Climate Risk and Resilience (C) Working Group

Saturday, December 7, 2019
Austin, TX
2019 Fall National Meeting  
Austin, Texas

CLIMATE RISK AND RESILIENCE (C) WORKING GROUP  
Saturday, December 7, 2019  
3:00 – 4:00 p.m.  
JW Marriott Austin—Lone Star Ballroom D—Level 3

ROLL CALL

Mike Kreidler, Chair  
Ricardo Lara, Vice Chair  
Austin Childs/Alex Romero  
Peg Brown  
Andrew N. Mais/George Bradner  
Colin M. Hayashida  
Judy Mottar  
Robert Baron  
Caleb Huntington  
Peter Brickwedde

Washington  
California  
Alaska  
Colorado  
Connecticut  
Hawaii  
Illinois  
Maryland  
Massachusetts  
Minnesota

Derek Oestreicher  
Barbara D. Richardson  
John G. Franchini  
Marshal Bozzo  
Tracy Snow/Tom Botsko  
Andrew Stolfi  
David Buono  
Javier Rivera Rios  
Michael S. Pieciak  
Montana  
Nevada  
New Mexico  
New York  
Ohio  
Oregon  
Pennsylvania  
Puerto Rico  
Vermont

NAIC Support Staff: Anne Obersteadt

AGENDA

1. Call to Order/Roll Call—Commissioner Mike Kreidler (WA)

2. Consider Adoption of its Oct. 2 and Summer National Meeting Minutes  
   Attachments A-B  
   —Commissioner Mike Kreidler (WA)

3. Hear an Update on Working Group Members’ Climate Resilience Related Activities  
   —Marshal Bozzo (NY), George Bradner (CT) and Others

4. Discuss NAIC Climate Risk Disclosure Survey, Including Resilience Measures Reported by Insurers  
   and the Incorporation of the Financial Stability Board (FSB) Task Force on Climate-Related Financial  
   Disclosures (TCFD) Guidelines—Commissioner Mike Kreidler and Jay Bruns (WA)  
   Attachment C

5. Hear a Presentation on American International Group’s (AIG) Newly Implemented Sustainability  
   Strategy and Enhanced Reporting, Including Participating in the 2018 TCFD Disclosure Report  
   —Jennifer Waldner Grant (American International Group)  
   Attachment D

6. Adjournment

W:\National Meetings\2019\Fall\Agenda\12.07.19 ClimateWG.docx
Attachments A-B

Consider Adoption of the Oct. 2 and Summer National Meeting Minutes

—Commissioner Mike Kreidler (WA)
The Climate Risk and Resilience Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met via conference call Oct. 2, 2019. The following Working Group members participated: Mike Kreidler, Chair, David Forte, Jay Bruns and Patrick McNaughton (WA); Ricardo Lara, Vice Chair, Lisbeth Landsman-Smith and Michael Peterson (CA); Austin Childs (AK); Peg Brown (CO); George Bradner (CT); Colin M. Hayashida (HI); Judy Mottar (IL); Caleb Huntington (MA); Derek Oestreich (MT); Marshal Bozzo (NY); and Andrew Stolfi, TK Keen and Ying Liu (OR). Also participating were: William Lacy (AR); Leslie Ledogar (DE); Shaw P. Stiller (FL); Kate Kixmiller (IN); and Holly Campbell (RI).

1. Discussed the Proposed Development of an FAQ

Commissioner Kreidler stated that severe weather events have been escalating in recent years. Using National Oceanic and Atmospheric Administration (NOAA) estimates, this decade has seen an annual average of 10.5 disasters so far. The scale of this increase amounts to one additional billion-dollar disaster every four years. Given the rise in costly disasters, many state policymakers and lawmakers are considering measures that incentivize and strengthen their jurisdiction’s resilience. As they do so, they naturally reach out to their insurance departments for information on catastrophe risk, resilience and insurance.

Commissioner Kreidler said that the purpose of today’s conference call is to get the Working Group’s thoughts on developing a product that can assist insurance departments in fielding these types of questions. This potential product, currently being referred to as the Insurance Regulatory Frequently Asked Questions (FAQ) (Attachment A) is meant to be a compilation of questions state insurance regulators find they are frequently being asked. The intent is that the Working Group product would consist only of the questions. This would allow each insurance department to voluntarily answer the questions as they relate to their specific state. The responses can then be disseminated by each insurance department to inform state and local efforts related to resilience and insurance. The FAQ is not proposed to address specific legislation, policies or regulations, but rather to be used as a guideline when such actions are being considered.

