Government-Sponsored Enterprise-approved homebuyer education courses at <https://www.archmi.com/hbe>. We believe prospective homebuyers can also benefit from homebuyer education programs sponsored by community, nonprofit and governmental agencies. We are proud to partner with BALANCE<sup>®</sup>, a nonprofit financial counseling organization that makes homebuyer education accessible to

a broader audience. In 2025, more than 2,600 potential homebuyers completed the homebuyer education course.

In the unfortunate cases where our policyholders experience a covered loss, we are committed to providing timely client service when paying claims. We offer a customer-focused approach to claims management and endeavor to resolve claimant needs quickly and efficiently. Our policies are clear about the scope of coverage and the claims process. We communicate with our customers through various channels, including our intermediaries, website, email, advertising, promotional materials, social media, and at events and conferences.

Our reinsurance group generally markets its reinsurance products through professionally licensed intermediaries, except for our property facultative reinsurance group, which also deals directly with the ceding companies. Per the applicable reinsurance contracts, all communications with ceding companies are directed through these intermediaries, including claims communications.

## Incorporation of Sustainability Factors in Investment Management

### FN-IN-410a.2

*Description of approach to incorporation of sustainability factors in investment management processes and strategies*

Insurance companies are subject to regulatory investment requirements that limit our investment flexibility regarding the types of investments we may hold and the concentrations of credit and equity risk we may amass. These requirements ensure insurers have sufficient liquidity to pay claims as they are presented.

As disclosed in our 2025 Annual Report, a significant majority of our funds available for investment are deployed in a widely diversified portfolio of U.S. government, corporate and other high-quality, liquid assets. A significant portion of our portfolio comprises securities issued by the U.S. government and government agencies and AAA, AA and A rated securities.

As a long-term asset manager and owner, we integrate sustainability factors into our investment analysis and decision-making. Our fundamental analysis incorporates investee companies' sustainability risk ratings, including corporate governance, climate risk exposure, carbon reduction and workforce policies. Through these investments, we aim to deliver total return for Arch while potentially realizing the societal benefits of sustainability investing.

Our Responsible Investing (RI) Policy provides a framework for governance, investment strategy, engagement, reporting

and communications. In developing the RI Policy, we considered the six principles set forth by the United Nations Principles of Responsible Investment (UN PRI). The RI Policy reflects our approach to sustainable value creation by considering sustainability factors, including climate change, in the investment process for all asset classes under our management. [See page 28 of our 2025 Sustainability Report for details regarding our RI Policy.](#)

Arch's investment team employs qualitative and quantitative analysis to identify company- or manager-specific risks and opportunities. Our investment team uses various resources to stay informed of developments in sustainability ratings and evaluation methodologies to understand the potential implications of emerging sustainability factors. For our internally managed assets, we consider sustainability factors and ratings when assessing new investment opportunities, where reliable data is available.

Our RI strategy involves engaging with our external managers regarding sustainability integration into their investment decisions. We also encourage the adoption of strong RI practices. Additionally, we request external managers provide annual sustainability reports and metrics on their organization's performance.

Our sustainability risk management process involves pre-investment due diligence — managed by our investment teams and approved by our Investment Committee — for externally managed assets. The Investment Committee comprises senior members of our investment team, our Chief Executive Officer and our Chief Financial Officer. Active engagement with external managers, post-investment is another central tenet of our approach. For internally managed assets, carbon metrics and other sustainability factors are included in our investment decisions and reporting, where available. We review the portfolio for issuers with poor or weaker trending sustainability ratings and seek to emphasize those with more favorable sustainability risk profiles, where attractive investment opportunities and ratings are available.

## Policies Designed to Incentivize Responsible Behavior

### FN-IN-410b.1

*Net premiums written related to energy efficiency and low-carbon technology*

At Arch, we track premium data based on the line of business and by state (as applicable), as required by insurance regulators. Premium information by segment and line of business is discussed in our Dec. 31, 2025, Financial Supplement [here](#).

Recognizing the heightened market emphasis on the energy transition and regulatory efforts to quantify associated premiums, our global insurance underwriters, in collaboration with our Chief Sustainability Officer, use a principles-based approach to identify energy-efficient and sustainable energy accounts. This initiative is aligned with our recognition of the increasing importance of evaluating the impact of our global insurance underwriting on climate change mitigation, adaptation and other sustainable energy initiatives.

The process begins by determining whether an account involves renewable or sustainable energy technology, making it eligible for tagging. The process also identifies certain energy-efficient or low-carbon technologies and practices, including hydro and geothermal power generation, battery storage, biofuels, clean fuels production/blending, hydrogen and emissions reduction technology. This process allows us to measure the premium volume meeting that definition from several lines of business in our U.S., U.K. and Canadian insurance operations, including U.S. Executive Assurance, Retail Energy, Surety and E&S Casualty; U.K. Energy Property and Liability and Onshore Construction; and Canada Casualty, Middle Market and D&O.

