Climate Risk Disclosure Survey

Calendar Year Ending December 31, 2023

Filed By MVP Health Care, Inc., on behalf of:

MVP Health Plan, Inc. (NAIC Company Code: 95521, Group Code: 1198)

MVP Health Insurance Company (NAIC Company Code: 11125, Group Code: 1198)

MVP Health Services Corp. (NAIC Company Code: 47062, Group Code: 1198)

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.

MVP Response

1.

Climate-related risk governance is part of the Company's Enterprise Risk Management (ERM) Program. The Board is ultimately responsible for providing oversight of enterprise-wide risk management and instilling a culture of risk management. The Board executes its risk oversight role through assigning its oversight authority to the Board's Compliance and Risk Oversight Committee.

The Compliance and Risk Oversight Committee provides oversight of the adequacy of the ERM framework and processes and consideration to the extent that enterprise risks are being appropriately identified, assessed, monitored, reported, and controlled in alignment with the recommendations from the Task Force for Climate Related Financial Disclosures (TCFD). The Compliance and Risk Oversight Committee is required to review and ratify the ERM policy on an annual basis and inform the Board on these matters.

The Enterprise Risk Management Committee (the “ERMC”), chaired by the Chief Financial Officer, who is the executive responsible for risk, is the Company’s management committee responsible for risk. The objective of the ERMC is to assist risk owners in fulfilling their responsibilities with respect to using the ERM framework to manage risks. The responsibilities of the ERMC include ensuring adequate identification of the Company’s risks, overseeing the assessment process, reporting and escalating risks to appropriate Senior Executive(s) and the Board, facilitating the development and refinement of the Company’s risk appetite and risk tolerances for key risks undertaken and associated measuring, and monitoring and reporting of risk levels against those tolerances. The ERMC membership is comprised of senior executives from the first and second lines of defense and meets approximately every two (2) months or as needed.

As of December 2023, the ERM team consists of the Vice President, Finance Strategy and Business Planning, the Leader, Enterprise Risk Management and the Senior Analyst, Enterprise Risk Management. The Vice President, Finance Strategy and Business Planning reports to the Chief Financial Officer who reports directly to the CEO. The Chief Financial Officer is responsible for cultivating the ERM culture within the Company and leading the ERM team to ensure that all priority risks are measured, managed, financed and monitored to safeguard and maximize enterprise value.

1.A

The Compliance and Risk Oversight Committee is the board level governing body responsible for the oversight of MVP’s Enterprise Risk Management framework. ERM meets with this committee quarterly and reports on the Company’s risk appetite, Key Risk Indicators (KRIs), risk action plan, and emerging risks, including climate risk. The Compliance and Risk Oversight Committee is also provided with updates on key program deliverables and results (e.g. Risk Control Self-Assessment results).

1.B

Management's role in assessing and managing climate related risks and opportunities is outlined below:

All Departments, across all lines of business, (collectively referred to as “the Business”) are responsible as risk owners for identifying and managing the risks inherent in their areas on an annual basis through the Risk Control Self-Assessment (RCSA) process. This includes ensuring that the risks are recorded in the Company’s Risk Register, ensuring that adequate Risk Controls are in place and monitoring compliance with those Risk Controls on a regular basis. All Executive Leaders reporting to the CEO are represented on the ERMC to ensure that risk issues related to their activities are managed consistently, that inter-dependencies are identified and managed appropriately and that the risk appetite is consistent with the overall Company objectives. At each ERMC meeting, the committee is provided with reporting on all aspects of our risk management program, including an update on key program milestones as well as a standard report on the following: Compliance with the Company’s Risk Appetite; Status of the risk action plan and supporting detail; KRIs and applicable mitigation plans; Risk Evaluations; Back-Test results (when applicable); and Emerging risks, including Climate Change risks. Additionally, members of the ERMC receive risk owner reports for their respective departments to help them better understand the full magnitude of risk and the actions being taken to monitor and/or mitigate the risks in their areas.

Internal Audit attends ERMC meetings and has access to all reports that the ERMC reviewed. Internal Audit is also provided with additional reports to help assess the controls associated with the Company's risk scenarios.

