

NAIC CLIMATE RISK DISCLOSURE SURVEY

NAIC Number 80985

38245

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38245

Company Name 4 Ever Life Insurance Company

BCS Insurance Company

Line Of Business Other (Only one line of business can be selected)

Group Filing Y

Group Number 00023

Group Name BCS Financial Corporation

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 Environmental, Social and Governance (ESG) responsibilities fall under the Governance and Human Capital Committee (Committee) well as the Diversity, Equity and Inclusion (DEI) initiatives. The Governance and Human Capital Committee is composed of 3 or more members of the Board of Directors as appointed by the Board of BCS Financial, the group holding Company. This Committee is charged with

periodically reviewing the ESG program. The ESG Team responsible for the planning and execution of ESG activities is comprised of cross-functional group of BCS employees:

- *Patrick O'Rourke, Vice President of Human Resources*
- *Nathan Post, Vice President of Marketing*
- *Sasha Jimenez, Marketing Operations Manager*
- *Annette Chase, Senior Executive Assistant to the President and CEO*

ESG activities are engaged at the Group level because of the structure and shared services that fall under the Parent company. The Company is privately held and therefore has no stated public goals. The nature of the Companies business is not prone to the normal climate carbon emissions mitigations. BCS does not have a fleet of adjustors or other carbon footprint activities. We are taking certain actions which will be discussed later in the questionnaire.

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

The Company does not view climate-related risks and opportunities as materially impacting its current business, strategy and financial planning. It continues to take its commitment to ESG responsibilities seriously. We have 3 ESG initiatives on our performance scorecard under the goal to “Maintain an empowered, engaged, and excited team that delivers results and wins together”. This metric measures the advancement of ESG related programs. Our advancements include activities such as the following:

- *Maintain Voluntary Turnover at or below 10%*
- *25% Employee Participation in Impact Mentorship Program*
- *Increase in Community service volunteer hours to over 450 hours in the 2024 calendar year.*

The Company actively recycles, implemented other energy saving measures such a hybrid work from home/in office program which reduces the Company’s and commuting employee’s carbon footprint.

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.

Response to Risk Management

The Company currently does not have a policy with respect to climate change risk management and investment management, nor do we have a process to identify climate change related risk. We do conduct an enterprise risk assessment every 12 months, but climate change risk has not been identified as a material risk to any of our current lines of business.

The Company does not presently have an investment management policy with respect to climate change. The Company has not considered the impact of climate change on its investment portfolio nor has the company altered its investment strategy in response to these considerations. The Company is aware that some external investment managers do consider how climate change might impact some investment positions. Our current investment strategy, as reflected in our investment policy, does not account for possible climate change.

Our program is in development. We do not write traditional homeowners, commercial liability, auto insurance or other such lines. Our main products include errors and omissions coverages, Cyber, medical stoploss, and travel insurance. As our processes evolve and mature, we will continue to evaluate, and where appropriate we will advance our processes.

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.

Response to Metrics and Targets

The Company currently does not have metrics in place to track or measure climate-related risk to our business beyond our annual enterprise risk assessment. Based on our current business and operational model we do not see climate-related physical risks as a high material risk.