Based on this effort, in 2025, we quantified approximately \$59 million in net premium written (net of broker commissions and gross of reinsurance) related to renewable energy or low-carbon technology accounts, consistent with 2024. We will continue to report on our progress and seek to expand the process across additional business lines and geographies when possible.

## **FN-IN-410b.2**

*Discussion of products and/or product features that incentivize health, safety and/or environmentally responsible actions and/or behaviors*

Our U.S. casualty insurance business units (construction, national accounts, retail energy, alternative markets, programs, defense base act, E&S casualty, foreign casualty for overseas military/governmental bases and high excess workers' compensation) offer primary and excess casualty coverages to middle market and large accounts across a variety of industry segments. Our large account underwriting segments specialize in loss-sensitive insurance programs, such as large deductible, self-insured retention and retrospectively rated programs. Insureds can better manage their premium costs through individual account ratings and pricing reflecting their loss experience. Further, insureds are incentivized to implement and adhere to strong risk management, safety and loss prevention programs. With this program structure, the risk is shared between the insurer and the insured, allowing us to extend our casualty risk control service offerings to improve customer results. For our middle market and smaller commercial accounts, such as private equity firms, real estate and hospitality,

financial institutions, professional services, construction, retail energy and healthcare, we also extend our casualty risk control service offerings to help these businesses with their overall risk management practices.

## **Health & Safety**

**1. Our Casualty Risk Control Services Platform.** Through our casualty risk control services platform, Arch Casualty Risk Control, we offer health and safety support for our U.S.-based casualty insurance customers. We provide businesses with access to comprehensive services including training resources, technical information and consulting solutions, to help our customers safeguard their employees and the public.

Our casualty risk control staff helps our customers better understand and manage their health, safety and environmental risks and exposures to loss. In 2025, we continued to increase our casualty risk control staff, supporting our U.S.-based casualty insurance customers by hiring professionals with diverse skill sets to broaden our capabilities and increase our interactions with policyholders.

We regularly engage directly with our customers to provide best practices and support. We assess prospective and currently bound accounts to identify gaps in existing programs and opportunities to improve results. These assessments help establish service action plans to improve safety and overall risk management practices. This support includes:

- **Consulting on Work Site Safety and Employee Onboarding Programs.** We understand that a new employee's first few months on the job involve the greatest potential for injury. This is a critical time for employers to properly train and orient employees to be aware of hazards. Through our consulting services, we help our customers develop and implement consistent workplace safety orientation and training programs and encourage them to hold their supervisors accountable for these critical activities. Examples of critical work site employee safety training topics include effective daily briefings and task hazard analysis, fall protection, electrical safety, struck-by, confined space entry, excavations, lockout/tag-out, driver safety and heavy equipment operations. Beyond the new employee focus, our consulting efforts emphasize client management systems and processes to encourage employee safety practices to be carried out and consistently maintained and audited throughout the employment life cycle.
- **Post Injury Management.** When workplace injuries occur, having an effective post-injury management program is a cornerstone of occupational health and safety. Such programs are designed to enable an employee's safe return to work following a

workplace injury and play a critical role in safeguarding employees' health and workplace productivity.

Arch Casualty Risk Control developed a Post Injury Management Guide (Guide) with resources to develop and implement a formal and successful program. The Guide includes:

- Sample policies and procedures covering the initial injury assessment, rehabilitation strategy, workplace adaptations to promote a safe and supportive work environment and defined stakeholders with individual responsibilities.
- Regular evaluations and adjustments to the program to adapt to the individual's progress.
- Informational materials and training to assist stakeholders.
- **Consulting to Protect the Public.** Many of our policyholders interact with, or are exposed to, the public through the communities and customers they serve. Some of their scopes of work may create potential injury exposure to the public. Arch Casualty Risk Control focuses on these public exposures and helps our clients develop plans and best practices to eliminate or minimize exposure to injuries. This includes: (1) driver improvement to prevent policyholder at-fault accidents impacting the traveling public; (2) assistance with slip/fall exposures in retail environments; and (3) improved safety and management of temporary highway work zones to facilitate safe passage for public vehicles and pedestrians.
- **Safe Driving.** Driving creates a significant risk to our customers and the public. Our risk-control staff works with our customers to help them properly screen and manage employee drivers of all types of vehicles to improve on-the-road safety performance. At the policyholder level, we sample and review customer motor vehicle records to ensure appropriate driver screenings and management programs are in place. We also promote safe driving and provide our customers with driver training and management resources through several third-party alliances. These resources are designed to combat distracted driving and reinforce defensive driving skills. We offer our customers, through a third-party vendor, access to continuous employee motor vehicle record monitoring so our customers can better assess their drivers' risk profiles in real time and take corrective actions before a driver's motor vehicle record moves to an unacceptable level. We developed and use a tool to better analyze and consult with

policyholders on their results from the Department of Transportation's Safety Measurement System (SMS). The SMS uses data from roadside inspections, crash reports from the last two years, and investigations to identify and intervene with motor carriers. This tool allows us to provide more detailed insights and tailored advice, helping policyholders improve their safety performance.

