

## SURVEY QUESTIONS

- To provide clear direction for achieving a robust, insurance-sector specific TCFD report, narrative and closed ended questions follow, grouped into the TCFD's four topics: governance, strategy, risk management and metrics and targets.
- The statements listed next to numbers and letters are directly taken from the TCFD Framework and should be fully addressed in the insurer's response. As discussed in detail above, insurers should consider including the bulleted items in their response to the TCFD statement above it. For additional guidance on sector specific content to consider including, refer to the [Implementation Recommendation Report](#).

**Closed ended questions directly correspond to the narrative, allowing for explanation and qualification of the yes/no answers.**

- **Closed ended questions are voluntary for reporting year 2022.**

### **Governance – narrative**

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.*

**Governance Narrative Response:** The Company reviews climate-related risks and opportunities as part of its broader risk management framework. The Company does not have any publicly-stated goals on climate-related risks and opportunities. The Company participates in annual NAIC climate disclosure reporting, as administered by the California Department of insurance, on a group level. Each company within the group considers its climate-related disclosure obligations as they pertain to group disclosure reporting.

**A.** The Company's Enterprise Risk Management ("ERM") department is responsible for the oversight of managing climate-related financial risks. There is no specific Board committee responsible for oversight of climate-related risks and opportunities

**B.** Company management considers climate-related risks and opportunities, in collaboration and consultation with the ERM department.

### **Governance – closed ended questions answered in addition to the narrative**

- Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N) **N**
- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N) **N**
- Does management have a role in assessing climate-related risks and opportunities? (Y/N) **Y**
- Does management have a role in managing climate-related risks and opportunities? (Y/N) **Y**

## Strategy – narrative

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.\*<sup>i</sup>
  - 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 1-5years as short term, 5-10years as medium term, and 10-30years 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.*

**Strategy Narrative Response:** The Company has not identified current or anticipated material risks that climate change will pose to the Company. The Company would consider such risks in the event that a major event in climate change were to occur. The Company as part of its normal business

operations does not emit greenhouse gases. The Company has not taken steps to engage key constituencies on the topic of climate change. This action would be taken at the appropriate time.

- A. The Company has not identified current or anticipated short, medium, or long-term material risks that climate change will pose to the Company. The Company would consider such risks in the event that a major event in climate change were to occur.
- B. The Company has not identified current or anticipated risks that climate change will pose to the Company. The Company would consider such risks in the event that a major event in climate change were to occur. The Company does not have a formal risk management or investment policy with respect to climate change. Insofar as climate risk is concerned, the Company has a Disaster Recovery Plan (filed with state regulators) that contemplates climate-related contingencies and business continuity measures to mitigate these contingencies. Insofar as investments, the Company would seek counsel from its investment managers in the event of a major shift in climate change. The Company has, however, decided to minimize its exposure to the coal industry. The Company no longer has any direct investment exposure to the coal industry. The Company has not taken steps to encourage its policyholder-customers to reduce the losses caused by climate change-influenced events. This action would be taken at the appropriate time.
- C. The Company maintains a Disaster Recovery Plan to address physical disaster risks. In the event that a major climate change event took place, the Company has adequate capital and surplus to meet its ongoing business requirements and obligations.

#### Strategy - closed ended questions answered in addition to the narrative

- a. Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N) \* **N**
- b. Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N) **N**
- c. Does the insurer make investments to support the transition to a low carbon economy? (Y/N) **N**
- d. Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)\* **N**

#### Risk Management – narrative

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.

**Risk Management Narrative Response:** The Company does not have a formal process for identifying climate change-related risks and assessing the degree that it could affect our business including its underwriting portfolio. However, the Company reviews and considers climate-related risks and opportunities as part of its broader risk management framework. Additionally, the Company maintains a Disaster Recovery Plan that contemplates climate-related contingencies and business continuity measures to mitigate these contingencies. The company has not taken steps to encourage policyholders to reduce the losses caused by climate change-influenced events. This action would be taken at the appropriate time. Insofar as investments, the Company would seek counsel from its investment managers in the event of a major shift in climate change. A decision has been made to limit the Company's investment exposure to coal producers. The Company no longer has any direct investment exposure to the coal industry.

- A. The Company has not identified any material climate-related risks on the Company's financial condition; however, the Company reviews and assesses climate-related risks as part of its overall risk management framework.
- B. The Company does not have a formal program to manage its climate-related risks; however, the company has a Disaster Recovery Plan in place and filed with state regulators to address physical disaster risks. In the event that a major climate change event took place, the Company has adequate capital and surplus to meet its ongoing business requirements and obligations.
- C. The Company reviews and assesses climate-related risks as part of its overall risk management framework. The company's Enterprise Risk Management Department reviews climate risk on an ongoing basis as part of its course-of-business review of the company's risk profile. The Company does not utilize climate scenarios in analyzing its underwriting risks. The Company's underwriting risks with respect to climate change as a life and health insurer are more limited than if the Company were a property and casualty insurer. With respect to investments, the Company considers climate scenarios within its broad assessments of investment decision-making, and the

Company would seek counsel from its investment managers in the event of a major shift in climate change. A decision has been made to limit the Company's investment exposure to coal producers. The Company no longer has any direct investment exposure to the coal industry.

#### Risk Management – closed ended questions answered in addition to the narrative

- Does the insurer have a process for identifying climate-related risks? (Y/N) **N**
- If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) **Y**
- Does the insurer have a process for assessing climate-related risks? (Y/N) **N**
- If yes, does the process include an assessment of financial implications? (Y/N)
- Does the insurer have a process for managing climate-related risks? (Y/N) **N**
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)\* **N**
- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)\* **N**
- Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)\* **Y**
- Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) **N**
- Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) **N**

#### Metrics and Targets – narrative

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.*

**Metrics and Targets Narrative Response:** The Company does not use catastrophe modeling to manage climate-related risks to its business.

A. The Company does not use metrics to assess climate-related risks and opportunities; however, the Company considers climate-related risk as part of its overall risk management framework.

B. The Company does not emit greenhouse gases in connection with its normal direct business operations.

C. The Company does not use any specific targets to manage climate-related risks and opportunities.

#### **Metrics and Targets – closed ended questions answered in addition to the narrative**

- Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N) **N**
- Does the insurer use metrics to assess and monitor climate-related risks? (Y/N) **N**
- Does the insurer have targets to manage climate-related risks and opportunities? (Y/N) **N**
- Does the insurer have targets to manage climate-related performance? (Y/N) **N**