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.

The Company has not set governance around climate related risks and opportunities. At the current time the insurer does not have any publicly stated goals on climate-related risks and opportunities. However, one of the investment funds managed by the group does have an ESG policy which it publicly discloses.

At the board and/or committee level the Enterprise Risk Management Committee (ERMC) would have responsibility for oversite of climate related risks. The ERMC receives a report of the work that is performed by the Management Risk Committee (MRC). The MRC is made up of key executives from all the business units and corporate functions. The MRC works with the different business units to perform a Business Unit Risk Assessment, where climate related risks would be identified.

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.

The kinds of insurance written by the insurance company do not provide coverage for losses caused by climate change or climate influenced events; and our policyholders do not look to the Company for guidance on such losses. We do not define climate risk in our policies.

Climate change is not a topic on which the Company has taken steps to engage our constituencies, nor is it a topic on which they have looked to the Company for engagement.

At this time, we do not believe that climate change is a significant risk factor for the Company and have not performed any computer modeling or stress testing to determine the impact of climate change scenarios over the short, medium and long term.

The Company's investment portfolio does not, in management's judgment, expose the Company to specific climate-related investment risk. The Company invests a small allocation in the infrastructure investment fund of the investment advisory firm that is a sister-subsidiary of the Company. That fund is invested in, among other things, numerous renewable energy projects, including solar and wind energy generation facilities.

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.

The company does an annual enterprise risk assessment and mid-year update at the business unit level. During that review the business unit is responsible for identification and assessment of the risks that the business unit will face in the coming year. In the past, climate-related risks were not identified during these assessments as a material risk that the company is likely to face.

Considering the types of insurance written by our company, we do not believe that climate change is a significant risk factor for the Company and does not need to be addressed as an ERM issue. The Company does not believe that there is a potential correlated risk affecting asset management and underwriting for the Company. The asset management portfolio of the investment advisory firm that is a sister-subsidiary of the Company is invested in, among other things, numerous renewable energy projects, including solar and wind energy generation facilities. The investment advisory firm adopted an ESG policy in 2019. This policy applies only to the infrastructure investment strategy.

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.

At this time, in light of the kinds of insurance written by our company, we do not believe that climate change is a significant risk factor for the Company in regards to liquidity and capital needs. While climate change may influence the severity and frequency of natural disasters in future years, which may pose adverse consequences for macro-economic performance, the company does not believe it faces specific investment or financial risk from such consequences. The Company currently does not have financial leverage, and has obtained access to capital if liquidity were to become an issue.

At this time, we do not believe that climate change is a significant risk factor for the Company and have not done any computer modeling or stress testing to determine the impact of climate change scenarios.

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