California has passed and continues to deliberate on legislation to support resilience, recovery and rebuilding efforts after two destructive years of wildfire losses. Given all this activity, California has provided potential questions for the FAQ by compiling requests it frequently receives from its lawmakers and policymakers. The questions naturally reflect wildfire risk, but many are also applicable to other weather-related perils. Thus, the discussion will focus on getting feedback on the following questions:

1) Does the Working Group think it would be advantageous for it to develop a FAQ product to assist state insurance departments in fielding frequently asked questions? This FAQ would consist only of questions. Responses would be left to the discretion of each insurance department.

2) What structure should the FAQ take? Options include:
   a. Peril-specific. In this approach, the questions would focus on just wildfire. Additional FAQs could potentially be later developed for other single perils, such as flood.
   b. All weather-related perils, with general questions followed by peril-specific questions being broken out into subsections.
   c. All weather-related perils, with only general questions and instructions to denote when the response varies for a peril.

3) Should development of the FAQ be done in an informal drafting group?

Mr. Peterson said California has been through several major wildfires, even before those in 2017. As a result, they have met with many consumers, first responders, state legislators and other stakeholders to discuss wildfire-related issues. This includes the Risk and Resilience Summit, sponsored by the NAIC in May, where state insurance regulators met for two days of discussions on insurance issues and shared responses to growing wildfire insurance risk. The Summit included a visit to Paradise, CA, and meetings with local officials, homeowners and first responders. The questions currently listed in the FAQ are an outgrowth of this Summit, a recent data call and other related discussions. They are by no means exhaustive, but rather a start.
The first section of the FAQ is on mitigation. Mitigation represents an important tool to improving affordability and availability of insurance. However, policy structures can be elusive in how mitigation is best promoted. For instance, the government in the Netherlands invests substantially in flood prevention, which, in part enables people to live where they do. The questions represent different incentive tactics that legislators and policymakers can look to when crafting laws and policies. This includes incorporating incentives into pricing, tax incentives, mitigation grants and resilience standards. For instance, those in the Wildland-Urban Interface (WUI) often believe that meeting a certain level of home mitigation should secure them guaranteed coverage in the admitted market.

The second section of the FAQ is on the supervision of claims themselves. The speed of claims and additional living expenses (ALE) have been common themes for California. It can be advantageous for consumers to receive a portion of their payout without having to go through an exhaustive inventory list. Additionally, issues often surface around time constraints for using ALE and whether ALE should apply in cases of partial loss, when local infrastructure, such as the water system, is unusable.

The third section of the FAQ is on nonrenewal. In August, California released the results of its data call that showed an increase in non-renewals in the WUI communities. One common theme was the amount of notice a consumer gets prior to a nonrenewal. The California legislature responded by increasing the required notice of nonrenewal from 45 days to 75 days to allow consumers adequate time to take mitigation steps to prevent a non-renewal.

The fourth section of the FAQ is on underinsurance, which is a common concern with legislators, state insurance regulators and consumers. There may be a divergence between how much coverage a home has and how much it takes to replace it.

The fifth section of the FAQ is focused on safeguards to abrupt increases in insurance premiums and the impact of using new data sources to more granularly segment risk.

The sixth section of the FAQ is focused on rebuilding restrictions, which needs more focus. In California, some or all of a consumer’s insurance payout can be used to rebuild in a less risky area. This could benefit consumers and insurers as it results in a quicker claim resolution and less insured risk. However, there are different interpretations of state statutes in whether consumers can use their full coverage limit to rebuild elsewhere or if a deduction in land value should apply. These are common questions that we have heard in California in the aftermath of catastrophic wildfires and we wanted to see if they are applicable to other states and could be beneficial to consider pre-disaster.

Commissioner Kreidler stated that states may differ in which perils are emphasized in the FAQ, but most of the questions reflect at some level the dilemmas all states face after a catastrophe. Most states have Fair Access to Insurance Requirements (FAIR) Plans dating back to their implementation in the 1960s. Washington almost discontinued its FAIR plan due to low use but ultimately decided to keep it.

