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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.

1. As providers of annuity and life products, the companies do not have any material climate-related risks which would impact our product offering, strategy, or financial planning. Within our organization, governance of climate-related risks and opportunities are handled at both an entity and group level. The Board of Directors for the Michigan Farm Bureau Family of Companies provides oversight to our Enterprise Risk Management (ERM) program and identified risks. While we have not established publicly stated goals pertaining to climate-related risks and opportunities, we engage in climate risk discussions during our annual risk review process. Additionally, each year the Farm Bureau Life CEO and Vice Presidents participate in a comprehensive discussion on emerging risks.

A. The Governance and Risk Committee of the Board of Directors is responsible for oversight of the ERM program, including climate-related risks and opportunities. The committee receives a report at least twice per year from the acting Chief Risk Officer for the organization. Any climate related risks or opportunities not previously reported would be addressed with the committee and reported to the full Board of Directors where appropriate.

B. Each business unit within the Michigan Farm Bureau Family of Companies has an embedded risk owner who is responsible for assessing and managing risk, including climate-related risks and opportunities. These risk discussions are held with management within the business unit and are reported to the ERM team. Business continuity plans have been developed for each unit which makes considerations for natural disasters that may impact the organization or our employees.

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

2.

A. The companies' Enterprise Risk Management (ERM) program includes an annual process of identifying and assessing various types of risk.

Climate change is also listed as an emerging risk in our ERM program, as the implications of changing environments evolve. This includes operational risks of supply chain and business interruption.
We are also exposed to the risk of increased regulation activating on climate change topics.

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The changing environment may also introduce new drivers in demographic trends, as changes in temperature, water availability and air quality could influence longevity, mortality, and morbidity trends. Michigan's availability to water could present an opportunity for demographic growth and insurance markets in the state.

B.

Over the past few years, we have invested in our Lansing MI Home Office and Warehouse by upgrading all exterior and interior lighting to LED at both locations, installed 350 KW roof and ground mounted solar at the Home Office, 50 KW ground-mounted solar at the Warehouse, replacement of Home Office chillers, retrofit of steam boiler burners, and a complete renovation of the Home Office which included hands-free, low flush valves and faucets, heated sidewalks, window expansion to increase natural light and upgraded building automation and lighting systems. Our efforts to reduce energy consumption, which are ongoing, have already reduced our consumption by over 1,000,000 kilowatt hours.

Our Investment Division's General Investment Philosophies and Assumptions specifically include ESG as a consideration in evaluation and monitoring investments. We are currently invested in over $570 million of municipal bonds related to environmental and social causes. This includes Economic/Public/Transit Improvements ($204 million), Public School Districts ($87 million), and clean energy and water ($69 million). In addition to municipal bonds, we are invested in corporate bonds related to renewable energy ($23 million).

C. The companies have not modeled scenarios involving specific Celsius changes.

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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.

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3.

A. The companies have a robust Enterprise Risk Management (ERM) program which includes an annual process of identifying and assessing various types of risk. This includes determination of a Credible Worst-Case Scenario and assessment/scoring of likelihood, impact, velocity, and assurance for that scenario. Impact is typically determined as the 1-year change in either net income or surplus.

In addition, The ERM program updates emerging risks annually. Climate change is included in the ERM Emerging Risk Register.

B. All risks in our ERM Risk register include an assessment of the effectiveness of mitigation activities, or "assurance". Risks with lower assurance scores result in higher residual risk scores (all other things being equal). Risks with the highest residual risk scores are considered the organizations Top Risks, and are reviewed regularly by the ERM team, Insurance Corporate Staff and our Board of Directors. Where appropriate, Risk Owners and/or the ERM Team recommend initiatives to reduce the residual risk level.

We review (and adjust if necessary) Property Limits and Business Interruption coverage annually for our Home Office locations, in our Corporate Insurance Program.

Farm Burau Life has Disaster Recovery and Building Safety & Security programs established, in the event severe weather interrupts operations.

C. Climate-related risks are addressed through the companies' general Enterprise Risk Management (ERM) program. Risk identification, assessment, and mitigation review is completed annually. The impact of most risks in our ERM register, including those which are climate-related, include scenarios assessed over a 1-year timeframe.

The companies have not specifically modeled the impact of climate-related risks on investments.

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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.

4. As providers of life insurance and annuity products, the companies do not have material climate-related risks. Over the past few years, we have invested in our Lansing MI Home Office and Warehouse, reflecting sustainable and best practices for improvements from an energy and economic perspective. The Companies have not analyzed the impact of Scope 1, 2 or 3 at this time.