

2024 Climate Risk Survey Response Wilcac Life Insurance Company

Note: When used in this response, the term “the Company” refers to the insurer and/or its affiliates. For purposes of utilizing responses in the NAIC regulatory reporting, please indicate any instance where TLIC, WRNY, and/or WILCAC have different answers.

Governance – Narrative	Wilcac Response:
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:	
<ul style="list-style-type: none"> Identify and include any publicly stated goals on climate-related risks and opportunities. 	<p>The Company is taking measures to capture the climate related risks and opportunities in its investment portfolio. The Company has not made any publicly stated goals on collected climate metrics.</p>
<ul style="list-style-type: none"> 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. 	<p>The Company is handling climate-related disclosure at the group level. A Climate Change Working Group (CCWG) has been established and meets at least quarterly to discuss climate-related regulatory developments and requirements, risk, and disclosure issues.</p> <p>The Company has adopted an ESG Policy that mandated quarterly management review of asset-related climate risk metrics and Board review of climate risk metrics annually or more frequently as needed.</p>
<ul style="list-style-type: none"> 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: 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks. 	<p>Michael Fleitz, Board director (and former Group Co-CEO), has oversight responsibility for climate-related financial risks from a Board level.</p> <p>The Company has adopted an ERM Policy that includes Board review of asset portfolio-related climate risk metrics annually or as needed based on urgency.</p>

<ul style="list-style-type: none"> Describe management's role in assessing and managing climate-related risks and opportunities. 	<p>Sylvia Oliveira, Group CRO, is the member of senior management with oversight responsibility for climate-related risks and opportunities. Sylvia chairs the CCWG, which is comprised of a diverse set of management executives. She ensures that senior management and the Board are informed about climate-related risks, providing a presentation to the Board quarterly. Perry Braun, CIO, has been actively assessing the climate change risk exposure in the Company's investment portfolio and is also a member of the CCWG.</p>
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Governance – closed ended questions	Y/N	Wilcac Notes
Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N)	N	None
Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N)	Y	Board member responsible for climate risk is Michael Fleitz
Does management have a role in assessing climate-related risks and opportunities? (Y/N)	Y	See above

Strategy – Narrative	Wilcac Response:
<p>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:</p> <ul style="list-style-type: none"> Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency. 	<ul style="list-style-type: none"> The Company established a CCWG with representatives from investments, compliance, operations, and underwriting. Management has engaged with regulators in its relevant jurisdictions to understand regulatory and disclosure requirements/guidance regarding climate change risk. The Company's investment team has engaged with discussions with the Company's third-party asset managers regarding climate change risks.

	<ul style="list-style-type: none"> • Climate change risk is discussed with the Board quarterly as part of the CRO's ERM update. • An ESG KRI dashboard is maintained quarterly and reported to the Board each quarter as part of the CRO's ERM update.
<ul style="list-style-type: none"> • Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations. 	<p>The CCWG developed and maintains a Project Plan to:</p> <ul style="list-style-type: none"> • Ensure climate change risk is engrained in Company decision making and in the ORSA and ERM frameworks. • Assess the Company's main exposure via its investment portfolio through an established set of metrics that are collected and reported by partners using industry-leading third-party data providers. • Retain third-party specialists (currently Goldman Sachs) to assist the Company in the evaluation of its climate risk metrics • Establish scenario testing to understand impact of various temperature rises and other scenarios • Ensure the Company complies with all climate-related statutory and regulatory requirements and disclosure rules. <p>To reduce emissions in its operations, the Company:</p> <ul style="list-style-type: none"> • Encourages policyholders to remit premium payments electronically. • Has empowered investment decisionmakers to consider emissions and climate impact when making business decisions. • Has scaled back the operation of its lighting, heating, and cooling systems during periods of reduced occupancy. • Is looking for opportunities to reduce reliance on paper in the workplace. • Provides recycling options in offices. • Continues to offer various flexibility in workplace attendance.

	The Company also considers the impact of weather- related events when preparing and updating its business continuity and disaster recovery plans.
<ul style="list-style-type: none"> Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term. 	The Company's short to medium term exposure to climate change risk is primarily through its investment portfolio. Both physical climate change and transition measures could potentially cause a disruption for certain asset sectors, which could cause increased defaults and reduction in the market value of securities for the Company. The Company is also exposed to regulatory compliance risk in the short to medium term. From a longer-term horizon, the Company is exposed to underwriting risk, to the extent that climate change could materially impact the mortality or morbidity of the insured population. Operational risks, such as business interruption risk, are also medium to long term risks.
<ul style="list-style-type: none"> 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: 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> 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. 	The Company uses the stated definitions in the completion of this survey.
<ul style="list-style-type: none"> 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: 	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> 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. 	The Company can support the transition to low carbon economy through its investment portfolio. Climate risk metrics have been incorporated into the risk measurements and influence the trading decisions on investment holdings.
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Discuss if and how the insurer makes investments to support the transition to a low carbon economy. 	Climate risk metrics have been incorporated into the risk and relative value trading decisions on investment holdings.
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario. 	The aggregate exposure to a 2-degree Celsius scenario in the Company's investment portfolio is included in the report metrics and changes are tracked vs an overall market index.

