Senior Life Insurance Company
Climate Risk Disclosure Survey
Reporting Year 2023

Preface

Senior Life Insurance Company (“Company”) is a final expense life insurance company based out of Thomasville, Georgia. The Company occupies 12 acres of land and has one physical location at 1 Senior Life Lane, Thomasville, GA 31792. The Company employes approximately 300 people at any given time and utilizes an independent agent system for most sales operations.

The Company was originally known as Provident Security Life Insurance Company. Provident Security was incorporated in 1970 and wrote policies to the employees of a trucking firm in Georgia, Florida, Louisiana, Mississippi, Tennessee, and South Carolina up until the early 1980’s. It was acquired by the current holding company in 2000, before changing the name to Senior Life.

The geographical location of the company is Southwest Georgia, approximately 35 miles North of Tallahassee, FL.

Governance

The Company is solely responsible for the creation and implementation of governance regarding climate-related risks and opportunities. The Company designates the Chief Operations Officer (“COO”) to identify and oversee possible climate risk exposure; in addition to presenting relevant findings to the Board of Directors (“Board”).

The Board is comprised of various individuals with financial, actuarial, and regulatory backgrounds that can accurately assess the impact of climate-related financial risks. Findings presented to the board must include due diligence research of regulatory and financial concepts pertaining to the climate-related opportunity, or risk. The COO should continuously monitor and disclose any climate-related risks associated with any action taken by the Board or executive officers.

Strategy

The Company annually reviews short-term, medium-term, and long-term goals pertaining to climate related initiatives. During such reviews, internal reports are utilized to quantify the results of actions taken in reference to the previously outlined goals. Once such example are reports that highlight electricity usage and energy-inefficient fixed assets. These reports are used to measure the economic and ecological advantages of implementing energy-efficient electronics, or simply determining electricity wastage. In addition to internal initiatives, the Company is active in supporting Municipal, State, and Federal initiatives that decrease overall exposure to climate-related risks.

Regarding short-term climate related risks and opportunities, the Company previously undertook the task of replacing older and less efficient light fixtures and bulbs. This simple project started in August 2022, and has made an impact in reducing electricity consumption. The goal was deemed successful in 2023, as Company directors determined that most electronic processing equipment, and light fixtures had been updated to energy efficient substitutes.

The medium-term climate-related goals of the Company included the continued elimination of internal paper-related communications, forms, records, and reports. As an insurance company, the Company is required to maintain sufficient historical documentation of policy records, policyholder communications, and other confidential information. The Company's implementation of secure cloud-based servers, and electronically scanned recordkeeping has drastically decreased the consumption of paper and other office supplies. By reducing the consumption of office supplies and paper, the Company is creating a more accessible, efficient, and 'paperless' system that also decreases environmental impact.

With the completion of the previous short-term climate-related goal, this goal was promoted to the Company's short-term goal for 2024. During fiscal year 2023, some progress was made on this goal as the expenses for general office supplies, including paper, decreased marginally. The Company will continue to use office supply expenses to quantify the success of this goal in 2024.

Long-term goals included implementation of an E-waste procedure, and renewal energy provision in the Company's investment policy. Progress has been made towards these goals as the Company is now actively drafting an E-waste procedure and is investigating possible routes of investment into the renewable energy economy. The goal to invest in renewable energy holdings has been moved to a medium-term goal.

Insurance companies regularly hold large portfolios of bonds and other fixed income invested assets which are guided by the investment policy. The new medium-term goal would include an amendment to the Company's investment policy to make provision for the holding of at least one renewable energy investment. The completion of the goal will be determined upon the purchase of the renewable energy holding.

E-waste components are subject to be reutilized for the care and repair of current electronic processing equipment. The Company is currently working to secure an E-waste recycling vendor that can responsibly dispose of aged electronic processing equipment. In addition, it is the Company's policy that obsolete electronic processing equipment is carefully disposed of after the Company's Information Technology team reviews the equipment for salvageable or reusable parts.

The resilience of these strategies remains to be stable in the Company's current circumstances. However, the strategy is vulnerable to some climate-related risks. For example, intense cases of inclement weather could cause a necessity for additional paper-based notifications to be sent to policyholders. Also, there remain regulatory and practical barriers to eliminating the use of paper, as seen in the Company's new short-term goals. Furthermore, inopportune market conditions make the Board hesitant to delegate large investments in renewable energy. The Company will continue to monitor these trends and conditions as they look to fulfilling these goals.

Risk Management

The Company's climate-exposed risk is managed by the COO in collaboration with financial compliance and actuarial professionals. Mortality data, regarding cause of death, is reviewed annually to assess the risks pertaining to the underwriting of life insurance policies. The Company primarily markets to elderly individuals in need of final expense life insurance. Climate related risks for this demographic are nominal, considering their lifestyle choices; however, the Company monitors existing risks, and acknowledges instances where such climate risks could result in fatality. Underwriting risks relating to climate are addressed through the insurer's general enterprise-risk management process. In addition, the Company's market compliance team is responsible for the research and development of plans and policy forms that could utilize climate-related opportunities.

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Direct climate risk, as defined by the Company, are risks that could prohibit or hinder the operations of the Company's underwriting, claims, or insurance administration staff. Some common direct climate related risks of the Company include hurricanes, tornados, tropical thunderstorms, wildfires, and high temperatures. In these circumstances, the operational risk of the Company is assessed by executive officers in association with department directors and human resources staff. Decisions regarding these incidents are made with consideration of financial cost, time-value cost, employee safety, structural integrity, and relevant criteria referenced in the employee manual.

Regarding investments, the Company does not hold many specific climate-risk exposed securities. Large-sale macroeconomic and microeconomic climate-related events could potentially devalue invested assets; however, this is unlikely considering the nature of corporate bonds and US Treasury securities. Factors such as volatility, current fixed income perspectives, and asset class mix reports are used to monitor the condition of the Company's portfolio on a quarterly basis.

Metrics and Targets

There are limited metrics available to monitor the climate related risks associated with life insurance companies. In addition, the implementation of complex systems and metrics would not be cost effective, or marginally important considering the size of the Company's carbon footprint.

The Company designates how each climate related goal will be quantified, and completed, at the time the respective goal is set. In addition, the Company regularly monitors water and electricity usage through the utility invoices provided by the City of Thomasville.

Climate-related policies are consistently implemented with respect to the operational needs and reporting capabilities of the Company. As the Company grows, efforts to monitor its related climate effects, and risk will develop.