

NAIC Climate Risk Disclosure Survey

2023 Submission

January 31, 2024

Crown Global Insurance Company of America

Identity of Survey Respondents

This Climate Risk Disclosure survey response is submitted on behalf of the following Delaware domiciled insurance company ("Crown" or the "Company"):

- Crown Global Insurance company of America, NAIC # 14679
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Governance

1. Disclose the insurer's governance around climate-related risks and opportunities.

Climate-related risk is not directly material to the Company's insurance lines of business. All in-force policies are variable deferred annuities and variable life insurance without guarantees written in the global ultra-high net worth market. Crown's life insurance and annuity policies pass material investment and market risk to policyowners. Crown passes most of its mortality risk to third-party reinsurers. Crown's reinsurance treaties cover climate-related mortality risk.

The Company is ultimately governed by the Board of Directors of Crown Global Insurance Group, LLC "CGIG"), its parent company, and it continuously monitors the viability of its reinsurer counterparties and its physical risks, including business continuity, disaster planning, redundant systems, and geographically diverse office locations including Bermuda, Cayman Islands, Europe, and multiple US sites. Meetings are held regularly; minutes are kept of all meetings and action items are followed up as appropriate. Since the management is centralized, the activities of the insurance entities are effectively coordinated. CGIG's Underwriting Committee, which consists of the President of CGIG, President of HNW and Family Office, Vice President of HNW and Family Office, Senior Vice President and General Counsel, Vice President of Domestic Operations, and Chief Actuary meets 12 times per year and includes discussing reinsurer counterparty viability at each meeting.

Climate-related physical risks are mitigated by Crown's operational risk and IT/cyber strategies above.

Transition risks in Crown's segregated account assets are transparently passed through to policyholders. Crown monitors its reinsurers and segregated account investment managers for risks that may impair their performance.

Due to the nature of ultra-high net worth mortality risk and Crown's relatively low retained mortality risk per life, underwriting is not a material risk.

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.

Potential impacts of climate-related risks are low and mitigated by the Company's business model. All in-force policies are variable deferred annuities and variable life insurance without guarantees. Crown's life insurance and annuity policies pass material investment and market risk to policyowners. Crown passes most of its mortality risk to third-party reinsurers. Crown's reinsurance treaties cover climate-related mortality risk.

Risk Management

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

Potential climate-related risks have been identified by CGIG's Board as physical, transition, and mortality risks.

Physical risks are mitigated by Crown's operational risk and IT/cyber strategies: Business continuity, disaster planning, redundant systems, and geographically diverse office locations, including Bermuda, Cayman Islands, Europe, and multiple U.S. sites. Disaster Recovery Policy in place and demonstrated effective during the pandemic, plan tested twice per year. Replication of roles allows for cover if someone is required to be out for an extended period or need of permanent replacement. Duplicate servers between Cayman/Zurich as well as cloud backup. Adoption of Cyber Incident Response plan and Information Security Policy. Annual training required for all employees. IT outsourced to IT Professionals.

Transition risks in Crown's segregated account assets are transparently passed through to policyholders. Crown monitors investment managers and separate account growth rates for the effect, if any, of transition risk.

Mortality risks in Crown's life insurance policies are managed by monitoring its reinsurers for risks that may impair their performance and by Crown's relatively low retained risk per life. Due to the nature of ultra-high net worth mortality risk and Crown's relatively low retained mortality risk per life, underwriting is not a material risk.

Metrics and Targets

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.

Potential impacts of climate-related risks are mitigated by the Company's business model. All in-force policies are variable deferred annuities and variable life insurance without guarantees. Crown's life insurance and annuity policies pass material investment and market risk to policyowners. Crown passes most of its mortality risk to third-party reinsurers. Crown's reinsurance treaties cover climate-related mortality risk.

- Crown generally retains \$50,000 - \$150,000 of mortality risk per life. Average retention of \$77,000 per life.
- All reinsurance counterparties are highly rated (A+ by A.M. Best, AA- by S&P).