- Arch Casualty Risk Control maintains a software application to facilitate and enhance our ability to track and manage account interactions and services for new and current insureds. This system enables our casualty risk control specialists to monitor recommendations for improvement, track the status and ultimately close program gaps identified in our business evaluations. This application is designed to ensure we provide proper customer support and continued operational improvement to reduce losses.
- **Additional Resources to Support Our Insureds.** In 2025, we continued to add new or enhanced business alliances to provide additional resources for our policyholders. These alliances focus on preferential pricing and Arch contributory funding arrangements for targeted safety and loss prevention tools, such as:
  - Crisis counseling and mental health consulting, including post-traumatic event counseling (i.e., supporting companies in building resilient workplaces in the face of disaster, disruption and everyday behavioral health challenges).
  - Active shooter preparedness, training and facility security assessments.
  - Mobile device blocking apps to address distracted driving.
  - Vehicle camera and telematics systems for driver monitoring and improvement.
  - Document translation services to help clients communicate critical information to multi-lingual teams.
  - Career development and talent mobility solutions supporting employees impacted by downsizing or workforce reductions.
  - Cloud-based safety management system software.
  - Online safety and health training.
  - Accident reporting application to facilitate prompt and efficient documentation.
  - Sustainability advisory services for our retail energy accounts.

- Motor vehicle record monitoring to ensure safety and security.

**2. Safety Training for First Responders.** Through our programs for emergency responders and firefighters, we offer a suite of safety and training aids to help promote safety and reduce the potential for on-the-job errors or injuries. Our services educate and inform first responders on industry safety and compliance best practices. These services are offered to thousands of ambulance and emergency workers and volunteers. In addition, we offer an e-learning and training management system with over 600 courses available, through which learners completed more than 190,000 courses in 2025. Although e-learning is not meant to replace quality face-to-face and hands-on training, we realize tremendous time requirements are placed on individuals in today's fast-paced environment, making it difficult for everyone to attend scheduled training. Our e-learning courses allow first responders to supplement scheduled hands-on training and are available 24/7.

Our training courses are designed to help our insureds stay safe and supported while serving their communities. In 2025, we conducted 39 webinars, watched by over 3,600 live viewers and extended participation in these webinars to non-clients throughout the U.S. The following are some of the topics covered during the training:

- **Trending Webinar Topics.** Sessions address emerging risks and operational challenges, covering Promises and Pitfalls of Instant Technology, Interactive Case Studies, Anatomy of an Intersection Crash, Reputation Management, Protecting Your Assets, HAZMAT Awareness, ATV Basics, and Reading the Smoke.
- **Beyond the Sirens.** Focuses on accident prevention and defensive driving, highlighting evidence that unnecessary use of lights and sirens increases risk and offering strategies to change habits.
- **Emergency Vehicle Driver Training.** Classroom and hands-on instruction to build skills for safe emergency vehicle operation under demanding conditions.
- **Fit for Duty.** Guidance for fire-service leaders on monitoring members' mental, emotional, and

physical readiness to reduce risk and improve safety.

- **Essential Series.** Online modules for training officers to reinforce core firefighter skills and complement hands-on instruction.
- **Harassment & Violence Prevention.** Proactive training using a "bystander assistance" approach to foster safe, respectful workplaces.
- **FARMEDIC.** A two-day program combining classroom and practical training on farm-related emergencies, including barn fires, grain-bin entrapments, animal incidents, and toxic gas exposure.
- **Safe Handling of Fire Gear.** Training on proper cleaning and storage of gear to reduce exposure to harmful by-products, including guidance for volunteers who take gear home to prevent secondary exposure risks.
- **Lithium-Ion Battery Exposures.** Practical techniques for mitigating risks when responding to fires caused by lithium-ion batteries.

**3. Marine Cargo Underwriting.** Through our agency at Lloyd's of London, we participate in cargo insurance initiatives to help relieve various global humanitarian crises:

- We provide cargo insurance to companies delivering materials essential for energy project construction, supporting the development and maintenance of vital infrastructure. This includes supplies for the building of renewable energy facilities, such as wind and solar plants.
- To help combat hunger and severe poverty in developing regions, we support a facility covering the secure shipment of food commodities.
- We provide cargo insurance to global organizations such as UNICEF and UNHCR to support the transportation of essential health and social aid within humanitarian programs.

## Environmental Responsibility

One of our core commitments is identifying business opportunities associated with environmentally friendly practices. We develop products and features that address our customers' evolving needs and incentivize responsible environmental behavior, while being priced to meet our long-term financial objectives.

- **Renewable Energy Practice.** Through our general liability practice, our products extend coverage to power generation and renewable energy customers active in solar and wind technology. Our products, services and expertise help these industries keep their employees safe and protect their physical assets,

balance sheet and, ultimately, their long-term success. Our coverage provides insurance solutions for all aspects of a renewable energy business, from research and development to operations. As U.S. domestic and international renewable energy industries continue to expand, our renewable energy practice analyzes industry trends, market data and loss trends to develop insurance products tailored to the specific needs of renewable energy businesses.

