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NAIC ID

First Medical Health Plan

Annual Climate Risk Disclosure Form (Climate Risk Disclosure Survey)

2024/2023

I. NARRATIVE QUESTIONS

A. Governance

1. Report on the governance of the healthcare provider or organization on climate-related risks and opportunities. In doing so, it is recommended to include the following:

- Identify and include publicly declared objectives, if any, to address climate-related issues.

The objectives stated so far are related to the management and anticipation of the financial impact and possible demographic or membership changes (possible migration of population due to hurricanes, earthquakes or floods caused by the increase in sea level), or behavior of our insured (needs by geographical area).

- Describe at what level of the organizational structure of the insurer or health service organization the disclosure of climate-related issues is handled, for example: whether climate related responsibilities have been assigned to specific committees or groups; at the level of entity management, or a combination. If the healthcare insurer or organization has assigned climate-related responsibilities at the group level, describe what activities, if any, are carried out at the global level of the entity.

The responsibility rests with the Board of Directors, who in turn delegate it to the Administration. The Board as a whole is constituted as a committee for the discussion of issues related to climate change.

a. Describe the monitoring of climate risks and opportunities by the Board and/or the Committee. In doing so, it is recommended to include the following:

- Describe the position(s) of the Board and/or committees responsible for overseeing the management and management of climate-related financial risks.

The financial risk management supervision and management plan is being evaluated by the board with the aim of allocating a (legal/financial) resource(s) to recommend business policies.

- b. Describe the role of management in assessing and managing climate risks and opportunities.

The Administration is responsible for assessing climate challenges and determining an action plan or mitigation.

B. Strategy

2. Describe the current and potential impacts of climate-related risks and opportunities on the health insurance provider or organization, the strategy, and the financial planning of the organization where this information is material. In doing so, it is recommended to include the following:

A Security Committee has been established to monitor weather events and to assess and recommend actions to be taken to maintain continuity in the organization's operations.

As part of that committee, the Finance component is responsible for assessing financial risks regarding cash flow continuity and payment to providers and suppliers. Proposals for the acquisition and establishment of renewable energy systems, which contribute to the reduction in greenhouse gas emissions, are currently being considered.

- a. Describe the climate risks and opportunities that the health insurance provider or organization has identified in the short, medium, and long term. In doing so, it is recommended to include the following:

- Define the time frames used for the short, medium, and long term, if they are different from the following: 1-5 years for short-term, 5-10 years for medium-term and 10-30 years for long-term.

- b. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning. In doing so, it is recommended to consider including the following:

- Discuss whether and how the insurer supplies products or services designed to support the transition to a low-carbon economy or to help the consumer adapt to climate risks.

Does not apply to our operation.

- Discuss whether and how the insurer makes investments to support the transition to a low-carbon economy.

Does not apply to our operation.

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

Does not apply to our operation.

C. Risk Management

3. Report how the insurer identifies, evaluates and manages climate change-related risks. In doing so, it is recommended to consider including the following:

- Describe how the insurer considers the impact of climate-related risks on its product portfolios and exposure in its subscription activities in relation to physical risks, transitional risks and liability risks.

Weather events that may be harmful to the health of our insured persons (e.g., Sahara dust, rain) can lead to an increase in respiratory or infectious diseases. This, along with the actuarial data, is used to determine estimates of potential increases in medical costs.

Also, war events between Ukraine and Russia; Israel and Palestine that may escalate to the utilization of nuclear weapons utilization may affect climate conditions that could cause mid and long-term diseases for the human being. Any potential related medical costs shall be mitigated through annual reviews of premiums.

- Describe the steps the insurer has taken to encourage its insureds to manage potential physical and climate transition risks, if applicable.

Through our Wellness Unit, First Medical provides orientation to our community of subscribers in relation to heat and storm waves, as well as related effects that may trigger unhealthy conditions, and how to stay out of danger by taking the necessary precautions.

- Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what types of investment it has considered.

Our investment portfolio consists for the most part of low-risk financial instruments guaranteed by the United States Federal Government. We understand that weather events would have little or no impact on this range.

a. Describe the insurer's processes to identify and assess climate-related risks.

