

NAIC Group Code	NAIC Company Code	Company Name	2020 Direct Premiums Written (\$ in thousands)
1552	52626	Medica Health Plans	\$ 1,180,679
1552	12459	Medica Insurance Company	\$3,001,823
1552	95232	Medica Community Health Plan	\$ 113,842

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.

Medica Continues to implement sustainable and environmentally friendly methods of doing business that lessen the company's impact on the environment. These include:

- Medica uses CO2 monitors to the building automation system so we can control the percent of outside air used based on these levels. This allows us to utilize more inside air reducing the cost of heating and cooling outside air.
- Medica lighting systems now include new T8 bulbs and electronic ballasts decreasing the amount of energy required to light the buildings, and uses more energy efficient lighting in ramps and garages
- Medica has occupancy sensors in our offices and emergency stairwells to turn off unnecessary lighting.
- Medica restrooms employ automatic flushers, restroom faucets and towel dispensers to decrease water use and waste.
- All workstations within Medica have recycling containers to reduce waste.
- Medica maintains LEAD certification at both the 301 and 401 buildings.
- Medica was awarded an Energy Star rating each year for the past 8 years.
- Medica utilizes Uniflow which is a Secure Print Management system/server that reduces print waste by 20%.
- Medica has an "Opt Out" opportunity for Members and Employer Groups who would rather receive communication electronically or via postings on our Web Site.

- Medica actively promotes the use of tools and collateral on our Web Site versus requesting a hard copy.
- Medica continues to implement changes that reduce the number of copies/pieces of paper sent to Members: e.g. our Welcome Kit went from 19 pages in a folder to 8 pages in a bound booklet.
- The “Print On Demand” system reduces excess printing and waste.
- Medica sends documents electronically to a fax machine instead of printing and scanning to reduce paper usage.
- Medica provides and maintains 12 Electric vehicle-charging stations.
- Medica utilizes electronic invoicing to reduce paper usage.

While Medica does not have a formal board or committee that is responsible for the oversight and management of climate-related risks, the actions that detailed above have been found to be climate friendly, cost reducing and allows us to best service our customers by providing options for accessing information, and receiving communications.

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 1-5years as short term, 5-10years as medium term, and 10-30years as long term.

While Medica has business continuity policies in place in the event a natural disaster would disrupt operations, they do not have a formal climate change policy to identify risks associated with climate change within the healthcare marketplace. Medica offers health insurance products in Minnesota, Wisconsin, North and South Dakota, Iowa, Nebraska, Missouri and Oklahoma. All products have one-year durations. No material risks have been identified that would affect the short-term products that Medica offers.

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.

Medica does not have a formal climate change policy with respect to risk management and investment management. Climate change risks are incorporated within other company processes, such as risk of underwriting exposures and investment risks, and are managed accordingly.

Medica does have an investment policy to mitigate investment risks, rooted in diversification of its portfolio and in accordance with NAIC and State guidelines.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

Medica continues to improve and maintain the energy efficiency of the operations centers to create a comfortable work environment for those who work on-site. Medica does support remote work and hybrid options for work that can be completed away from the corporate offices. This allows flexibility to respond to changes in climate.

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

As stated in #2A, there are no identified material risks that affect the short-term products offered by Medica. Medica does acknowledge climate related impacts to our business operations and takes steps to minimize this impact (as detailed in section #1).

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 factor are utilized, what types of scenarios are used, and what timeframes are considered.

Response to Risk Management

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.

At this time, Medica does not have a governing council or board that could establish such metrics. The nature of our healthcare insurance focuses on the individuals that we serve. Part of that responsibility is to be good corporate citizens with regard to our business practices and to manage the overhead costs to give our customer a great product at a fair price. Medica values energy and resource conservation and employs those practices in the delivery of our products and services.