- **Powering Next-Generation Energy.** Our U.K. Onshore Energy Business Unit and Liability team provides comprehensive risk solutions for next-generation energy projects that enable innovation and resilience across the energy transition. Our portfolio spans wind and solar (both offshore and onshore), battery energy storage systems (BESS), biofuels including sustainable aviation fuel, carbon capture utilization and storage, next-generation nuclear, hydro, geothermal and direct air capture. We underwrite full lifecycle exposures covering construction, cargo, and operational phases, while supporting critical infrastructure such as interconnector cables. Through tailored coverage and technical insight, we enable progress in an evolving energy ecosystem.
- **Surety Bonds for Renewable Energy.** We support projects that accelerate the climate transition through our surety business by focusing on the renewable energy sector. The demand for sustainable energy is increasing, leading to more renewable energy development projects that can be built and tied into the energy grid. We have a dedicated team of Surety underwriters specializing in renewable or lower carbon energy industry products, including solar, wind, BESS, biomass and hydropower opportunities for financial assurance requirements. Arch Surety provides myriad bonds to the renewable energy sector, including performance bonds guaranteeing the construction of solar plants (both light commercial and grid scale), interconnection bonds guaranteeing renewable energy sources are designed and constructed to tie into the grid correctly, and performance bonds that guarantee grid-scale battery storage systems are built and installed to specifications.
- **Green Building and Natural Catastrophe Coverages.** Traditional property policies are designed to provide coverage to rebuild a structure as it existed before a loss, with materials of like kind and quality. If an insured, further to a covered peril, elects to replace its damaged traditional building with sustainable materials, our "Arch Pinnacle" policy covers the additional costs to achieve at least the minimum requirements, including the cost of sustainable materials, certified professionals, the certification application and transporting debris to recycling facilities.

Our Middle Market Solutions team also supports recovery from earthquakes, hurricanes and floods, helping property owners, businesses and communities rebuild quickly. Coverage includes water treatment plants and infrastructure, improving clean water access and preventing of environmental contamination.

- **Premium Credits Offered in Connection with Commercial Property Coverage.** Arch encourages environmentally responsible behaviors by offering premium credits. Through our risk selection process, insureds can qualify if they:
  - **Have or install early fire detection and suppression systems.** Such systems are designed to reduce the frequency and severity of fires.
  - **Meet "substantial" building construction standards.** Commercial properties built to withstand wind or earthquakes may have reduced debris disposal at landfills in the event of a loss.
  - **Adhere to proper property and equipment maintenance.** The benefits include avoiding fires, floods, mechanical breakdowns or water intrusion leading to mold or contamination, and reduced debris from obsolete equipment.
- **E&S Casualty Business Unit.** We have more than 15 years of experience delivering solutions for renewable energy clients and brokers within the energy segment. Through our careful risk assessment processes, we tailor coverage to the specific needs of our renewable energy clients in all casualty lines, including primary general liability, excess and umbrella. We provide coverage for all sizes and phases of independent power producers, including development, owners' interest construction, construction, operational, idle and maintenance contractors. Our industry appetite includes wind farms, solar farms, renewable energy contractors, ethanol plants, biodiesel plants, waste-to-energy facilities, geothermal production and more alternative energy companies. We support the expansion of the renewable energy industry by providing a safety net for independent power producers.
- **Retail Energy Business Unit.** Our proprietary general liability and umbrella policy forms and endorsements extend coverage to a variety of energy-related risks, CO<sub>2</sub> sequestration risks, and many types of renewable energy risks, as well as product manufacturers, suppliers and other businesses that support the energy industry. These product updates provide additional coverage for pollution-related losses, including certain losses resulting from carbon dioxide sequestration operations and saline substances, and also reduce or exclude coverage for power generation using coal, or for the mining, processing, handling, storage or transportation of coal. Our underwriting and casualty risk control

professionals are focused on our customers, and we seek to provide the products, services and expertise needed to help manage risk, avoid accidents and offer support and resources to help customers recover in the event of a loss. In addition, our retail energy unit focuses on encouraging the integration of sustainability practices and related disclosures among new and existing customers.

