

NAIC CLIMATE RISK DISCLOSURE SURVEY

TCFD-ALIGNED QUESTIONS

UPDATED 2022

For submission 8/30/2024

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.

RESPONSE TO GOVERNANCE

The committee responsible for the oversight of climate-related risks and opportunities is AllCare's Business Continuity Planning Committee. The Committee consists of representatives from various departments and key stakeholders within AllCare. The position on the Committee responsible for the oversight of managing the climate-related financial risks is the Chief Financial Officer who is currently the Committee Chairperson for the Committee. The Committee identifies potential risks, assess their impact on operations, and develops strategies to mitigate those risks. It also provides guidance and support to all departments and stakeholders to ensure consistent and coordinated efforts across the organization.

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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.

RESPONSE TO STRATEGY

AllCare understands that an increase in extreme climate events has the potential to impact costs and liabilities by generating additional covered medical expenses and that the associated risks could lead to an increased cost of capital. Continuing climate change could also affect the efficiency of our facility operations, including increased power and water consumption required to maintain our leased buildings.

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The Company's service area is within four counties in Southern Oregon and is routinely impacted by wildfires and their effects. The Company has implemented a business continuity plan and maintains a failover site (offsite) for our IT systems. The Company utilizes geo-technology to provide outreach and assistance to our members affected by climate-related threats.

AllCare is continually assessing areas of opportunity in reducing emissions. As a B Corporation, many measures are taken to reduce environmental impact. Waste services include recycling of paper, glass and plastic in all office locations. Motion-sensor light controls are also used.

AllCare is beginning construction of our own solar farm in 2025, which, over the course of its construction and phase-in periods, will make us totally energy independent i.e. we will only use renewable energy

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.

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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.

RESPONSE TO RISK MANAGEMENT

Identifying and assessing climate-related risks is a company-wide responsibility within the AllCare's overall ERM framework which engages with all divisions of the Company. Climate change does not currently pose a material risk to the Company's financial soundness. AllCare does have crisis management, business continuity, and disaster recovery strategies in place to manage extreme weather events and natural disasters. Management is responsible for implementing and managing any climate-related strategies, projects, and disclosures.

The Company does not have a stand-alone climate change policy with respect to risk management; instead, the Company considers climate-related issues (weather related/natural disasters) in its overall risk management processes. AllCare has developed a wildfire map to demonstrate the real time impact of various emergencies, such as past and current Wildfires, to our members and the communities we serve.

From an investment management perspective, AllCare actively manages and oversees a multitude of various energy efficiency projects and sustainable environmental investments. Moreover, the Company is integrating diversity, equity, and inclusion as part of its robust corporate social responsibility initiatives.

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.

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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.

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

RESPONSE TO METRICS & TARGETS

AllCare is currently developing quantifiable metrics that measure environmental impact to include percentage of energy from low-impact renewable sources, corporate water usage by month, and carbon impact which includes determining the impact of each employee's carbon footprint by enhancing the current remote-work functionalities.