

2020 Insurer Climate Risk Disclosure Survey Questions

Questions	Requested Responses From	Last Year's Respondents	Response
1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize. If no, please describe why not.	Carrie Sayers John Kalina Victor Caraballo, M.D.	Carrie Sayers John Kalina Victor Caraballo, M.D.	<p>The Company does not have a holistic plan to assess or mitigate its emissions. However, emissions mitigation is implicitly considered in several the Company's ongoing administrative efficiency initiatives. Examples within our ongoing plan to reduce emissions are as follows:</p> <ul style="list-style-type: none"> - Utilizing updated Energy Efficient HVAC systems which now include Variable Frequency Drives (VFD) controls. - Installation of additional Energy Efficient HVAC equipment (Blazer/AnnexAir, etc.) and controls - Systematic replacement of outdated lighting with lower wattage lamps and LED fixtures - Installation of lighting controls that include occupancy sensors and daylighting capabilities - Installation of additional VFDs on fan motors, pumps, etc. - Installation of "hands free", low flow restroom faucets and flushometers - Continued manipulation of boilers to maximize energy by keeping domestic and heating hot water temperatures at the lowest acceptable ranges. - Recycle all possible paper, bottles, cans and purchase building products made from recycled materials, where possible. <p>The Company follows environmentally-conscious practices and encourages associates to use environmentally-conscious practices in our workplaces. The Company is a Silver level member of the Philadelphia Green Business Program. The headquarters is 1901 is an Energy Star certified building. This program encourages Philadelphia area companies to make a public commitment to reduce their impact on the environment and reduce their carbon footprint.</p>
2. Does the company have a climate change policy with respect to risk management and investment management? If yes, please summarize. If no, please describe how you account for climate change in your risk management or why you do not account for climate change in your risk management.?	Ozo Ebo Matthew Heyse Rich Cage	Paul Kane Matthew Heyse Rich Cage	<p>The Company has not adopted a specific climate change policy in its corporate risk management program. However, the Company's enterprise risk management program is designed to timely identify, monitor, manage and report risks in conjunction with the execution of its business operations and strategic initiatives. Climate change may impact us indirectly to the extent that the value of our debt or equity investment is impaired if the issuer of a bond or equity investment is impacted by climate change. The Company monitors risks and impairments to its investment portfolio on an on-going basis. Further, the investment portfolio is diversified with the vast majority of the portfolios comprised of liquid marketable securities.</p> <p>Almost all of the Company's underwriting risk is subject to re-pricing on an annual basis. To the extent that climate change were impacting the morbidity of the Company's policyholders, that impact would likely be long-term in nature, as one of several factors influencing inflation in health care costs. As such, any impact of climate change on policyholder morbidity would implicitly be considered in the Company's normal pricing and underwriting processes, without there being any need to explicitly identify climate change as the root cause of that morbidity change.</p>
3. Describe your company's process for identifying climate change-	Paul Kane Matthew Heyse	Paul Kane Matthew Heyse	Please refer to the response to question 2.

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related risks and assessing the degree that they could affect your business, including financial implications. If no, please describe why not.	Juan Lopez	Juan Lopez	
4. Summarize the current or anticipated risks that climate change poses to your company. Explain the ways that these risks could affect your business. Include identification of the geographical areas affected by these risks.	Victor Caraballo M.D.	Victor Caraballo M.D.	<p>Climate change has many broad implications. From a Clinical Services perspective, there are many potential effects on health. First, warmer temperatures can exacerbate many respiratory and cardiac conditions, as well as increase the prevalence of insect-borne diseases. Varied weather patterns will have other effects, such as increasing allergy-related illnesses. It is likely that these and other effects will increase medical costs for our members in varying ways across the country. Second, there will be more frequent and more acute impacts from weather related events including hurricanes, prolonged periods of rain as well as drought, wildfires, and other similar events. Crisis management plans are in place to mitigate risk related to limited access to healthcare during these events. The impact of all these factors will likely have a greater effect on vulnerable populations and place additional stress on social determinants of health.</p> <p>Sustained impact of climate change on our business will continue to emerge over the coming years; trends will be identified in our ordinary course of business and will be reflected in our actuarial projections, care management, and health promotion efforts, and in the operation of our business infrastructure.</p>
5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.	Rich Cage	Rich Cage	The Company has not specifically considered the impact of climate change on its investment portfolio. The individual securities held in the portfolios are diversified across market sectors, asset classes and issuer/company to reduce/mitigate any unforeseen business or catastrophic risk - e.g. climate change, having a material impact on the market value of the portfolio. To date, no change in value of the portfolio has been quantified or identified as being attributable solely to climate change. Further, since approximately 90-95% of the Company's portfolio is managed by external investment managers, issues such as climate change amongst others are taken into consideration when managing their specific mandate. While not specifically addressed in the guidelines established, managers will review holdings and, to the extent climate change issues or any other potential performance issue might impact a specific holding or holdings, they will generally look to replace the securities.
6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events.	Kathleen Conlon Victor Caraballo M.D. Richard F. Levins	Kathleen Conlon Victor Caraballo M.D. Richard F. Levins	The Company promotes a number of wellness initiatives for policyholders of all ages. These initiatives are focused on healthy lifestyles and providing those with certain chronic conditions with information to take better care of themselves. A healthier and more educated policyholder will be in a position to better tolerate such changes in climate. Our wellness programs are reviewed and updated regularly, typically annually. Any emerging concerns related to climate change will be considered in the ordinary course of program updates.
7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change.	Victor Caraballo M.D.	Victor Caraballo M.D.	There is a corporate green initiative; related activities are discussed in the response to question 1. In addition, the Company created a special section on its public website, www.ibx.com , where it provides transparency on the company's Carbon Footprint Summary and efforts taken as a member of The Greater Philadelphia Green Business Program.

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8. Describe actions the company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling.	Carrie Sayers Victor Caraballo M.D	Carrie Sayers Victor Caraballo M.D	There is a corporate green initiative; related activities are discussed in the response to question 1.