



## **INSURER CLIMATE RISK SURVEY For Reporting Year 2021**

**Company Name:** National Guardian Life Insurance Company  
**NAIC No.:** 66583 **Group No.:** 1211  
**Nationwide Direct Premiums Written:** \$932,073,764

At National Guardian Life Insurance Company (NGL), our purpose is to help people face life's financial challenges with confidence, dignity and grace. Our focus is about people – from our policyholders and marketing partners to our employees and the communities in which we live and work. This includes a focus on corporate giving related to our community and environmental causes which help battle climate change. As a life insurer with a wide national presence, the Company does not anticipate material financial exposure resulting from climate change due to the nature of its business. While no specific climate risk initiatives or groups have been established at NGL, climate changes are addressed as needed through our normal governance, strategy, risk management, and metrics and targets through normal business processes and oversight.

### **1) Governance:**

#### **a) Board Oversight:**

While NGL does not have any specified governance policies around climate related risks, the board of directors is involved in and must approve decisions about the Company's direction and future plans, which would include climate related items. Some of the committees of the board which would include governance over items like climate risk include the Governance Committee, Investment and Finance Committee, and Strategic Planning Committee.

#### **b) Managements Role:**

As noted above, the Company does not have any specific governance policies around climate risks. Management at NGL is expected to consider all risks when making business decisions which would include potential climate related risks and ramifications. Management works directly with the board of directors to make sure transparent reporting and education is provided to the board to make informed decisions. As a life insurer with a wide national presence, many decisions made are minimally impacted by potential climate risks.

### **2) Strategy:**

#### **a) Risks and Opportunities Identified by Company**

NGL has not formally documented short, medium, and long-term strategies around climate change, but has recognized some opportunities to help mitigate climate change within our physical office building as well as our corporate culture. Offering remote and



hybrid options for work for all employees allows a significant reduction in automobile emissions normally expelled during daily commutes.

The Company's home office building in Madison, WI uses high efficiency boilers and air conditioners, energy saving lighting fixtures and bulbs, and variable speed fans, automated HVAC controls and window film to reduce energy consumption. Cooling for the computer room utilizes a closed loop system and outside air, eliminating the use of water and reducing energy usage. Green chemicals are used whenever possible for basic cleaning. The Company uses phosphorous free fertilizer and composts all lawn clippings. All discarded paper is shredded and recycled, and recycling receptacles for other materials are located throughout the home office building. An office remodel that took place in 2021 will include many high efficiency and energy saving improvements.

b) Impact of Climate Risks and Opportunities

As NGL doesn't have a formal plan in place to identify climate risks and opportunities, impacts are not documented formally by the Company. Financial savings as a result of the building remodel in 2021 will allow NGL to consider corporate giving to environmental and climate change groups.

c) Resilience of Strategy Through Scenario Testing

With no formal plans of climate risk strategy and minimal financial exposure resulting from climate change, the Company does not produce scenario testing. If NGL finds that events resulting from climate risk to produce material implications to the Company, a robust strategy and scenario testing will be created. The Company has not altered its investment policy or strategy to address the impact of climate change. Investment diversification across asset classes, security types, industries or business sectors, geographic locations and individual issuers is a key component of the Company's strategy to mitigate its exposure to investment-related risk. The effect of climate change is just one of a wide range of economic, political, regulatory and other global factors considered in developing investment strategies and making investment decisions.

**3) Risk Management:**

a) Identification and assessment:

As a life insurer with a wide national presence, the Company does not anticipate material financial exposure resulting from climate change due to the nature of its business and therefore does not have a formal identification and assessment process around climate risks. NGL does have a strong risk management segment of its business led by the Chief Risk Officer, as well as oversight from the Audit Committee within the board of directors. The Company's Risk Management Committee comprised of senior executives assesses and addresses business risks faced by the Company resulting from proposed, potential, and actual changes in the business environment, laws and regulations, key business partnerships, product risk exposures and the Company's own financial



condition. The possible impacts of climate change are just one of many external risks considered or assessed during this ongoing process.

b) Processes for Managing Climate Risk:

At NGL, both the Chief Risk Officer and board Audit Committee are included in involved in identifying and analyzing risks for all aspects of the company, including existing business, to new opportunities for growth. As noted above, it is unlikely that climate risks would materially affect a decision made by the company, but if there were some that came up, it would be identified and addressed through both of the two aforementioned groups.

c) Integrating Climate Risk into Overall Risk Management:

As noted in 3a, while no formal climate risk identification and assessment processes exist at the Company, the possible impacts of climate change are just one of many external risks considered or assessed during this ongoing risk management process.

**4) Metrics and Targets:**

At this time, the company does not have any metrics or targets developed surrounding climate risks. Any potential impact that climate change would have on the mortality or morbidity of the Company's policyholders would be long-term in nature. As such, the impacts would be implicitly considered along with changes in a number of other factors in the Company's normal pricing and underwriting processes. The Company has not explicitly incorporated risks associated with climate change into financial or any other computer modeling, but all assumptions are stress-tested to understand potential variability from a variety of factors and risks.