



## **INSURER CLIMATE RISK SURVEY**

**For Reporting Year 2023**

Guarantee Trust Life Insurance Company

### **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.

1A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

1B. Describe management's role in assessing and managing climate-related risks and opportunities.

### **Response to Governance**

Guarantee Trust Life Insurance Company ("GTL") is a mid-sized life and supplemental health insurance company. As such, it does not have publicly stated goals on climate-related risks and opportunities. No climate related disclosure is handled within GTL's organizational structure.

GTL's Enterprise Risk Management ('ERM') committee is responsible for identifying and assessing risks which could adversely impact GTL's business. These identified risks are shared with GTL's Executive Committee, comprised of GTL's senior leadership, which includes GTL's Chief Executive Officer, Senior Vice-President of Administration, Chief Information Officer, Senior Vice President of Finance, and Chief Actuary. GTL's Board of Directors would be apprised of potential risks and opportunities, inclusive of any climate-related risks and opportunities were it deemed to be significant and / or detrimental to the operation of its business.

At present, climate-related risks to our business have not been identified as material, except to the extent of impact to the physical and technology structure of GTL, whereby the company has robust business continuity and disaster recovery plans that would be deployed.

## **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.

2A. 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.

2B. 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.

2C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

## **Response to Strategy**

At present, GTL's ERM Committee and its Executive Committee have not identified climate-related risks to the company's business operations, strategy, or financial planning which it would consider to be material. Therefore, it has also not engaged any key constituencies on the topic of climate risk and resiliency. For more than a decade, GTL has implemented numerous operational and technology-focused changes as well as an overall corporate office building / workspace redesign. As a result, it has significantly reduced its greenhouse gas emissions in its operations. Since 2020, GTL has made available to all employees hybrid remote work schedules. This means less traffic and emissions for our community. This is an ongoing process, and the company continues to review its day-to-day workflow processes to see where additional efficiencies can be gained. GTL's investment portfolio does not expose the Company to specific climate-related investment risk.

## **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.

3A. 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.

3B. Describe the insurer's processes for managing climate-related risks.

3C. 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 time frames 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 to Risk Management**

GTL's process for identifying and assessing climate related risks is as described in #1, above. GTL has not yet considered the impact of climate related risks on its underwriting portfolio. Climate-related risks, such as the potential for greater morbidity and mortality to our supplemental health and life insurance businesses, respectively, have not yet seen any trends emerging to-date that would cause the company to reassess its underwriting exposure as it pertains to climate related risks. GTL has not taken steps to encourage policyholders to manage their potential physical and transition related risks as this is not germane to the insurance risks of our business. GTL does not have a specific climate change policy as it relates to its investment portfolio. The company continually monitors all risks which could adversely impact its conservative investment portfolio. As a life and health insurer, we do not consider climate change a substantial risk for our company.

## **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.

4A. 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 100years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.

4B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

4C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

## **Response to Metrics and Targets**

GTL does not currently utilize metrics, targets, nor catastrophe modeling to assess and manage climate related risks. However, the Company does acknowledge natural disasters that occur because of climate change can, in the long-term, affect mortality and morbidity of the policyholders GTL insures. Should that occur, changes to GTL's pricing assumptions and underwriting processes would be evaluated appropriately.