

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

Note: These responses should be at the DFS-regulated insurer level. If that insurer utilizes group-level policies, procedures and processes for managing climate-related financial risks, then responses to questions in I.a.iv below should be provided.<sup>1</sup>

## 1) Organization and Personnel Practices

### a) Please provide the following information below:

- i) Does the insurer have a written corporate governance framework? How are climate-related financial risks considered in the governance framework? Are there governance structures in place in the organization through which board members and senior management have oversight over climate-related financial risks?
- ii) Please describe the insurer’s board governance structure as it relates to climate-related financial risks and include at least the information below:
  - (1) The board member(s) or committee(s) that are responsible for the oversight of the management of climate-related financial risks.
  - (2) The board's familiarity with climate-related financial risks and what education/training it has received about climate-related financial risks.
  - (3) Please provide any reports or other materials presented to the board relating to climate-related financial risks and describe how the board monitors identified climate-related financial risks in line with other branded risk factors.
- iii) Please describe the insurer’s organizational structure for assessing and managing climate-related financial risks, and include at least the information below:
  - (1) How climate-related financial risks are being assessed and managed through the insurer's existing enterprise risk management functions.
  - (2) How the risk management process is being implemented across lines of business, operations, and control functions.
  - (3) Whether internal audit periodically reviews the functions and procedures for assessing and managing climate-related financial risks.
  - (4) What steps the insurer is taking to develop the skill, expertise, and knowledge of the insurer’s staff needed to assess and manage the insurer’s climate-related financial risks.

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<sup>1</sup> See Section 3.1 of DFS’s [Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change](#) (“Insurance Guidance”).

- iv) Group/insurer relationship - Does the insurer utilize policies, procedures, and processes developed at the group level for assessing and managing climate-related financial risks? If yes,
  - (1) Is board governance done at the ultimate holding company level (if applicable), intermediate holding company level (if applicable), the entity level, or a combination? If governance is at a holding company level, describe what activities are undertaken at the entity level.
  - (2) What is the process to ensure that the risks considered at the group level include those facing the insurer?
  - (3) How does the insurer implement the policies, procedures, and processes developed at the group level?
  - (4) How does the insurer access relevant climate-related resources and expertise that are centralized at the group level?

## **2) Risk Management Practices**

### **a) Please provide the information below:**

- i) Has the insurer identified any climate-related financial risks affecting it over the short, medium, or long term?
- ii) If yes: What are those risks?
- iii) How are the insurer's risk management practices affected by climate-related financial risks?
- iv) Are any of the risks identified above considered material to the insurer? If yes, which risks?
- v) Does the insurer have a process in place to assess and manage the impacts on its business from material climate-related financial risks? Has the insurer incorporated this process into its enterprise risk management framework?
- vi) What steps is the insurer taking to mitigate the impact of material climate-related financial risks on its operations (including property, equipment, and information technology)?

## **3) Risk Management Framework:**

### **a) For each of the following questions, if the answer is yes, please explain. If the answer is no, please explain why not:**

- i) Does the insurer have a written risk policy adopted by its board describing how it monitors and manages material climate-related financial risks in line with its risk appetite statement?
- ii) Has the insurer incorporated forward-looking analysis of exposure to climate-related financial and operational risks into its risk management processes?
- iii) Have climate-related risks been discussed in the insurer's ORSA or enterprise risk report?

## **4) Risk Management Controls:**

### **a) Please provide the information below:**

- i) If material climate-related financial risks have been identified, has the insurer assessed how they could materialize for the branded risk factors identified in the Handbook, such as credit risk, liquidity risk, market risk, and operational risk?

- ii) Has the insurer instituted, or does it have plans to institute, any measures to control, mitigate, and monitor the impacts of the material climate-related financial risks? If yes, describe such measures.

**5) VIII. Disclosure:**

**a) Please provide the following information below:**

- i) A description of the insurer's most recent disclosures relating to climate-related financial risks, if any, or plans to make such disclosures.