Additionally, physical risks related to climate change are evaluated annually as part of the company's hazard vulnerability analysis (HVA). Scenarios include extreme weather (blizzard, snow/ice storm, windstorm, extreme heat/cold) and natural disasters (hurricane, flood, tornado). This activity is facilitated by the Business Continuity team. A cross-functional group including Talent, Facilities, IT, Cyber Security, Physical Security, ERM, and Business Continuity determine the likelihood and impact of various disasters (both natural and man-made) to the company to assist with planning efforts. The control owners for physical Climate Risk include the Disaster Recovery and Business Continuity functions.

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.

MVP Response

2.

Climate related risks have been assessed by the Company and determined to be immaterial to MVP at the enterprise level due to the nature of our business and the regions we serve. The Company has not taken specific steps to engage key constituencies on the topic of climate change.

Although MVP has determined this risk to be immaterial, the Company has implemented the following internal efforts to reduce direct carbon emissions:

- Recycling of paper, cans, plastic beverage containers, and technical equipment
- A Building Management System (BMS) with automatic timers for heating and cooling of office spaces
- Motion sensor LED lighting for office spaces
- Cloud first strategy for IT resources
- Work from home initiative
- Decommissioned or downsized office space

2.A

Short term climate related risks have been identified and assessed by the business during the annual Risk Control Self-Assessment process, as well as the hazard vulnerability analysis. Medium-long term transitionary climate related risks are tracked on our Emerging Risk report. All climate related risks were determined to be immaterial to our business and the areas we service in 2023.

2.B

Based on MVP's assessment of climate-related risks, the impact of climate risks on the Company's business, strategy, and financial planning was determined to be immaterial. Additionally, the Company does not provide products or services that influence transition to a low carbon economy or help customers adapt to climate related risk. The investments that the Company has made to support reductions in carbon emissions are noted in #2 above.

2.C

Our ERM framework conducts scenario testing on the company's largest risks. Physical risks related to climate change are evaluated annually as part of the company's HVA. Scenarios include extreme weather (blizzard, snow/ice storm, windstorm, extreme heat/cold) and natural disasters (hurricane, flood, tornado). All climate related risks were determined to be immaterial to our business and the areas we service.

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.

MVP Response

3.A-C

Climate risk is managed through ERM and evaluated annually using the Risk Control Self-Assessment (RCSA) process, the Emerging Risk process, and the Hazard Vulnerability Analysis process, to determine materiality, in alignment with TCFD, as noted in sections 1 and 2 of this survey. The quantitative and qualitative impacts of climate change are included in MVP's annual ORSA filing.

The organization does not currently consider the impact of climate-related risk on its underwriting practices due to the short-term annual nature of health insurance policies.

The Company does not engage with policyholders to manage their potential physical and transitional climate related risks.

MVP has begun working with Goldman Sach, our Outsourced Chief Investment Officer (OCIO), on an Environment, Social, and Governance (ESG) climate diagnostic report developed by

Goldman using Morgan Stanley Capital International (MSCI) data to assess ESG characteristics of MVP's portfolios at the manager holdings level. Our plan is to utilize the 2024 report to establish baseline ESG characteristics and update this report on a go forward basis to measure ESG risks and sensitivity over time.

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.

MVP Response

4.

Climate risk is evaluated annually by ERM during the annual Risk Control Self-Assessment process. Risk Owners assess factors such as potential financial, reputational, and operational impact, along with control effectiveness. Likelihood of risk is rated for the upcoming year, as well as a rating of risk trajectory beyond that timeframe. Through the RCSA process, key risks are prioritized for further mitigation and monitoring, and top risks are stress tested to determine MVP's risk capital. Climate risk is also assessed quarterly as part of the Company's assessment of Emerging Risks, where ERM reports medium-long term risks, overall impact to the organization, as well as what any mitigation efforts are in place. Climate risks are also evaluated as part of the Hazard Vulnerability Analysis conducted by our Business Continuity team, where a cross-functional group determines the likelihood and impact of various scenarios, including extreme weather and natural disasters. Through these processes, climate risks have been assessed to have very low likelihood and impact scores. The Company does not do catastrophe modeling for climate change risk due to its low impact and likelihood.

4.A

Climate change risk was determined to be an immaterial risk for our business and the areas we service. The Company does not currently use metrics when assessing climate change risk, but will continue to evaluate external factors, including professional risk management resources, global climate benchmarks, and ESG investment reporting.

4.B

We do not have Scope 1, 2, or 3 GHG emissions information.

4.C

The Company does not have targets to manage climate related risks.