NAIC CLIMATE RISK DISCLOSURE SURVEY
TCFD-ALIGNED QUESTIONS

BACKGROUND

For the current survey, Reporting Year 2023, all participating insurers are required to report using the Task Force on Climate related Financial Disclosure (TCFD)-aligned NAIC Climate Disclosure Risk Survey. Since the TCFD-aligned survey was first developed and implemented in 2022, the number of regulators implementing the Survey almost doubled, expanding the number of companies covered by around 20%.

The TCFD standard is the international benchmark for climate risk disclosure and will help insurance regulators and the public to better understand the climate-related risks to the U.S. insurance market. The TCFD framework, which was approved by the G-20 Finance Ministers and created by a task force including businesses and public policy experts, is endorsed by many institutions, and supported by the International Association of Insurance Supervisors (IAIS). The TCFD-aligned disclosure framework enhances transparency about how insurance companies manage climate-related risks and opportunities, reduces duplication in reporting standards, and incorporates international best practices, among other benefits.

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.

Cambia's narrative response:

The Audit & Compliance Committee of the Company's Board of Directors has oversight responsibility for enterprise risk management. Enterprise risk management is conducted at the Holding Company level but considers any specific risks at its health plan affiliates' level as well. The Company's enterprise risk management program involves organization management and includes a systematic and disciplined process for the identification, evaluation, and mitigation of material risks. The risk identification and assessment process considers a comprehensive universe of potential risks, including climate related risks. At this time, climate-related risks have not been identified as material to the Company's objectives. The threat of wildfires and other natural disasters to our operations and the safety of employees is considered as part of business continuity risk mitigation.

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.

Cambia's narrative response:

The risks of climate change on Cambia's health insurance operations relate primarily to any resulting increases in average morbidity rates. Changes in morbidity risks are monitored through existing risk management practices and measured against pricing assumptions.

Cambia has not launched a formal initiative to engage key constituencies specifically on the topic of climate change.

As a health insurer, our products and services are not specifically designed to support the transition to a low carbon economy or help customers adapt to climate risk.

The Company sponsors and supports a broad range of employee interest groups, including Helping Our Planet's Environment (HOPE). HOPE engages employees and partner organizations on climate risk and sustainability topics.

Cambia's Real Estate & Facilities department undertake efforts to reduce greenhouse gas (GHG) emissions related to our work. The following are examples of efforts completed in 2023:

- From 2023 to 2024 we reduced our real estate footprint from 1.1M square feet to 720K square feet.
- Removed and recycled 599 workstations and other surplus items, diverting 34.8 tons of waste from landfill.
- Installed high efficiency LED lighting systems in 2 locations along with motion detectors and daylight harvesting technology which turns lights off when spaces are not in use.
- Repurposed 400 pieces of furniture from Seattle & Portland into our Renton and Vancouver office spaces.
- Partnered with local furniture company which sourced furniture from Westcoast locations which minimized transportation emissions for delivery and installation into new and/or remodeled offices.

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.

Cambia's narrative response:

Our enterprise risk management processes include continuous monitoring for emerging risks and an annual risk assessment conducted with leaders across the enterprise and Board of Directors to identify material risks. As part of our Own Risk and Solvency Report (ORSA), we consider the financial implications of material risks, including in stressed conditions. At this point in time, management has not identified climate-related risks as material to our health insurance business. If management identified climate-related risks and assessed these risks as material to our business, our standard risk management processes would apply.

Given the nature of our underwritten liability, we do not currently assess the correlation between climate risks on our underwriting and investments.

At Cambia, we're committed to responsible investing and risk management practices that prioritize meeting the objectives of our portfolio. While we don't have a specific policy focused solely on climate change, we're dedicated to maintaining a diversified investment portfolio that promotes long-term financial sustainability. We take a proactive approach to managing our financial liquidity, ensuring we have a robust framework in place to meet the evolving needs of our business, including claims, operations, and capital requirements. By doing so, we're able to adapt to emerging trends and challenges, including those related to climate change, while maintaining our commitment to delivering value to our members and stakeholders.

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.

Cambia's narrative response:

As part of our annual ORSA, we model material risks to our business. If a climate-related risk becomes a material risk to the organization, Cambia would conduct modeling for this risk and include the results of that analysis in its ORSA report.

We calculated our Scope 1 and 2 GHG emissions in accordance with The Greenhouse Gas Protocol Corporate Standard. For 2023, our Scope 1 emissions were 632.37 metric tons of carbon dioxide equivalent, and our Scope 2 emissions were 2,767.7 metric tons of carbon dioxide equivalent. The primary source of GHG emissions is the energy used for operating our real estate portfolio. Cambia is considering a future Scope 3 screening assessment to identify our material Scope 3 categories.

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