

NAIC CLIMATE RISK DISCLOSURE SURVEY

TCFD-ALIGNED QUESTIONS

UPDATED 2022

GOVERNANCE

1. *As a health insurance company our focus is on providing the best possible product of health insurance at the lowest cost in order to best benefit our members.*
2. *Climate-related risks and opportunities are a low priority because they are unrelated to our business.*
3. *EMI Health has no publicly stated goals related to climate related risks and opportunities.*
4. *Our members are not interested in receiving climate-related disclosures from EMI Health as their health benefits carrier/administrator.*
5. *EMI Health has not designated a board or committee responsible for oversight of climate related risks and opportunities.*

STRATEGY

1. *There are limited climate related risks and opportunities for EMI Health's business.*
 - a. *EMI Health built a new building as its headquarters in Murray Utah in 2018. The building was built with the most current efficiencies available.*
2. *As a health insurance company EMI Health has determined that the short, medium and long term climate related risks and opportunities are so limited and immaterial so the focus of the business strategy and financial plan is on areas where costs can be reduced in order to benefit our members.*
3. *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.*

RISK MANAGEMENT

1. *EMI Health's risk management strategy is focused on reducing costs for our members and the cost of claims.*
2. *Climate related-risks are not considered in underwriting for health insurance products.*
3. *Underwriting in group health insurance involves assessing the collective risk of a group. This includes evaluating the medical history, age, occupation, and sometimes lifestyle choices of the group members. The primary goal is to ascertain the potential healthcare costs that the insurer might incur.*
4. *In modern underwriting, technology plays a pivotal role. Insurers increasingly rely on advanced data analytics and algorithms to process large volumes of information quickly and*

accurately. This includes demographic data, medical claim histories, and even lifestyle data in some cases. Such technologies enable underwriters to identify patterns and predict future claims more accurately, leading to more precise risk assessments and insurance premium settings.

- 5. Adverse selection is a significant concern in group health insurance. It occurs when individuals with higher health risks are more likely to enroll in a health plan, potentially leading to higher costs for the insurer. Effective underwriting strategies aim to mitigate this risk by carefully designing the insurance plan's terms and conditions, such as coverage limits, exclusions, and premium rates.*
- 6. Underwriting guidelines also determine the scope of coverage. This includes what medical conditions are covered, what types of treatments are included, and any exclusions or limitations.*
- 7. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.*
- 8. In conclusion, underwriting in group health insurance is a critical process that requires careful consideration of various factors. It involves evaluating the collective risk of a group, determining policy terms, and ensuring compliance with legal and regulatory standards. Understanding these nuances is essential for employers, policyholders, and insurers alike in navigating the complexities of the health insurance landscape. For further inquiries or to request a proposal for group health insurance, feel free to contact us.*

METRICS AND TARGETS

- 9. Underwriting in group health insurance involves assessing the collective risk of a group. This includes evaluating the medical history, age, occupation, and sometimes lifestyle choices of the group members. The primary goal is to ascertain the potential healthcare costs that the insurer might incur.*
- 10. In modern underwriting, technology plays a pivotal role. Insurers increasingly rely on advanced data analytics and algorithms to process large volumes of information quickly and accurately. This includes demographic data, medical claim histories, and even lifestyle data in some cases. Such technologies enable underwriters to identify patterns and predict future claims more accurately, leading to more precise risk assessments and insurance premium settings.*
- 11. Adverse selection is a significant concern in group health insurance. It occurs when individuals with higher health risks are more likely to enroll in a health plan, potentially leading to higher costs for the insurer. Effective underwriting strategies aim to mitigate this risk by carefully designing the insurance plan's terms and conditions, such as coverage limits, exclusions, and premium rates.*
- 12. Underwriting guidelines also determine the scope of coverage. This includes what medical conditions are covered, what types of treatments are included, and any exclusions or limitations.*

13. *Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.*
14. *In conclusion, underwriting in group health insurance is a critical process that requires careful consideration of various factors. It involves evaluating the collective risk of a group, determining policy terms, and ensuring compliance with legal and regulatory standards. Understanding these nuances is essential for employers, policyholders, and insurers alike in navigating the complexities of the health insurance landscape. For further inquiries or to request a proposal for group health insurance, feel free to contact us.*