

NAIC CLIMATE RISK DISCLOSURE SURVEY

TCFD-ALIGNED QUESTIONS

UPDATED 2022

GOVERNANCE

1. *Disclose the insurer's governance around climate-related risks and opportunities.*

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

- Identify and include any publicly stated goals on climate-related risks and opportunities.
- Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

- Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

iCircle places the Independent Audit Committee of the Board with the oversight of Enterprise Wide Risk which includes the components of Climate Risk and Assessment. This committee is charged with understanding the relevant risks as it relates to Climate Risks as well as Enterprise Risk. This committee of the Board receives quarterly updates in all areas of iCircle risks, including Climate Risk. As part of the Board Committee's duties, quarterly reports are provided to the Board of Directors. Enterprise Risk is coordinated with the Vice President of Corporate Compliance, who is the Chief Audit Executive. iCircle is in process of developing a proposal for a Climate Risk Assessment as part of our Enterprise Wide Risk assessment and will be presented to the Independent Audit Committee in March for approval to proceed. We will also be presenting the need to recruit an additional board member with experience in climate risk. We believe that there is minimal short-term risk or impact but iCircle acknowledges that climate change and risk is becoming more predominant which supports more of a longer term approach and plan. We will determine our company wide goals as it relates to climate risk once an assessment has been completed. Our external audit firm that provides Internal Auditing will be completing the Enterprise Risk Assessment for iCircle and the engagement has been approved and will begin in the fall of 2024.

Currently, the Chief Audit Executive who is the VP of Compliance and the Corporate Compliance Officer serves as the designated responsible party for managing Enterprise Risk which includes Climate Risk. As part of a cross functional committee approach, information is reviewed with the Senior Executive Team including the CEO, CFO, and COO weekly. The Chief Audit Executive is also responsible for ensuring a detailed risk assessment is completed and relevant information is disseminated to the Independent Audit Committee.

STRATEGY

2. *Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.*

In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

- Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency. *
- Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations. *

A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.

In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

- Define short, medium, and long-term, if different than 1-5 years as short term, 5-10 years as medium term, and 10-30 years as long term.

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.

In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

- Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.
- Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

As a long term managed care organization, climate risks in Upstate New York are not as significant as other areas of the country. As a part of the organizations Enterprise Risk Assessment, iCircle intends to review both internal and external factors that could have an impact on our employees (operations), our provider network and membership. Climate related impacts have not historically or are presently not a factor. However, future planning as a result of our Enterprise Risk Assessment will lay the foundation to mitigate any future impacts to our employees, providers and members.

RISK MANAGEMENT

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:

- Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk. *
- Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable. *
- Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered. *

A. Describe the insurers' processes for identifying and assessing climate-related risks.

In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

- Discuss whether the process includes an assessment of financial implications and how frequently the process is completed. *

B. Describe the insurer's processes for managing climate-related risks.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.

In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.
- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.
- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

As a long term managed care organization regulated by New York State Department of Health, there is no impact due to underwriting. However, as a part of the Enterprise Risk Assessment an evaluation of risk associated with New York States ability to fund the plan as a result of a climate event will be reviewed. Funding is critical to support the services members require and any lack or delay of funding due to a climate change does present a risk. Due to New York State regulations, investment portfolios are limited to low risk investments due to the nature of the plan.

METRICS AND TARGETS

- 4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.*

In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

- Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

- In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

As a result of completing the Enterprise Risk Assessment, there will be identified metrics and targets established for any related risks to our employees, providers and risks. Monitoring and mitigation plans associated with any risk will be formalized and approved by the Audit Committee and Board of Directors.

* Asterisks represent questions derived from the original Climate Risk Disclosure Survey.