- **Pollution Spills.** Safely operating high-risk energy activities is critical to responsible environmental stewardship. Under our Cornerstone<sup>SM</sup> products, we offer many of our energy customers protection against pollution events, including coverage for pollution clean-up costs, pollution-related bodily injury and property damage, and specified crisis management expenses. For other customers, including our renewable energy customers, we offer coverage for emergency pollution mitigation costs, pollution-related bodily injury and property damage, and specified crisis management expenses. Through our Cornerstone<sup>SM</sup> policy, we provide specific coverage enhancements for many types of pollution events, allowing our customers to more rapidly address and help minimize the severity of environmental impact from a pollution incident.
- **Well-Control Events.** To address potentially significant impacts on our customers, their employees and the environment, we have partnered with a third-party vendor to offer our customers best practice oil and gas well-control training, emergency response plans and incident response. For applicable customers, we also offer access to a telephone hotline that connects them with a well-control professional who can provide steps to manage well pressure to avoid a well blowout.
- **Sustainability Advisory Services.** Through an alliance with a third-party vendor, we offer our public and private energy customers access to a sustainability consulting team that provides actionable insights to companies navigating the sustainability disclosure landscape.
- **Environmentally Focused Property Risk Control Services.** The Arch Property Risk Control platform also provides support and training to our insureds, including hot work (welding and/or flame cutting), fire impairment protocols, and best practices. In addition, we provide support for emergency response planning, flood emergency response plan development, hurricane preparedness and safe solar panel installation.

## Financed Emissions

### FN-IN-410c.1

*Absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3*

In 2024, certain Arch subsidiaries reported aggregated absolute gross financed emissions under Scope 3, Category 15, subject to external limited assurance. These disclosures were included in their consolidated sustainability statement to meet European Union regulatory compliance requirements that no longer apply. We report our total Scope 1, Scope 2 and certain categories of Scope 3 greenhouse gas emissions in our [2025 Task Force on Climate-related Financial Disclosures report](#).

Arch is committed to enhancing its approach to measuring and managing climate-related impacts, including through the improvement in data collection and calculation processes for financed emissions in alignment with industry standards and emerging regulatory expectations. We will continue to report on our progress.

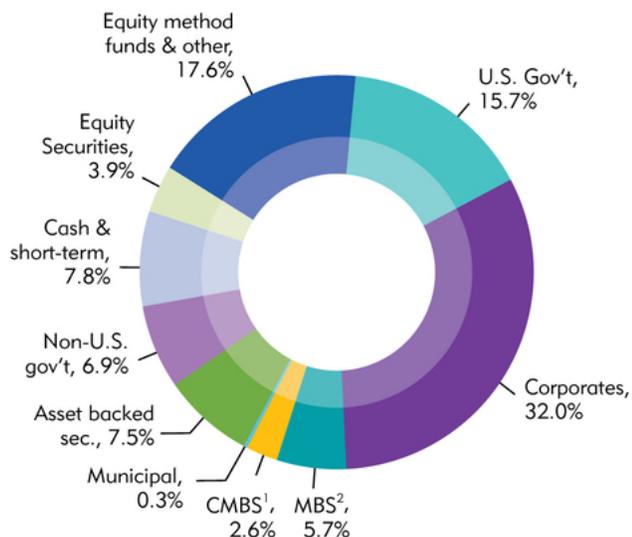
### FN-IN-410c.2

*Gross exposure for each industry by asset class*

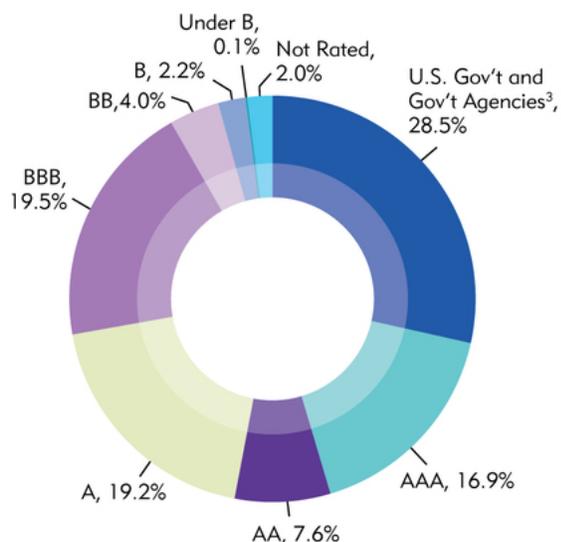
We believe integrating sustainability factors into investment analysis may contribute to improved returns and reduced risks over the long term and align with our stakeholders' best interests. We manage our investment portfolio with the understanding that the portfolio is designed to ensure an ongoing ability to pay claims when due. As a long-term asset manager and owner, we integrate sustainability factors into investment analysis and decision-making. Through our fundamental analysis, we incorporate investee companies' sustainability risk ratings, including corporate governance, climate risk exposure, carbon reduction and workforce policies.

We deliver a total return for Arch while potentially realizing added benefits when investing to create a positive societal benefit. For a discussion of our investment portfolio, see Item 7, pages 89-95, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition—Investable Assets, Liquidity and Capital Resources" in our 2025 Annual Report. As of Dec. 31, 2025, approximately 79% of our total investable assets were invested in fixed maturity, short-term investments and cash. The portfolio is diversified across sectors, with investment-grade corporates and U.S. government securities representing the two largest sectors. The portfolio's average S&P/Moody's credit rating was AA-/Aa3.

