

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.

Company's Response:

While it is WFG National Title Insurance Company's (WFG) belief that climate change does not pose a material risk to the title insurance industry, nor title insurance policyholders. WFG recognizes the importance of monitoring climate change and the increased risk it poses, and also is committed to supporting environmental responsibility internally and with its vendors.

As a private company with no identified material climate-related risk, WFG does not publish goals that are available to the public.

WFG's Enterprise Risk Management program is overseen by executive management, operating as WFG Risk Management Committee, and reports risks, findings, advisement, and opportunities to the board on a quarterly basis. Executive management receives risk analysis reports from WFG's Risk Assessment Committee which is run by WFG's Compliance and Audit department and is comprised of a select group of leaders throughout the company. The Risk Assessment Committee performs an annual risk analysis on all the potential risks that may impact WFG's operations and its consumer. Including and not limited to; Human Resources, Operational, Claims, Policies, Information Security, Cyber Security, Information Technology, Environmental Social Governance, Compliance and Regulation, Vendors, and Climate Change.

In the event a climate-related risk is identified, depending on the details of the risk this may be handled on the corporate and/or entity level.

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.

Company's Response:

At this time WFG does not feel climate change poses a material risk to WFG's business. Therefore a formal strategy for the handling of climate change has not been developed.

As mentioned earlier, WFG is committed to supporting environment responsibility internally and externally with its vendors. This has been done by promoting the following initiatives and changes within its organization.

- **Use of LED Bulbs where permissible**
- **When available, use 100% recycled paper, non-toxic inks in pens & highlighters or refillable cartages**
- **Housekeeping reminders to turn off lights in unused areas, turn off faucets after washing hands, and recycle when possible.**
- **Paperless Operations**
- **Promotion of work-from-home where permissible to reduce office space**
- **Reduction of Corporate Travel**
- **Perform Online Closings When Able**

These initiatives are also echoed for WFG's vendors within the Vendor Code of Conduct.

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.

Company's Response:

As presented previously, while WFG National Title Insurance Company does not believe that climate change poses a material risk within the title insurance industry or its policyholders; WFG's Enterprise Risk Management program does monitor and assess the potential risk. This is done in conjunction with WFG's annual risk assessment, which is performed by WFG's Risk Assessment Committee.

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.

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

Company's Response:

As mentioned previously, as a title insurer, WFG does not believe that climate-risk poses a material risk to its operations or insurers. Therefore, currently, WFG does not have metrics and targets to report.