

NAIC Climate Risk Disclosure Survey 2024

	Recommended Disclosures	Response / Comment
<p>Governance</p> <p><i>Disclose the insurer's governance around climate-related risks and opportunities.</i></p>	<ul style="list-style-type: none"> • The board member(s) or committee(s) that are responsible for the oversight of the management of climate risks. The board's familiarity with climate risks and education/training on climate risks. • Whether board governance is done at the ultimate holding company level (if applicable), intermediate holding company level (if applicable), the entity level, or a combination. If handled at the ultimate holding company level, describe what activities are undertaken at the entity level. • The senior management function(s) that are responsible for the management of climate risks. Management's role in assessing and managing climate-related risks and opportunities. • How climate risks will be managed through the company's existing enterprise risk management functions. • The roles and responsibilities of the control functions related to managing climate risks. • How the risk management process will be implemented across lines of business, operations, and control functions. • Plans for explicitly considering climate risks in enterprise risk reports and ORSA summary reports. • Plans for the internal review of the functions and procedures for managing climate risks. • Plans for developing the skill, expertise, and knowledge for assessing and managing climate risks. 	<p>The Audit, Risk and Compliance Committee (ARCC) of the Healthfirst, Inc. Board has been formally assigned the responsibility to support the oversight of climate-related risks and opportunities.</p> <p>The ARCC members are familiar with the topics of Environmental Social Governance ("ESG") and Climate Risk based on discussions conducted during ARCC meetings with Enterprise Risk Management (ERM), and from experience with sustainability initiatives at their respective organizations outside of Healthfirst.</p> <p>Management of climate risk is performed enterprise wide at the group level and encompasses all of Healthfirst's licensed entities. Climate risk processes are common across the organization at each company level and apply globally to Healthfirst.</p> <p>Healthfirst's ERM department and ERM Steering Committee, in conjunction with the ARCC, have been formally assigned the responsibility to monitor the risk of climate change. The ERM Steering Committee is comprised of Healthfirst Executives from key areas across the business, including Finance, Legal and Regulatory, Compliance and Audit, Information Technology, State Programs, and Operations.</p> <p>Climate risk is managed through Healthfirst's ERM program and is incorporated into existing risk management processes and discussions as part of the enterprise risk assessment performed annually by ERM. Climate Change, and more broadly, Environmental Social Governance (ESG), are included as part of the enterprise risk inventory reviewed with risk assessment participant interviews and risk assessment surveys completed to accompany the feedback gathered from interviews.</p> <p>As Healthfirst's consideration, analysis and management of climate risk evolves, Healthfirst will explore opportunities to incorporate the associated risk management practices into the Enterprise Risk Report and Own Risk and Solvency Assessment Report.</p>

Strategy <i>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.</i>	Recommended Disclosures	Response / Comment
	<i>Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.</i>	At this time, Healthfirst anticipates climate change and its downstream effects having minimal impact on its current and future business. Climate-related risks have little measurable effect on Healthfirst's core business segments and consumer base. Other natural, biological, and behavioral-based factors more actively influence and shape the risk profile of Healthfirst's insured – and the contours of the health insurance products Healthfirst offers – than does climate change. As a general matter, the effects that climate change may assert on the insurance industry are more proximal to other types of insurers, property and casual (P&C) ones for instance, than they are for health insurers.
	<i>Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.</i>	Healthfirst, Inc. acknowledges the potential for climate-related risk and its effects to change and evolve over time, including physical risk from changing weather frequencies and intensities, and health risk due to rising temperatures. Healthfirst, Inc. will continue to reassess climate-related risk as part of the company's ERM program, and will identify if enhancements are needed in monitoring and managing the risk.
	<i>Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.</i>	Healthfirst, Inc.'s asset managers consider climate change as one of the many components of Environmental, Social, and Governance (ESG)-related investing. Healthfirst's asset managers perform ESG analysis concurrently with traditional investment and credit research when forming opinions on the merits of any investment.

Risk Management <i>Disclose how the insurer identifies, assesses, and manages climate-related risks.</i>	Recommended Disclosures	Response / Comment
	<i>Describe the insurers' processes for identifying and assessing climate-related risks.</i>	<p>Healthfirst's ERM program is designed to proactively identify a range of risks and evaluate their impact on Healthfirst's business. Foundational to any ERM program is a robust Enterprise Risk Assessment process, which enables timely identification and evaluation of key enterprise risks.</p> <p>The annual Enterprise Risk Assessment facilitates the identification and evaluation of all enterprise risks, including climate change-related risks, as applicable. Both financial and non-financial elements determine the impact of the risk on the enterprise and its relative significance to other risks.</p> <p>As described under "Governance" above, climate risk is incorporated into existing risk management processes and discussions as part of the annual enterprise risk assessment. Climate Change, and more broadly, Environmental Social Governance (ESG), are included as part of the enterprise risk inventory reviewed with risk assessment participant interviews and risk assessment surveys completed to accompany the feedback gathered from interviews. Existing and emerging research and regulatory requirements related to climate change are also considered as part of Healthfirst's risk management processes.</p>
	<i>Describe the insurer's processes for managing climate-related risks.</i>	
	<i>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.</i>	

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Metrics and Targets <i>Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.</i>	Recommended Disclosures	Response / Comment
	<i>Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.</i>	Healthfirst, Inc.'s assessment of climate risk and the potential impact on the organization has been based on qualitative inputs gathered through the Enterprise Risk Assessment process and discussions with various business areas, including Finance, Legal and Regulatory, and Information Technology.
	<i>Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</i>	Quantitative targets and metrics have not been formally defined at this time given the immateriality of climate-related risk on the organization. As part of the annual Enterprise Risk Assessment process, climate-related risk will be reevaluated, as will the need for related targets and metrics for risk monitoring purposes.
	<i>Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.</i>	While Healthfirst, Inc. has not performed a formal analysis of emissions and related risks, it recognizes the importance of energy efficiency and reduced emissions. The space in the building in which the majority of Healthfirst, Inc. employees are located, 100 Church Street in New York, NY, meets LEED (Leadership in Energy and Environmental Design) Gold standards. Healthfirst also operates a fleet of motor vehicles maintained in such a way to limit their emissions.