## INVESTMENTS BY TYPE



## FIXED MATURITIES BY RATING



<sup>1</sup> CMBS = Commercial mortgage-backed securities.

<sup>2</sup> MBS = Mortgage-backed securities.

<sup>3</sup> Includes U.S. government-sponsored agency MBS and agency CMBS.

### FN-IN-410c.3

Percentage of gross exposure included in the financed emissions calculation

Arch is committed to enhancing its approach to measuring and managing climate-related impacts, including through the improvement of data collection and calculation processes for financed emissions in alignment with industry standards and emerging regulatory expectations. We will continue to report on our progress.

### FN-IN-410c.4

Description of the methodology used to calculate financed emissions

Arch is committed to enhancing its approach to measuring and managing climate-related impacts, including through the improvement of data collection for calculating financed emissions as guided by the principles and standards set forth by the Partnership for Carbon Accounting Financials and the Greenhouse Gas Protocol. We will continue to report on our progress.

## Environmental Risk Exposure

### FN-IN-450a.1

Probable maximum loss of insured products from weather-related natural catastrophes

We operate leading specialty property and casualty and mortgage insurance businesses across a range of geographical locations and product offerings, providing meaningful diversification and earnings stability. In all, 94% of our total net premiums written in 2025 were from our property and casualty business, while 6% originated from our mortgage insurance business. For a detailed allocation of our net written premiums, refer to the accompanying graph below.

We have large aggregate exposures to natural catastrophic events, including hurricanes, floods, wildfires, tsunamis, windstorms, earthquakes, hailstorms, tornadoes, explosions, severe winter weather, fires, droughts and other natural disasters. We monitor our exposure to catastrophic events, including earthquakes and wind, and periodically reevaluate the estimated probable maximum pre-tax loss for such exposures. Our estimated probable maximum pre-tax loss is determined by using modeling techniques, but such an estimate does not represent our total potential loss for such exposures. Our models employ proprietary and vendor-based models to inform risk assumption and reinsurance purchasing decisions designed to manage our exposure to catastrophic events. We actively monitor and evaluate the impact of changes in the vendor-based systems and adjust our risk evaluation as necessary. As new information and techniques emerge, we update our proprietary models, which are integral to our enterprise risk management

process and support our long-term financial strategies and objectives.

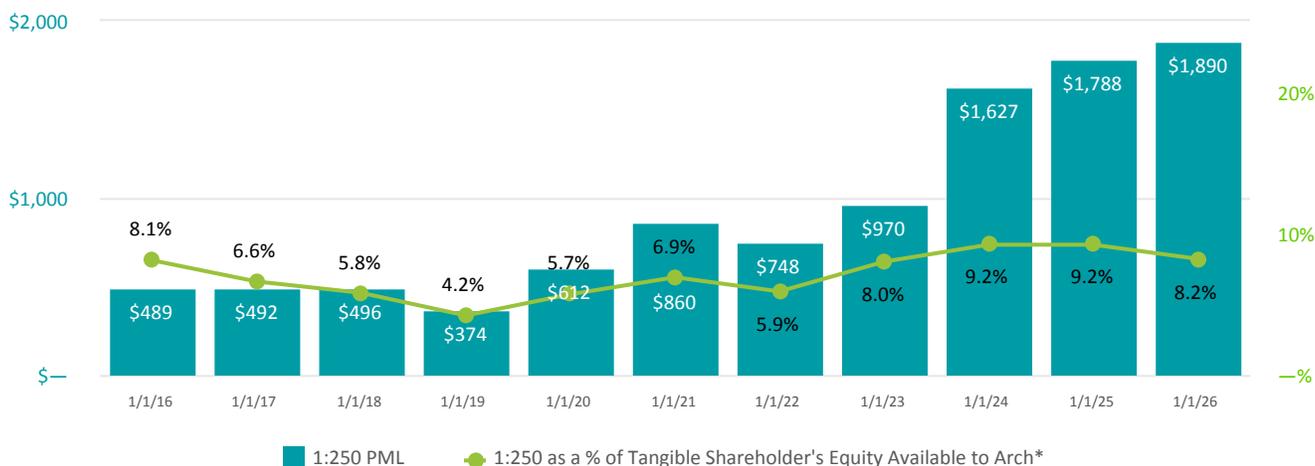
For our natural catastrophe-exposed business, we limit the amount of exposure we assume from any single insured. We limit the probable maximum pre-tax loss to a specific level for severe catastrophic events. Currently, we limit our 1-in-250-year return period net probable maximum loss (PML) from a severe catastrophic event in any geographic zone to approximately 25% of tangible shareholders' equity available to Arch (total shareholders' equity available to Arch less goodwill and intangible assets). We reserve the right to change this threshold at any time.