As part of our strategic and work plan that is prepared annually, disaster and business continuity plans are reviewed. The Security Committee has an important role to play in this task. When a weather event that may affect the population and thus our operation is announced, the plan is revised again to mitigate it to any particular circumstances that can be identified. In this process, the financial component of the Committee ensures to review and validate cash reserves, communication with bank providers, contingency plans for the continuity of payments to providers, employees and suppliers, the effectiveness, and levels of insurance coverage, and predetermines any unexpected expenditure or disbursement.

b. Describe the processes of the healthcare insurer or organization for managing climate-related risks.

As mentioned above, weather events that may be harmful to the health of our insured persons (e.g., Sahara dust, rains) can influence the increase of respiratory or infectious diseases. This, along with the actuarial data, is used to determine estimates of potential increases in medical costs.

c. Describe how the processes for identifying, evaluating, and managing climate-related risks are integrated into the overall risk management of the healthcare insurer or organization. In doing so, it is recommended to include the following:

Climate-related risks are addressed through the overall risk management process of the insurer. It is done continuously through the daily risk assessment and utilization process for premium price purposes. We consider weather events that may be harmful to the health of our insured persons (e.g. Sahara dust, rains) and that may affect the increase of respiratory or infectious diseases. This, along with the actuarial data, is used to determine estimates of potential increases in medical costs.

D. Metrics and Objectives

4. Report metrics and targets used to assess and manage secured relevant risks and opportunities where this information is material. In doing so, it is recommended to include the following:

First, the Medical Health Plan has a Disaster and Operations Continuity Plan, which details potential needs and risks for each operational area. That plan is reviewed annually by the Security Committee and the Administration.

a. Disclose the metrics used by the healthcare insurer or organization to assess and manage climate risks and opportunities in line with your risk management strategy and process. In doing so, it is recommended to include the following:

Does not apply to our operation.

b. Report scope 1, scope 2, and, if appropriate, scope 3 of greenhouse gas emissions and associated risks.

Does not apply to our operation.

c. Describe the objectives used by the healthcare provider or organization to manage climate risks and opportunities and their performance in relation to objectives.

Our main objective and priority is that our population of subscribers and suppliers do not have interruption of health services as well as payments for their services, in the face of an impact of

any weather event. We ensure that staff and technological and financial resources are available to ensure continuity of service to the community.

II. Closed Questions

Governance

1. Does the healthcare insurer or organization have publicly declared objectives regarding climate-related risks and opportunities?

No

2. Does the board have any members or members, committees, or committees responsible for reviewing or guiding the management of climate-related financial risks?

No

3. Does the management of the healthcare provider or organization play a role in assessing climate-related risks and opportunities?

No

4. Does the management of the healthcare provider or organization play a role in managing climate-related risks and opportunities?

No

Strategy

5. Has the healthcare insurer or organization taken steps to involve key groups in the issue of climate risk and resilience?

Yes

6. Does the healthcare insurer or organization provide products or services that support the transition to a low-carbon economy?

No

7. Does the healthcare insurer or organization make investments to support the transition to a low-carbon economy?

Yes

8. Does the healthcare insurer or organization have a plan to assess, reduce or mitigate greenhouse gas emissions?

Yes

Risk Management

9. Does the healthcare insurer or organization have processes to identify climate-related risks?

No

10. Does the healthcare insurer or organization have a process to assess climate-related risks?

No

11. Does the healthcare insurer or organization have a process to manage climate-related risks?

No

12. Has the healthcare insurer or organization considered the impact of climate-related risks on your subscription portfolio?

Does not apply

13. Has the healthcare insurer or organization taken steps to encourage their insured to manage climate-related risks?

Yes

14. Has the healthcare insurer or organization considered the impact of climate-related risks on their investment portfolio?

Yes

15. Has the healthcare insurer or organization used climate change scenarios to analyze subscription risks?

Yes

16. Has the healthcare insurer or organization used climate change scenarios to analyze investment risks?

No

Metrics and Objectives

17. Does the healthcare insurer or organization use disaster models to manage climate-related risks in their business?

Yes

18. Does the healthcare insurer or organization use metrics to assess and monitor its climate-related risks?

Yes

19. Does the health insurance provider or organization have goals to manage climate risks and opportunities?

No

20. Does the health insurance provider or organization have objectives to manage its climate change performance?

No