



NAIC Climate Risk Disclosure Survey Results - Home

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## Survey Details

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NAIC Number: 62103

Company Name: Columbian Mutual Life Insurance Company

Line Of Business: Life

Group Filing: Y

Group Number: 0535

Group Name: Columbian Financial Group

## 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.

## Response for Governance:

Oversight of climate risks falls under the Audit Committee of the Board of Directors, consistent with other risks managed under Enterprise Risk. The committee has been designated as the Board Member responsible for climate-related risks.

The Audit Committee sees the ERM risk reports at least annually and during the quarterly board meetings receives written and verbal updates of the related to climate-related risks and any changes to the assessment of that risk. The Audit Committee reviews and approves the company's ERM process, risk appetite statement and risk register.

CFG works with the various insurance departments when climate disasters have occurred and makes appropriate allowances for policyholders.

Climate-related disclosure is managed at the group (CFG) level. The activities undertaken by the two insurance entities, Columbian Mutual Life Insurance Company and Columbian Life Insurance Company, are identical.

CFG has not made any climate commitments.

The Chief Risk Officer is the member of Senior Management responsible for climate-related risks and assesses same in the overall context of Enterprise 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.

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.

## Response for Strategy:

The assessment of climate change risk is still in its initial stages at CFG and is not currently considered a material risk.

The Audit Committee sees the ERM risk reports at least annually and during the quarterly board meetings. The committee receives written and verbal updates of the related to climate-related risks and any changes to the assessment of climate risk. The Audit Committee reviews and approves the process, including the risk appetite statement and risk register.

CFG continues to review the financial impact of climate change risk and intends to expand disclosures, as needed, to cover any additional climate-related risks.

CFG has been able to reduce emissions in the office building as most of the staff now works remotely. There is still an active recycling program the company has in place.

## 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 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.

**Response for Risk Management:** The area of climate change risk and the resulting financial impact is still in its initial stages at CFG. While it is not currently considered a material/sig have been taken to ensure that there is a framework to help identify, assess, mitigate, and monitor these risks as they develop and potentially beco

The risks resulting from climate change are covered under the risks dealing with disaster recovery, business continuity, and geographic concentration asset sector concentration. CFG has also added Physical Risk and Transition Risk to the Risk Register. The risk register is shared with the Audit Comr Audit Committee receives quarterly updates on the assessment of climate risk and changes to the regulatory requirements around climate-related r

The control functions have added climate risks to the risks they take into account. The CRO has developed, and continues to develop, skills assessin risks using actuarial resources, such as those provided by the Society of Actuaries. The CRO will:

- Accept ownership of the implementation and maintenance of CFG's ERM Policy and related activities; and
- Coordinate with business and shared services functional leaders in IT, Legal, Investments, Finance, Sales, Operations, and Actuarial to ident strate business, and climate risks.

CFG's governance around climate-related risks and opportunities is embedded within the ERM program and is not treated as a stand-alone risk. Clirr explicitly included in the annually updated risk register. CFG is not required to file an ORSA summary report.

The internal review of the functions and procedures for managing climate risks is incorporated into the annual review and assessment of Enterprise review the financial impact of climate change risk and intends to expand the disclosures, as needed, to cover any additional risks.

Initial reviews of the corporate bond portfolio indicated the portfolio was at a Medium Risk level:

- Morningstar ESG rating: 3 Globes out of a possible 5 Globes.
- Sustainalytics ESG Score: 23.5 on a 0-40 scale (40 is the worst rating).

Additionally, the review process for prospective commercial loans includes an assessment of whether the property is in a flood zone, the concentrati the likelihood of other climate-related events, such as hurricanes, wildfires, and tornadoes.

## 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, i 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 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.

**Response for Metrics and Targets:** There are no metrics and targets as climate-related risks do not have a material impact at this time.

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