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.

1. EquiTrust Life Insurance Company’s (the “Company”) climate-related risks and opportunities are currently governed through the Company's Enterprise Risk Management framework. Specifically, operational-based climate-related risks are governed by the Company's Operational Risk Committee (the "ORC"). Investment-based climate-related risks are governed by the Company's Tactical Investment Committee (the "TIC"). The TIC reports directly to the Investment Oversight Committee (the "IOC"). The ORC reports directly to the Company's Enterprise Risk Committee (the "ERMC") and the IOC has an indirect reporting line to the ERMC as well. Ultimately, both the ERMC and IOC report directly to the Company's Board of Directors (the “Board”).

The Company does not have any publicly stated goals on climate-related risks and opportunities. The Company is in the process of developing a comprehensive Environmental, Social and Governance (“ESG”) Policy which will address awareness and impact of the Company's decision-making, especially in the areas of investment decisions.

All Company risks, including climate-related risks, are handled at the Company level.

A. The purpose of the ORC is to provide oversight and advice relating to the management of operational risks. The purpose of the TIC is to provide governance and direction for the investment portfolio, including both externally managed investments and the self-directed portion of the portfolio. The IOC is responsible for overseeing the investment portfolio and providing asset allocation targets to the investment management team. The purpose of the ERMC is to identify, measure, monitor, report and manage the material risks that could significantly impact the Company's shareholder value, solvency position, or statutory operating earnings and to document the selection and application of appropriate risk management strategies (avoid, accept, reduce or share). Although these are not Board level committees, both the ERMC and IOC report directly to the Board. Furthermore, Board composition includes four (4) employee directors who are each members of the ERMC; certain members of the IOC are also on the Board.

B. Members of the Company's management team are members of the ORC, the TIC, the IOC and the ERMC and have direct involvement in the actions and activities of the ORC and the ERMC.

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.

2. Climate-related risks and opportunities do not have a material impact on the Company's businesses, strategy, or financial planning.

A. The Company has a risk identification process. As part of that process, climate-related risks and opportunities have not been identified as material risks over the short, medium, and long term.

B. Climate-related risks and opportunities do not have a material impact on the Company's business, strategy, or financial planning. However, the Company has a number of "environmentally friendly" programs in place:

(i) The Company is working to reduce the amount of electricity that it uses. Whenever possible, office and computer equipment (workstations, printers, copiers) are set up to take advantage of the devices' power saving mode. Company employees are encouraged to turn off the lights in unused offices and working areas.

(ii) The Company encourages the collection of all discarded paper and other recyclable products at the workplace.

(iii) The Company has converted to a hybrid work-from-home model of operations. This model reduces the number of days required to commute to the office and reduces the carbon footprint of the Company's operations.

(iv) A portion of the Company's investment portfolio is externally managed by two independent managers. Both managers have sector teams dedicated to the Energy, Power, and/or Chemicals sectors, where they assess investments based on established investment guidelines of the Company, using a fundamental investment process that incorporates rigorous security level analysis. Although current policies do not directly reference a process to assess climate risks, both external managers do have an evolving ESG framework, which they use in evaluating the sustainability and ethical impact of certain investments.

(v) The Company is in the process of developing an ESG framework for the portion of the Company investment portfolio that it internally manages.

In addition, the Company is in the process of developing a comprehensive ESG Policy.

C. The Company's strategies and policies are not impacted by consideration of different climate-related scenarios.

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.

3. The Company identifies, assesses and manages all risks through its Enterprise Risk Management process and program. In particular, climate-related risks are generally identified, assessed and managed through the Company's ORC. Climate-related risks associated with the Company's Investment portfolio are identified and assessed, where applicable, during the investment underwriting process.

Potential physical and transition climate related risks are not relevant to the Company's relationship with its policyholders.

To the extent relevant, climate-related risks are factored into the valuation or pricing of an investment to the extent said risks have a material impact on the value of a specific investment or the ability of the borrower to repay the subject indebtedness.

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.

4. Climate-related risks and opportunities do not have a material impact on the Company's businesses, strategy, or financial planning. As such, there are no established metrics or targets used to assess and manage collateralized risks and opportunities. The Company does not use catastrophe modeling to manage climate-related risks to the business. The Company is in the process of developing a comprehensive ESG Policy which will address the Company's approach to climate-related risks.

A. Climate-related risks and opportunities do not have a material impact on the Company's businesses, strategy, or financial planning. As such, there are no established metrics or targets used to assess and manage collateralized risks and opportunities. The Company is in the process of developing a comprehensive ESG Policy which will address the Company's approach to climate-related risks.

B. Scope 1 Emissions: The Company neither owns nor controls resources subject to Scope 1 Emissions.
Scope 2 Emissions: The Company neither owns nor controls resources subject to Scope 2 Emissions.
Scope 3 Emissions: The Company's sole business is the sale of life insurance and annuity products. The Company does not engage in any "production" activities as all products and services are "non-production related." As to certain Scope 3 Emissions:

* Business Travel - Limited business travel incurred
* Employee Commuting - Commuting reduced for all offices with move to hybrid work-from-home model. Chicago office has high utilization of mass-transit commuting
* Waste Generation - Company encourages use of recycling services provided by each building, covering waste paper and other recyclables
* Purchased Goods and Services - Company leases all office space and all purchased goods are non-production related.

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