Commissioner Stolfi stated the FAQ is a good idea. He asked if the FAQ should focus on personal lines issues, commercial lines issues or both. He stated Oregon receives many questions on whether carriers are trying to exclude wildfire coverages. He suggested adding questions relating to building codes, exclusions and withdrawals. He stated it would be extremely useful to Oregon, and likely other states, to see how other states respond to these questions. As such, he is in support of compiling each state’s answers to the FAQ for sharing purposes.

Mr. Bozzo stated the FAQ represents a good set of discussion points. He added that being able to compare what is being done in each state would be of great benefit. He also stated it would be more beneficial to all states to include all perils.

Commissioner Kreidler stated he agrees that a more all-perils approach is best in the FAQ. He stated that an all weather-related perils, with general questions followed by peril-specific questions being broken out into subsections, makes the most sense.

Mr. Bradner suggested questions relating to the type of products each state offers in its FAIR plan be added to the FAQ. The residual market can vary drastically by state. FAIR plan products can offer consumers an option when there is not one in the admitted market.

Commissioner Kreidler stated he agrees. States can benefit from seeing other states’ FAIR plan structures and how they provide needed coverage without diminishing the admitted market.
Ms. Brown stated the FAQ is interesting. Colorado does not have a FAIR plan and is currently developing a data call to find out what areas do not have admitted insurance coverage options due to carriers withdrawing from higher risk communities. She said she also supports compiling state responses to the FAQ. Additionally, the Working Group may get industry directed suggestions on what changes are necessary to improve the affordability and availability of insurance.

Commissioner Kreidler stated he agrees, and he said Washington is also in the process of doing a data call to develop a baseline. He asked if there were any objections to developing an FAQ.

Mr. Bozzo stated the questions were an effective starting point but should be fine-tuned to reflect questions relevant to all and those that are more region-specific.

Commissioner Kreidler stated he would be interested in seeing how other states, such as New York, view and deal with flood issues, even if Washington does not face flood risk in the same way. The Working Group should begin with more general questions that apply to all states but may decide in the future to develop a more peril-specific FAQ. Additionally, responding to the FAQ would, of course, be voluntary for states and they could modify the questions as they fit.

Commissioner Stolfi said Oregon supports the FAQ and the collection of states’ responses to it.

Anne Obersteadt (NAIC) said the NAIC state government relations policy advisor recommended tweaking the FAQ toward each peril and packaging it accordingly. State lawmakers are more likely to see an FAQ packaged specifically for the peril under consideration as relevant. For instance, the FAQ could be packaged with a flood coverage page and added discussion related specifically to flood. The FAQ could then be repackaged for wildfire risk in the same way. The Working Group could consider developing general questions relevant to all states and perils first and then add subsections to the FAQ for peril-specific questions in the future. The FAQ with a flood subsection could then be packaged as a flood-specific FAQ for those lawmakers and policymakers only interested in flood. Likewise, the FAQ with a wildfire subsection could be packaged as a wildfire-specific FAQ for those only interested in wildfire.

Commissioner Kreidler stated the approach to start general and then narrow the scope by adding subsections with peril-specific questions later makes sense. He asked NAIC staff to implement the revisions thus far suggested by Working Group members on the call, with further drafting of the FAQ to be done through an informal drafting group.

Having no further business, the Climate Risk and Resilience (C) Working Group adjourned.
The Climate Risk and Resilience Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met in New York, NY, Aug. 3, 2019. The following Working Group members participated: Mike Kreidler, Chair, represented by Jay Bruns and Annalisa Gellermann (WA); Ricardo Lara, Vice Chair, represented by Michael Peterson (CA); Joanne Bennett (AK); Peg Brown (CO); William Arfanis and George Bradner (CT); Paul Yuen (HI); Judy Mottar (IL); Robert Baron (MD); Phil Vigliaturo (MN); Derek Oestreicher (MT); Anna Krylova (NM); Marshal Bozzo (NY); Tracy Snow and Tom Botsko (OH); Rick Blackwell (OR); and Michael McKenney (PA). Also participating were: Travis Grassel (IA); Warren Byrd (LA); Elizabeth Kelleher Dwyer (RI); and Scott A. White (VA).

1. **Adopted its July 8 and April 12 Minutes**

Mr. Baron made a motion, seconded by Ms. Gellermann, to adopt the Working Group’s July 8 (Attachment Three-A) and April 12 (Attachment Three-B) minutes. The motion passed unanimously.