Based on in-force exposure estimated as of January 1, 2026, our modeled peak zone catastrophe exposure was a windstorm affecting the Florida Tri-County, with a net probable maximum pre-tax loss of \$1.9 billion, followed by windstorms affecting the Northeast U.S., and the Gulf of Mexico with net probable maximum pre-tax losses of \$1.7 billion and \$1.5 billion, respectively. As of January 1, 2026,

our modeled peak zone earthquake exposure (San Francisco area earthquake) represented approximately 51% of our peak zone catastrophe exposure, and our modeled peak zone international exposure (German windstorm) was substantially less than both our peak zone windstorm and earthquake exposures. Refer to the chart of our peak zone PML for additional context regarding our estimates of changing exposure to natural catastrophes in our portfolio over time.

Net PML estimates are net of expected reinsurance recoveries before income tax and before excess reinsurance reinstatement premiums. Catastrophe loss estimates reflect the zone indicated and not the entire portfolio. Since hurricanes and windstorms can affect multiple zones and make multiple landfalls, our catastrophe loss estimates include clash estimates from other zones.

## ACGL PEAK ZONE 1:250 PML (\$M)



\* Non-GAAP Financial Measures: Tangible shareholders' equity available to Arch represents total shareholders' equity available to Arch, which includes non-cumulative preferred shares, less goodwill and intangible assets (excluding amounts attributable to non-controlling interests). We believe that tangible shareholders' equity available to Arch is useful to investors because it provides a more accurate measure of the realizable value of shareholders' equity. The following table provides a reconciliation of total shareholders' equity available to Arch to tangible shareholders' equity available to Arch:

(U.S. Dollars in Millions)	December 31,											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Total shareholders' equity available to Arch	6,167	8,254	9,197	9,440	11,497	13,106	13,546	12,910	18,353	20,820	24,206	
Less: goodwill and intangible assets	98	775	646	628	731	682	942	802	730	1,351	1,222	
Tangible shareholders' equity available to Arch	6,069	7,479	8,551	8,812	10,766	12,424	12,604	12,108	17,623	19,469	22,984	



## 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)*

The table displays the estimated net losses incurred from current accident year natural catastrophe events for our insurance and reinsurance segments for the last three years, after considering ceded reinsurance and reinstatement premiums. Note these are estimates as of Dec. 31 of each year for events occurring in that year, corresponding to the catastrophe figures reported in our Financial Supplements, which are available on the Investors page of our [website](#). See also the chart in Section FN-IN-450a.1 of our peak zone PML for additional context regarding our estimates of changing exposure to natural catastrophes in our portfolio over time.

Segment	Accident Year		
	2025	2024	2023
Insurance	\$ 313	\$ 296	\$ 126
Reinsurance	595	793	368
<b>Total</b>	<b>\$ 908</b>	<b>\$ 1,089</b>	<b>\$ 494</b>

Arch does not distinguish between modeled/non-modeled losses and does not find that to be a meaningful distinction.

## 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*

The Nominating and Governance Committee of our Board of Directors (Board) oversees sustainability matters. Executive Management and our sustainability team are responsible for managing and coordinating Arch's sustainability efforts, including the integration of climate change in our corporate strategy. Climate-related risks are evaluated and monitored regularly in our underwriting and risk management processes. [See also page 11 of our 2025 Sustainability Report for more information on our risk oversight.](#)

We consider climate risk (physical, liability and transition risk) alongside all other relevant risks (e.g., underwriting, investment and operational) and perils in our evaluation process. We look at the impact of climate factors in the near and long term. Risks tied to climate change are articulated and addressed in our [Task Force on Climate-related Financial Disclosures Report](#), our entity-wide risk register and our annual Own Risk and Solvency Assessment (ORSA).

Climate change could impact the frequency or severity of weather events such as hurricanes, tornado activity, windstorms, floods and wildfires. Any increase in the frequency or severity of natural disasters may adversely affect our financial condition and results. We use various

modeling methods, some proprietary and some using third-party computer models, to inform our underwriting and reinsurance decisions and manage our aggregate exposure to climate risk and catastrophic events. The exposures include those from natural catastrophes such as hurricanes, earthquakes, typhoons, floods and wildfires. The output of our modeling keeps our management informed of peak high-risk zones and insurance policies with exposure to a risk of a substantial loss from a catastrophic event.

The underwriting process is tailored by its nature to reflect the unique characteristics of the underlying risk. In addition to natural catastrophe exposures, we may factor other related environmental risk characteristics into our underwriting process. As underlying drivers of risk change, such as those from environmental causes, we reflect the changed riskiness in our pricing and overall risk appetite. We may limit risk through contract endorsements and/or exclusions in certain circumstances.

One key risk metric we incorporate in our underwriting decisions is a target return on capital. Riskier contracts require a higher return on capital and consequently higher prices. This enables us to manage risk across our portfolio to an acceptable level and allocate capital efficiently. Our target returns on capital are based on an overall view of the group's required risk capital and capital adequacy. We monitor capital adequacy against required capital on an ongoing basis and report the results quarterly to our Board. In addition, we perform an annual ORSA process focused specifically on risk governance, firm-wide risks and capital adequacy. The resulting ORSA report is provided to our Board and regulators.

