

NAIC CLIMATE RISK DISCLOSURE SURVEY

TCFD-ALIGNED QUESTIONS

UPDATED 2022

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

All enterprise-level risks, as well as potential opportunities, are discussed with executive leaders at the Enterprise Risk Management committee (a sub-Audit Committee) at least twice per year. Any climate-related risk or opportunity that rose to a significant or material level would be discussed at that committee to determine the proper course of action for remediation. The Chief Financial officer would be the owner of a financial climate risk.

On a quarterly basis, ERM reports enterprise risks to the Audit Committee as part of enterprise risk reporting. Should the significance of a climate-related risk rise to the enterprise level, it would be included in reporting to the Audit Committee.

There is no board member, members, committee or committees responsible for the oversight of managing the climate-related financial risk and GBU does not have publicly stated goals on climate-related risks and opportunities.

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

Based on the nature of our business, primarily sales of annuity products, and results of our annual risk refresh process, led by our ERM function, GBU has determined that any potential impacts of climate-related risks and opportunities on our business, strategy, and financial planning are not material (i.e., not significant or key to the organization).

GBU's approach to climate risk is focused on responsible investing. Internally, our climate risk processes and procedures focus on non-financial performance indicators that address a company's approach towards responsible investment, sustainability, its impact on society and the environment, as well as other ethical and corporate governance considerations. To date, no material climate related risks or opportunities have been identified by the organization.

To date, no material climate related risks or opportunities have been identified by the organization. Based on the nature of our business, primarily sales of annuity products, this is not applicable for our organization as our products have little to no impact on the climate. GBU does seek to incorporate climate risk issues into our investment analysis and decision-making processes. The organization partners with corporate consultants and external investment managers to support its investment framework. In this process, GBU seeks to identify appropriate disclosures on climate risk issues by the entities in which we invest.

Based on the nature of our business, primarily sales of annuity products, this is not applicable for our organization as our products have little to no impact on the climate.

GBU does not provide products or services to support the transition to a low carbon economy nor help customers adapt to climate risk. GBU does not have a plan to assess, reduce or mitigate greenhouse gas emissions.

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

Climate-related risks are identified, assessed, and managed along with all other significant risks at GBU, as part of our Enterprise Risk Management (ERM) program. Based on the nature of our business, primarily sales of annuity products with a limited amount of life insurance sales, climate-related risks are not material to the organization. Although no material climate-related risks have been identified by the organization, GBU does seek to incorporate climate risk issues into our investment analysis and decision-making processes. The organization partners with corporate consultants and external investment managers to support its investment framework. In this process, GBU seeks to identify appropriate disclosures on climate risk issues by the entities in which we invest.

Climate-related risks are viewed as "Compliance Risks" at GBU, which is a sub-set of Operational Risk. On an annual basis, ERM leads the risk refresh process whereby existing risks are re-assessed and scored (both on a probability and cost scale) to determine their significance, new and emerging risks are considered for addition to the organization's risk register, and risks which are no longer applicable are removed. The risk refresh process is initiated with interviews with senior leaders which allows for management input on climate-related risks and opportunities, as well as other risks and opportunities for the organization. Based on the nature of our business, primarily sales of annuity products, climate scenarios are not applicable for our organization.

Climate-related risks are managed along with all other significant risks at GBU, as part of our Enterprise Risk Management (ERM) program.

GBU has not taken steps to encourage policyholders to manage their potential climate-related risks, considered the impact of climate-related risks on its underwriting portfolio, utilized climate scenarios to analyze our underwriting and investment risks because all of four these areas are not applicable to the organization.

GBU has a process for identifying climate-related risks which are climate-related risks addressed through the insurer's general enterprise-risk management process. GBU also has a process for

assessing climate-related risks which includes an assessment of financial implications and managing climate-related risks. GBU has considered the impact of climate-related risks on its investment portfolio.

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

Based on the nature of our business, primarily sales of annuity products, catastrophe modeling and disclosure of metrics (Scopes 1-3) to assess climate-related risks and opportunities, and targets used to manage climate-related risks and opportunities and performance against targets are not applicable for our organization.

GBU does not use catastrophe modeling to manage climate-related risks, metrics to assess and monitor climate-related risks, have targets to manage climate-related risks and opportunities, or have targets to manage climate-related performance.

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