



6 Wellness Way
Latham, NY 12110
www.cdphp.com

NAIC Climate Risk Disclosure Survey

Capital District Physicians Health Plan, Inc.

(NAIC Group #95491, Company Code 4708)

and

CDPHP Universal Benefits, Inc.

(NAIC Group #47027, Company Code 4708)

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Andrea Tomczyk

Enterprise Risk Management

Capital District Physicians Health Plan

andrea.tomczyk@cdphp.com

518-641-5577

Capital District Physicians' Health Plan, Inc.
CDPHP Universal Benefits,* Inc.

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Note: CDPHP's governance structure covers both companies, Capital District Physicians Health Plan, Inc. (CDPHP Inc.) and CDPHP Universal Benefits, Inc. (UBI). These companies will collectively be referred to as "CDPHP" throughout the survey document.

GOVERNANCE

- 1) *Disclose the insurer's governance around climate-related risks and opportunities. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities.*

CDPHP's governance of climate-related risks and opportunities is situated within Finance. The Enterprise Risk Management function routinely monitors enterprise risks and industry trends, of which financial risk from climate change is included in components of the risk universe. ERM works collaboratively with CDPHP's subject matter experts (SMEs) who have a more direct stake in climate-related business. This includes Member Health, Facilities, and IT, among others. Additionally, climate change is a topic discussed within the Risk Committee. The Risk Committee has cross-functional representation from key areas at CDPHP. Quarterly, pertinent ERM content is provided to the CFO, who then reports directly to the Audit Committee of the Board at CDPHP. CDPHP's financial risk from climate change is not seen as a material risk as of this reporting date. The Audit Committee is broadly aware of the pervasive climate change risk and CDPHP's ERM function will continuously monitor climate change as a risk to CDPHP as a healthcare payer.

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.*

CDPHP's financial risk from climate change is immaterial as of this reporting date. CDPHP's internal monitoring and governance of evolving climate change risk is managed within our ERM function, reporting into Finance. Discussions are held at the Risk Committee, and finally the Audit Committee of the Board, as needed. Climate change risk will be managed as all other enterprise risks are managed within the ERM function. ERM will partner with areas of CDPHP that have a more narrowed climate impact related to our business operations (such as underwriting, building facilities, and population health) to determine actions needed to manage the risk.



As a healthcare payer, CDPHP has considered the longer-term horizon financial and operational risks related to climate change. They include:

- Increase in current disease frequency or severity (ie: skin cancer and pulmonary diseases) could impact utilization and/or claims trend, along with more demand for member care.
- Discovery of new diseases or conditions related to climate change could impact utilization and/or claims trend, including varying demand for delivery of care.
- Population movement from coastal areas to the interior of NYS for more climate event stability could impact our membership.
- Healthy food scarcity could exacerbate current medical conditions that our members are managing and potentially impact utilization and/or claims trend.
- Extreme weather events could negatively impact our members not getting timely treatment due to disruption in health delivery services (ie: extended power outages, generator failure at hospitals, flooded streets).
- Increase in psychological stress due to the uncertainty and change brought by climate change events, compounded with current medical conditions or lifestyle obstacles (ie: reliable transportation, access to healthy food).
- Critical dependency on the power grid for those health plan members needing insulin refrigeration or timely transport to dialysis treatment or dialysis.

RISK MANAGEMENT

- 3) *Disclose how the insurer identifies, assesses, and manages climate-related risks. Describe the insurers' processes for identifying and assessing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.*

Financial risk from climate change is incorporated into CDPHP's enterprise risk management program as any other risk would, collaboratively with ERM and the SMEs in the business. Brainstorming newer climate-related risks and opportunities are held within the Risk Committee, and broadly throughout the business. Formal conversations occur following the chain of command to CDPHP's CFO and Audit Committee, as warranted. Risk evaluation and assessment takes place for all enterprise risks, of which climate change is represented. As of this reporting date, financial risk from climate change is immaterial to CDPHP.

METRICS AND TARGETS

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

As of this reporting date, financial risk from climate change is immaterial for CDPHP.