Additional details about our services, products and product features that address our customers' evolving needs and incentivize responsible environmental behaviors can be found in [FN-IN-410b.2](#).

# Systemic Risk Management

## **FN-IN-550a.1**

*Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives; (2) total fair value of acceptable collateral posted with the Central Clearinghouse; and (3) total potential exposure to centrally cleared derivatives*

At Dec. 31, 2025, the total investable assets held by Arch were \$47.4 billion. Our current investment guidelines and our investment approach stress the preservation of capital, market liquidity and risk diversification. The portfolio consists primarily of high-quality fixed-income securities, with fixed maturities, short-term investments and cash representing 79%, an average effective duration on our fixed income portfolio of 3.34 years and average S&P/Moody's credit rating of AA-/Aa3. Additional details about the investment portfolio can be found in the "Investable Assets Held by Arch" section of "Financial Condition" in Item 7, pages 89-91 in our 2025 [Annual Report](#).

The Company's investment strategy allows for derivative instruments, which are recorded on consolidated balance sheets at fair value. Arch uses various derivative instruments such as futures contracts to enhance investment performance, replicate investment positions or manage market exposures and duration risk that would be allowed under our investment guidelines if implemented in other ways.

Certain of the Company's investments are managed in portfolios that use foreign currency forward contracts, which provide an economic hedge against foreign currency movements. See note 11, "Derivative Instruments," in our consolidated financial statements, Item 8, pages 156-157, of our 2025 Annual Report for additional disclosures concerning derivatives.

The estimated fair value and notional values of the Company's derivative instruments at Dec. 31, 2025, are summarized in the chart:

(\$M)	Estimated Fair Value		
	Asset Derivatives <sup>1</sup>	Liability Derivatives <sup>1</sup>	Notional Value <sup>2</sup>
Futures contracts	\$ 81	\$ (19)	\$ 8,022
Foreign currency forward contracts	75	(38)	2,458
Other <sup>3</sup>	24	(15)	161
<b>Total</b>	<b>\$ 180</b>	<b>\$ (72)</b>	

- 1 The fair value of asset derivatives are included in 'other assets' and the fair value of liability derivatives are included in 'other liabilities.'
- 2 Represents the absolute notional value of all outstanding contracts, consisting of long and short positions.
- 3 Includes swaps, options and other derivatives contracts.

## **FN-IN-550a.2**

*Total fair value of securities lending collateral assets*

Not applicable to Arch.

## **FN-IN-550a.3**

*Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities*

Arch's Enterprise Risk Management (ERM) framework encompasses all entities across the group. We have a number of non-insurance company entities performing various administrative and non-insurance support functions for Arch and certain subsidiaries. Additionally, an entity purchases residential mortgage loans for sale or securitization.

As a large property and casualty and mortgage insurance enterprise, we are exposed to risks from many sources. There are certain risks we seek for return, while other risks we accept as a by-product of being in business. Because certain risks can be correlated with other risks, the impact of an event or a series of events can aggregate across multiple areas simultaneously and have a material effect on our operations, financial position and/or liquidity. These exposures require an enterprise-wide view of risk concerning the potential impact on all aspects of our operations. To create and preserve value for all stakeholders, we manage our risk-taking within our stated risk appetites.

ERM activities involve identifying and assessing a broad range of risks, monitoring those risks and executing strategies to manage those risks. Effective ERM also includes determining our capital requirements to support the risks from economic, financial and regulatory perspectives.

Our Board oversees and monitors enterprise risk to support our long-term financial strategies and objectives. Executive management has day-to-day responsibility for our operations' risk management. Our Chief Risk Officer is responsible for risk management in support of executive management. Our risk management framework is reviewed and approved at least annually to align with our risk profile.

We expect our liquidity needs, including anticipated insurance obligations, operating and capital expenditure needs, will be met by cash flow available from underwriting activities and investment income, cash and proceeds from liquid investments.

## Activity Metric

### FN-IN-000.A

*Number of policies in force, by segment*

**Insurance and Reinsurance.** The number of policies in force is not an activity metric we use for the insurance or reinsurance coverages we sell to businesses. This measure is not a meaningful metric for coverages sold and managed on an account or customer relationship basis.

**U.S. Mortgage Insurance.** We report policies-in-force data quarterly for our U.S. primary mortgage insurance operations. Information regarding our policies in force for 2024 and 2025 is disclosed in the table below:

Mortgage Insurance	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025
Ending number of policies in force*	1,104,746	1,123,698	1,114,251	1,100,653	1,085,927	1,073,477	1,067,147	1,058,907
Change from prior year quarter (%)	(3.7)%	(1.3)%	(1.3)%	(1.5)%	(1.7)%	(4.5)%	(4.2)%	(3.8)%
Change from prior quarter (%)	(1.1)%	1.7 %	(0.8)%	(1.2)%	(1.3)%	(1.1)%	(0.6)%	(0.8)%

\* Includes first-lien primary and pool policies.