

Climate Survey Responses – 2023

Capital Blue Cross

NAIC Number: 54720

Group Number: 1230

Group Name: Capital Blue Cross

The Company has an enterprise risk management (ERM) policy related to general risk. We do not presently have an ERM policy specifically related to climate change risk management. As a healthcare insurance provider, this is not a factor that we directly consider as a basis for coverage today; however, our ERM committee recognizes that the universe of risks evolves and it will therefore continue to consider and assess the need for such a policy in the future.

The Company performs a risk identification survey every 12 months to identify those items that are top tier in nature. The Company will continue to consider and assess potential risks, such as climate change, in the future and will address them as appropriate.

The Company is committed to implementing ways to recycle and conserve energy and is focused on considering energy conservation best practices in existing and future facilities and buildings, where feasible. For example:

- Lighting upgrades have been implemented, as well as changes to LED lighting. Motion sensor light switches are used throughout our buildings, and our lights are on automatic timers to conserve energy.
- When not in use, copiers go into electric time saver / sleeper mode.
- Our HVAC systems are automated and tuned for energy efficiencies. They are programmed for start and stop times that are in line with the building's regular hours of operation.

The Company will continue to consider and implement steps in the future to address additional recycling and energy-saving efforts.

The Company continues to communicate with policyholders on general healthcare matters to promote and support their health and well-being. Through use of data analysis, we recognize that our policyholders may be affected by environmental factors that are impacted by climate change (air quality, sun exposure, etc.). The Company also continues to communicate with key constituents including policyholders, providers, and employers on general healthcare matters. The Company will continue to consider and assess potential engagement in the future and will address as appropriate.

While the Company has an enterprise risk management (ERM) policy related to general investment risk, we do not presently have an ERM policy specifically related to climate change risk management.

However, our ERM committee recognizes that the universe of risks evolves and it will therefore continue to consider and assess the need for such a policy in the future.

The Company investment portfolio has not been modified based on climate considerations. Accordingly, the Company has not altered its investment strategy at this time. The Company continues to follow its guidelines and limits on various categories and quality of investments across its portfolio.

As a Company that administers health insurance coverage for people in 21 counties of Central Pennsylvania and the Lehigh Valley, we acknowledge that a potential exists for an increase in illnesses within our services area due to climate change. We also recognize the potential for climate change to adversely impact the overall economy, including financial losses to the Company.

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The Company does not currently have specific computer modeling to identify or manage impacts of climate change. However, in order to mitigate the risk of a disruption in business operations that could be caused by environmental or other factors, the Company has a detailed Business Continuity Plan to enable us to respond to any unplanned event.