



NAIC Climate Risk Disclosure Survey

Reporting Year 2023

**Multinational Insurance Company
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I. Governance

The Risk Committee of the Board is responsible for overseeing climate risk as part of its oversight of the company's Enterprise Risk Management (ERM) Program. The Committee is provided the results of the company's annual determination of materiality alongside the assessment of climate risk conducted with members of senior leadership (using a structured assessment approach used for all key enterprise risk areas), helping to ensure they understand all relevant climate risks / threats and the company's mitigation of risk.

Central to the ERM Program is the ERM Executive Committee, (ERM EC) which makes key ERM Program decisions, assesses Core Enterprise and emerging risks, and monitors risk mitigation efforts / key controls, including the progress of high-impact risk actions in concert with other accountable business owners / leaders and, where applicable, Internal Audit leadership. The ERM EC holds periodic meetings and reviews ongoing initiatives at our board meetings throughout the year. The ERM EC has the level of skill, expertise and knowledge for the assessment and management of climate risks.

The Company does not publicly state formalized goals specific to climate-related risks and opportunities nor does it have any formally announced climate disclosures or commitments beyond this survey; however, in the event that the company decides to have these, they would be established and overseen with support from the ERM EC.

II. Strategy

The following are short-term opportunities we have already implemented. Plans to reduce or mitigate emissions of its operations include ESG investing, energy savings initiatives office buildings, paper reduction initiatives, and refillable water stations. We allow remote work opportunities to reduce gas use as part of our business continuity plans.

We carefully manage our exposure to catastrophic loss as part of our ERM program. This includes known risks and perils of hurricane, earthquake, other wind, flood and a major downturn in the investment arena. Specifically, strategic underwriting adjustments have minimized our coastal property exposure to mitigate risks posed by hurricanes and earthquakes.

Green energy initiatives undertaken include the use of LED lighting, paperless initiatives, water saving fixtures, high efficiency servers and a/c units.

Several environmentally friendly features were utilized including:

- Installed LED lighting inside the building and in the parking lot. We also use light harvesting and dimming strategies to reduce electrical usage.
- Installed a high efficiency cooling and ventilation system.
- Building Automation Systems were installed to measure and control the operating efficiency of the cooling and lighting systems.

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III. Risk Management

We will identify risks as they are proven to exist and take appropriate steps to manage them, just as we do all other risks to the organization. Additionally, we have always focused on safe, sound, and secure investments. To the best of our knowledge, we do not believe climate change would have a material impact on our investment portfolio. We avoid risky or otherwise controversial positions in our portfolio.

We carefully manage our exposure to catastrophic loss as part of our ERM program. We assess each line of business at least annually. This includes known risks and perils of hurricane, earthquake, other wind, flood, and a major downturn in the investment arena. Specifically, strategic underwriting adjustments have minimized the risk posed by hurricanes and earthquakes.

Green energy initiatives undertaken include paperless initiatives, water savings fixtures and energy saving equipment. Some of our policy holders service options address potential climate changes, we have an online application that policyholders may use to file a claim, view policy documents and make payments.

IV. Metrics and Targets

We have a third-party Business partner, AON RE, that has the latest software for modeling catastrophes and identifying, segmenting and geographically manage climate related risk. Our portfolio is modeled and classified by geographical areas with catastrophic exposures including windstorm, flood, and earthquakes. By managing the data, we identify the level of protection the Company needs and how it compares with the recommended protection level. Metrics are obtained by using RMS and AIR software products which establish the target growth in risks exposed to climate risk.

Our portfolio is also segmented and considers the risk's exposure to catastrophic losses, categories such as commercial and personal exposures, hi-rise buildings and coastal exposures are modeled and tied to geographical areas prone to catastrophes, adequate reinsurance is obtained as each scenario warrants. Individual physical inspections of risks are also done and used as an underwriting tool. In other lines of business such as liability lines we do not underwrite long tail liabilities, products or pollution related risks.