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Strategy – closed ended questions	Y/N	Wilcac Notes
Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N)	Y	This can be demonstrated in CCWG minutes and in Board reports and minutes
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)	Y	Company encourages policyholders to remit premium payments electronically
Does the insurer make investments to support the transition to a low carbon economy? (Y/N)	Y	The Company has advised asset managers to consider climate risks as part of the risk framework for trading decisions. Potential investments in companies with lower carbon footprints, therefore, have an advantage and are expected to gradually make up a larger part of the portfolio.
Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)	Y	See details above (#2, second bullet)

Risk Management – Narrative	Wilcac Response:
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:	
<ul style="list-style-type: none"> 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. 	As part of the Company’s ERM framework, each risk owner is responsible for evaluating all potential risk factors in the quarterly assessment and scoring of their risks. The actuaries responsible for underwriting risk take climate change into consideration when reviewing underwriting risks. As a life reinsurer, the Company does not have direct underwriting exposure to climate change risk. The Company will assess the potential impact that climate risks may have on future mortality and morbidity risks.
<ul style="list-style-type: none"> Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable. 	The Company encourages its policyholders to remit premium payments electronically which reduces the emissions that might otherwise be produced as a result of more traditional methods of payments such as U.S. mail.

<ul style="list-style-type: none"> Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered. 	<p>The Company's asset managers have been directed to consider climate risks as part of their credit risk analysis and related relative value decisions for all relevant asset categories.</p>
<ul style="list-style-type: none"> 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: 	
<ul style="list-style-type: none"> Discuss whether the process includes an assessment of financial implications and how frequently the process is completed. 	<p>The financial implications of a climate change disruption will be included in the scenario assessment process, which will conduct annual assessments. The Company's largest exposure to climate change is through its investment portfolio, but the Company is also potentially exposed through changes in mortality and morbidity, and through business interruption.</p>
<ul style="list-style-type: none"> Describe the insurer's processes for managing climate-related risks. 	<p>As described in the Company's ESG Policy:</p> <ul style="list-style-type: none"> Under the ERM framework, the Company's risk owners are responsible for taking climate change into consideration when assessing and managing all risks. The Company's asset managers have been directed to consider climate risks as part of their credit risk analysis and related relative value decisions for all relevant asset categories. Each asset manager must include climate risk metrics in its quarterly investment presentations to the Company. Climate metrics are discussed in a risk/return framework during each manager's quarterly presentation to the Company. Key ESG themes resulting from those presentations are summarized by the Company's investment team and reported to the CCWG, integrated into the ORSA reporting

	<p>process, and discussed with the Board of Directors as appropriate and at least annually.</p> <ul style="list-style-type: none"> Any action items determined from the above process will be directed and monitored by the Company's investment department.
<ul style="list-style-type: none"> 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: 	
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Climate risks are generally addressed through the Company's group ERM framework, including quarterly monitoring of key ESG risks via an ESG KRI dashboard. Additionally, the regular assessment of the group's aggregate investment-related exposure is being provided by a third-party (currently Goldman Sachs). Lastly, the Company's investment team has implemented a quarterly reporting mechanism whereby all third-party investment managers must report climate-related risks and issues to the Company's investment team. The investment team will report key climate risk themes to management and the Board as appropriate. Any climate-related action items will be monitored and reported.
<ul style="list-style-type: none"> 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. 	<p>The Company is in the process of developing the set of scenarios to form the basis of its scenario testing, including a 2-degree Celsius temperature increase scenario. Per the CCWG Project Plan, the Company is targeting year end 2025 for the establishment of the relevant scenarios and metrics for scenario testing.</p>
<ul style="list-style-type: none"> 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. 	<p>The Company analyzes the Implied Temperature Rise in its aggregate asset portfolio. The Company also measures the percent of its portfolio in alignment with the Paris Agreement 2-degree Celsius goals, and aggregate portfolio temperature contribution vs that of the overall index.</p>

Risk Management – closed ended questions	Y/N	Wilcac Notes
Does the insurer have a process for identifying climate-related risks? (Y/N)	Y	Described in the ERM Policy and ESG Policy
If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N)	Y	Included in the ERM Policy
Does the insurer have a process for assessing climate-related risks? (Y/N)	Y	Particularly in the investment portfolio, as described in ESG Policy.
If yes, does the process include an assessment of financial implications? (Y/N)	N	This is under development as part of the scenario analysis.
Does the insurer have a process for managing climate-related risks? (Y/N)	Y	Described above and in the ESG Policy
Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)	Y	Under consideration by each risk owner, and seeking to measure as part of scenario analysis
Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)	Y	Described above
Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)	Y	Described above
Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N)	N	Plan outlined above
Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N)	Y	Described above

Metrics and Targets – Narrative	Wilcac Response:
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:	
<ul style="list-style-type: none"> 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. 	The Company does not use natural catastrophe modeling to manage climate risk for its business. The Company is a life and annuity reinsurer.
<ul style="list-style-type: none"> 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: 	

<ul style="list-style-type: none"> ○ 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) 	<p>Currently the Company uses the following metrics to assess climate risk in relation to its investment portfolio:</p> <ul style="list-style-type: none"> • Carbon Intensity (Scope 1+2 Emissions) • Fossil Fuel Reserves • Emissions Reductions Targets • Exposure to Climate Solutions • Implied Temperature Rise • Paris Agreement Alignment
<ul style="list-style-type: none"> ○ Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. 	<p>The Company is reviewing the Carbon Intensity metric for its aggregate asset portfolio, which covers the Scope 1 and Scope 2 greenhouse gas emissions of its invested assets.</p>
<ul style="list-style-type: none"> ○ Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets. 	<p>No specific climate-related goals or targets have been established by the Company. The Company is concerned that the current climate metrics are still imperfectly measured, collected, and applied. For these reasons, the Company has determined that it would be premature to establish goals at this point.</p>

Metrics and Targets – closed ended questions	Y/N	Wilcac Notes
• 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)	Y	An aggregated assessment of the Company's asset portfolio contains several metrics collected and applied by MSCI, the leading ESG data provider in the industry.
• 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	
• Does management have a role in managing climate-related risks and opportunities? (Y/N)	Y	