

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.

Response

Trustmark Mutual Holding Company {"Trustmark" or "Company," which is the parent company of Trustmark Insurance Company, Trustmark Life Insurance Company, and Trustmark Life Insurance Company of New York) incorporates climate risk disclosure at the holding company (group) level. Trustmark's individual insurance companies do not separately assess climate risk. Trustmark does not currently have any publicly stated goals on climate-related risks and opportunities.

A. The Chief Investment Officer, who also serves as Chief Risk Officer, is responsible for the Enterprise Risk Management ("ERM") framework. The ERM program encompasses climate risks if deemed material to Trustmark, and the Chief Investment Officer raises material risks to Trustmark's Board of Directors. Further, Trustmark's Investment Committee is responsible for overseeing investment related risks, including climate transition risks. The Audit Committee of the TLICNY Board of Directors receives climate-related reports for TLICNY.

B. Management is responsible for assessing and prioritizing all risks to Trustmark, including climate risks, through Trustmark's ERM program. The Chief Investment Officer, who also serves as the Chief Risk Officer, is responsible for the ERM program.

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.

Response

Trustmark has not identified material risks or opportunities to its business from climate-related risks or opportunities. As such, it has not engaged key constituencies nor planned to address its greenhouse gas emissions.

A. Trustmark has not identified climate-related risks or opportunities over the short, medium, or long term.

B. Trustmark has not experienced any impact to its business, strategy, or financial planning due to climate-related risks or opportunities.

C. Trustmark's strategy will be unchanged under various climate-related scenarios.

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.

Response

Trustmark identifies, assesses, and manages climate-related risks as part of its overall ERM program. Due to its business model, climate transition risks are of greater concern than physical or liability climate risks. Trustmark works with external investment managers who assist Trustmark in evaluating these risks. Trustmark has not yet identified the need nor considered the impact of climate-related risks on its underwriting exposure, nor has identified a need to advise policyholders on climate related risks.

- A. Climate related risks, to the extent they exist, are assessed through Trustmark's ERM program, which consists of business unit, shared-service function and investment risks being identified and rated, and then ranked against each other for a Company-wide overview. Financial impact and likelihood are both considered in the risk framework.
- B. Climate-related risks, if material, would be managed through developing preventative and/or remedial mitigants on a prescribed timeline. For clarity, Trustmark has not identified climate-related risks that require management.
- C. Trustmark addresses climate-related risks through its ERM quarterly reporting process. Trustmark has not developed specific climate scenarios.

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.

Response

Trustmark does not have material collateralized climate-related risks and opportunities, nor has it used catastrophe modeling to manage them.

A. Trustmark does not currently use metrics to assess or monitor climate risks.

B. N/A

C. N/A

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