

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.

○ YCCO Responses:

- Yamhill Community Care is a 501(c)3 community benefit corporation, domiciled in the state of Oregon, that is 100% community owned. The management, control and operation of the affairs and properties of Yamhill Community Care are vested in the corporation's Board of Directors. No entity has ownership interest in Yamhill Community Care as it is a community benefit corporation. Additionally, Yamhill Community Care has no ownership interest in any other entity.
- The level at which Yamhill Community Care's risk appetite is determined, the level at which the earnings, capital, liquidity, operations, and reputation are overseen collectively and at which supervision of those factors are coordinated and exercised, and the level at which legal liability for failure of general corporate governance duties is at the level of Yamhill Community Care.
- Yamhill Community Care's business is managed under the direction of the Board of Directors. The Board provides governance of Yamhill Community Care's affairs and provides direction of a quality and nature that optimizes the development, growth, and performance of Yamhill Community Care. Responsibility for and oversight of corporate governance ultimately rests with the Board of Directors and its senior management. Responsibility for and oversight of risk management, non-profit public benefit performance, and corporate governance ultimately rests with the Board of Directors.
- The business of Yamhill Community Care is conducted by the employees, managers, and officers, under the direction of the President/CEO and the oversight of the Board of Director. The Board of Directors are self-perpetuating, absent of members, and broadly represents the public as described in Article IV of the Bylaws. Senior management, inclusive of the CFO and Compliance Officer, is responsible for Yamhill Community Care's enterprise risk program. Senior management reports to the Board monthly on enterprise risk.
- The Finance Committee is responsible for recommending financial policies, goals and budgets that support the mission, values, and strategic goals of the organization. The Finance Committee also reviews the organization's financial performance against its goals and proposes major transactions and programs to the Board. The Finance Committee serves the role of the Audit Committee and Investment Committee for Yamhill Community Care.

- YCCO's public goals include those that are stated within and aligned with our corporate vision, mission statement, and values. Our vision: A unified healthy community that celebrates physical, mental, emotional, spiritual, and social well-being. Our mission: Working together to improve the quality of life and health of the Communities we serve by coordinating effective care.

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.

○ **YCCO Responses:**

- There is negligible or non-quantifiable potential impacts on climate-related risks beyond the underwriting risk of member services utilization. Actual utilization of member services occurs in third party settings, beyond the control of Yamhill Community Care.
- Yamhill Community Care has and continues to expand the use of both a hybrid and remote workforce. The use of such will potentially reduce commuting time and mileage, and in turn the use of transportation related climate impacts. Hybrid and remote workforce also provides a simpler and quicker path to continuity of operations if any form of natural disaster.
- Yamhill Community Care does support the transition to low carbon emissions in the provision of services and supplies in response to climate/weather related events/emergencies.

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.

○ **YCCO Responses:**

- Climate risk is addressed as part of general enterprise-risk management processes of Yamhill Community Care.
- The current underwriting portfolio of Yamhill Community Care is not selectable/limitable based upon climate factors. However, Yamhill Community Care can provide health related services to help address climate-related health impacts on members.
- The Yamhill Community Care investment portfolio is already heavily restricted by contract and administrative rule, and investments are thus limited to low risk-based investments. So, climate not a driving factor in choice and selection of investments.

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.

○ **YCCO Responses:**

- No current metrics specific to climate business risks are being utilized or tracked by Yamhill Community Care.
- Yamhill Community Care is not currently utilizing any catastrophe modeling to specifically assess climate risks.
- Yamhill Community Care is not currently assessing GHG emissions, as operations are limited to one small location comprised of corporate administrative offices.

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