

## **SURVEY QUESTIONS**

To provide clear direction for achieving a robust, insurance-sector specific TCFD report, narrative and closed ended questions follow, grouped into the TCFD's four topics: governance, strategy, risk management and metrics and targets.

The statements listed next to numbers and letters are directly taken from the TCFD Framework and should be fully addressed in the insurer's response. As discussed in detail above, insurers should consider including the bulleted items in their response to the TCFD statement above it. For additional guidance on sector specific content to consider including, refer to the Implementation Recommendation Report.

**Closed ended questions directly correspond to the narrative, allowing for explanation and qualification of the yes/no answers.**

**Closed ended questions are voluntary for reporting year 2022.**

### **Governance – narrative**

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.

### *Cambia's narrative response:*

*The Audit & Compliance Committee of the Company's Board of Directors has oversight responsibility for enterprise risk management. Enterprise risk management is conducted at the group level. The Company's enterprise risk management program involves organization management and includes a systematic and disciplined process for the identification, evaluation, and mitigation of material risks. The risk identification and assessment process considers a comprehensive universe of potential risks, including climate related risks. At this time, climate related risks have not been identified as material to the Company's objectives. The threat of wildfires and other natural disasters to our operations and the safety of employees is considered as part of business continuity risk mitigation.*

### **Governance – closed ended questions answered in addition to the narrative**

- Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N)
- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N)
- Does management have a role in assessing climate-related risks and opportunities? (Y/N)

- Does management have a role in managing climate-related risks and opportunities? (Y/N)

### **Strategy – narrative**

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.\*i
- 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 1-5years as short term, 5-10years as medium term, and 10-30years 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.

### Cambia's narrative response:

*The risks of climate change on Cambia's health insurance operations relate primarily to any resulting increases in average morbidity rates. Changes in morbidity risks are monitored through existing risk management practices and measured against pricing assumptions.*

*Cambia has not launched a formal initiative to engage key constituencies specifically on the topic of climate change.*

*As a health insurer, our products and services are not specifically designed to support the transition to a low carbon economy or help customers adapt to climate risk.*

*The Company sponsors and supports a broad range of employee interest groups, including Helping Our Planet's Environment (HOPE). HOPE engages employees and partner organizations on climate risk and sustainability topics.*

*Cambia's Real Estate & Facilities department undertake efforts to reduce greenhouse gas (GHG) emissions related to our work. The following are examples of efforts completed in 2022:*

- *Repurposed 6,574 furniture and other surplus items, diverting 100 tons of waste from landfill*
- *Able to donate the surplus furniture to communities in Portland, Eugene, and Lebanon, OR*
- *Initiated LED upgrades in three facilities locations*
- *Battery and lamp recycling*

### **Strategy - closed ended questions answered in addition to the narrative**

- Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N) \*
- Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N)
- Does the insurer make investments to support the transition to a low carbon economy? (Y/N)
- Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)\*

### **Risk Management – narrative**

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.

Cambia's narrative response:

*Our enterprise risk management processes include continuous monitoring for emerging risks and an annual risk assessment conducted with leaders across the enterprise to identify material risks. As part of our Own Risk and Solvency Report (ORSA), we consider the financial implications of material risks including in stressed conditions. At this point in time, management has not identified climate-related risks as material to our health insurance business. If management identified climate-related risks and assessed these risks as material to our business, our standard risk management processes would apply.*

*Given the nature of our underwritten liability, we do not currently assess the correlation between climate risks on our underwriting and investments.*

*Cambia does not have a formal risk or investment management policy directly or expressly relating to climate change, nor are negative screens utilized to exclude specific asset classes or individual investments that are deemed to be related to climate change. From a financial liquidity perspective, we do not test or take specific measures directly related to climate change. We do not model or review the adequacy of our surplus and liquidity as a result of potential climate change-related higher utilization of healthcare services. We look to ensure that we have adequate layers of liquidity to meet the broader range of potential needs, as they may relate to claims, operations, and other capital needs.*

#### **Risk Management – closed ended questions answered in addition to the narrative**

- Does the insurer have a process for identifying climate-related risks? (Y/N)
  - If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N)
- Does the insurer have a process for assessing climate-related risks? (Y/N) o If yes, does the process include an assessment of financial implications? (Y/N)
  - If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N)
- Does the insurer have a process for assessing climate-related risks? (Y/N) o If yes, does the process include an assessment of financial implications? (Y/N)
- Does the insurer have a process for managing climate-related risks? (Y/N)
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)\*
- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)\*
- Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)\*
- Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N)
- Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N)

#### **Metrics and Targets – narrative**

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

*Cambia's narrative response:*

*As part of our annual ORSA, we model material risks to our business. If a climate-related risk becomes a material risk to the organization, Cambia would conduct modeling for this risk and include the results of that analysis in its ORSA report.*

*We calculated our Scope 1 and 2 GHG emissions in accordance with The Greenhouse Gas Protocol Corporate Standard. For 2022, our Scope 1 and 2 emissions were 5,125 metric tons of carbon dioxide equivalent. The primary source of GHG emissions is the energy used for operating our real estate portfolio. Cambia is considering a future Scope 3 screening assessment to identify our material Scope 3 categories.*

**Metrics and Targets – closed ended questions answered in addition to the narrative**

- Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N)
- Does the insurer use metrics to assess and monitor climate-related risks? (Y/N)
- Does the insurer have targets to manage climate-related risks and opportunities? (Y/N)
- Does the insurer have targets to manage climate-related performance? (Y/N)