New York EPQ Supplement – Climate

September 2022

Disclaimer: This version of the climate supplement is accurate as of September 2022 and subject to change at any time. DFS may request additional information from insurers as it sees fit. If your responses to any of the questions below are covered by the company's other disclosure materials, such as sustainability or TCFD reports, CDP disclosures, or NAIC Climate Risk Disclosure Survey responses, please feel free to (1) include the material(s) as part of your response, and (2) reference the document(s), section(s), and page(s) in your response to the corresponding question(s) below.

Please review this EPQ Supplement – Climate in conjunction with the EPQ. The (numbered & lettered) items follow the sequence of the requests in the EPQ other than item III below.

I. OWNERSHIP AND MANAGEMENT INFLUENCES

B. Corporate Planning

Please provide the following information below:

How is the strategic plan affected by the company's risk management practices?

i. How are climate-related financial risks ("climate risks") identified and addressed?

ii. Does the company have a strategy to assess and manage the impacts on its business from climate risks (i.e., physical, transition and litigation risks)?

iii. Have any material climate risks been identified and, if so, what are they and how are these risks incorporated into the company's overall business strategy, underwriting, and investments?

iv. What time horizons have been used to assess, manage, and monitor climate risks?

v. Group-entity relationship - Does the insurer(s) utilize policies, procedures, and processes developed at the group level for managing climate risks? If yes,

a) What is the process to ensure the risks considered at the group level include those facing the insurer(s)?
b) How does the insurer(s) implement the policies, procedures, and processes developed at the group level?
c) How does the insurer(s) access relevant climate-related resources and expertise that are centralized at the group level?

If not, please answer the questions below from the perspective of the insurer(s).

II. Organization and Personnel Practices

A. Organization

Please provide the following information below:

3. Does the company have a written corporate governance framework? How are climate risks considered in the governance framework? Are there governance structures in place in your organization through which board members and senior management have oversight over climate risks? Describe how the corporate governance framework meets the expectations relating to board governance set forth in Section 3.6.1 of the Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change ("Guidance"). Describe what plans are in place with respect to organizational structure to meet the expectations set forth in Section 3.6.3 of the Guidance.

III. Risk Management Practices

Please provide the information below:

A. Risk Management Framework.

For each of the following questions, If the answer is yes, please explain. If the answer is no, please explain why not:

1. Does the company incorporate climate risks into its existing financial risk management systems, including its enterprise risk management framework?

2. Does the company have a written risk policy adopted by its board describing how it monitors and manages material climate risks in line with its risk appetite statement?
3. Does the company consider climate risks in setting its risk tolerances and limits?
4. Have climate risks been considered in the company's ORSA?

B. Risk Management Controls

1. If material climate risks have been identified, i) has the company assessed how they could materialize for the branded risks factors identified in the Handbook (credit risk, legal risk, liquidity risk, market risk, operational risk, pricing and underwriting risk, reputational risk, and strategic risk) and ii) how does the company plan to mitigate and manage those risks?
2. How are the company's control functions integrated into its process for assessing and managing climate risks?

IV. Monitoring Procedures

D. Investments

Please provide the following information below:

1. Provide a copy of the company's investment policy and answer the following questions:

d. Does the company consider the impact of climate risks when determining its investment strategy and/or monitoring the risks in its investment portfolio? If yes, please explain. If not, please explain why not.

VII. Underwriting (for P&C companies)

1. Physical risks:
    a. What are the key physical risk factors that you consider as most impactful on underwriting markets in the geographies where you operate? How does the company identify and mitigate these risks?
    b. Please provide an overview of insurance exposure at risk in high-risk areas of flood, hurricanes, fire.
2. Transition risk:
    a. What are the key transition risk factors that you foresee as having the greatest impact on underwriting markets in the geographies where you operate? For example, Directors and Officers policies for fossil or carbon intensive companies.

VIII. Disclosure

Please provide the following information below:

A description of the company's current practice and future plans regarding disclosing its climate risks and the company's disclosure materials.