2. **Heard an Update on Insurance Issues Related to the 2018 California Wildfires**

Commissioner Lara said the NAIC sponsored Vision 20/20: A Fire Resilient California, a Fire Summit held in Redding, CA, April 16–17. The two-day summit was attended by 11 insurance commissioners, including many western state neighbors and states from other regions like Connecticut and Tennessee. One day was spent touring the recent, tragic damage in Paradise in Northern California, including meeting with the city manager. California wildfires caused more than $12 billion in insured losses in 2018, resulting in 85 tragic deaths. The 2018 wildfires rank as the world’s most expensive natural disaster. This has created much concern regarding the availability and affordability of insurance in the Wildland-Urban Interface (WUI). The second day of the summit featured presentations and discussions with colleagues to help further develop ideas to address wildfire insurance issues. Presentations, delivered by California Department of Insurance (DOI) staff, focused on the affordability and availability of insurance, improving the processing of claims, and addressing underinsurance and how the states should approach the insurer of last resort. Discussion centered on ways to promote pre-disaster mitigation, home hardening, and improvements to the Fair Access Insurance Requirements (FAIR) Plan.

Commissioner Lara also said he convened the California Climate Risk: Insurance-Based Approaches to Mitigation and Resilience symposium on July 23 in partnership with the University of California, Los Angeles (UCLA) Law School, the University of California (UC), Berkeley Law School, and the United Nations Environment Programme (UN Environment). There were more than 100 attendees, including Hawaii Insurance Commissioner, Colin M. Hayashida; Oregon Insurance Commissioner, Andrew Stolfi; and staff from the American Samoa Insurance Department. At the symposium, California announced a new partnership with the United Nations (UN) Principles of Responsible Insurance (Principles). With this announcement, California becomes the first American state to collaborate with UN Environment to create a Sustainable Insurance Roadmap by the summer of 2020. This effort will develop a strategy and action plan that will tackle the growing risks of climate change, including rising sea levels, extreme heat, and wildfires. As part of this collaboration, California will engage with researchers, risk management experts, insurers, and reinsurers to find ways to encourage innovative risk management and insurance. The goal is to develop an action plan that will address the growing risks of climate change, including insurance products to promote cooler streets, renewable energy, and more protective natural infrastructure. New York is an ideal place to talk about natural infrastructure and nature-based solutions. When Hurricane Sandy caused significant damage to the northeastern states in 2012, wetlands were critical to defending communities. The presence of coastal wetlands prevented $625 million in damages. That is a significant amount of savings for homeowners, and it reduced the social costs that come along with the loss of a home or business. Like wetlands, mangroves are protectors against storm surge and flooding. According to researchers, if mangroves did not exist, flood damages would increase by $82 billion dollars a year. When remembering all the disasters of the last few years—the terrible floods in Nebraska and Arkansas this past spring, the extreme cold temperatures in the upper Midwest, and the California wildfires—reducing climate risks needs to be a priority.
3. **Heard an Update on the Insurer Climate Risk Disclosure Survey**

Mr. Bruns said the Insurer Climate Risk Disclosure Survey (Survey) was sent out to over 1,000 applicable insurers last week. The Survey has been administered as part of a multi-state initiative for the last decade. The states that participate in the survey are California, Connecticut, Minnesota, New Mexico, New York and Washington. As with every year, insurers have until Aug. 31 to report, and the results are posted on the California Insurance Department website. This year, a message to insurers was included, encouraging them to refer to the Task Force for Climate-Related Financial Disclosures (TCFD) guidelines when filling out the Survey. The International Association of Insurance Commissioners (IAIS) and the Sustainable Insurance Forum (SIF) have endorsed the idea of insurers using these guidelines established by and for insurers to report on climate.

4. **Heard a Presentation on How One Concern, an American Family Insurance-Backed Startup, Uses AI to Enable Cities, Corporations and Citizens to Build Natural Disaster Resilience**

Peter Gunder (American Family Insurance) said he is the Chief Business Development Officer (CBDO) for American Family Insurance. In this role, he leads a group of venture capitalists, innovators, data scientists, and business development professionals focused on customer-centered risk. As technology advances, American Family Insurance increasingly supports proactive protection of its customers. Insurance, to American Family Insurance, is no longer about reactive reimbursement; the company commits itself to increasing the safety of its customers and the communities within which it does business. This may be by such measures as embracing experiential technology; mitigating fire, theft and water losses; or investing in sustainable infrastructure. American Family Insurance, now a mutual company, has expanded rapidly over the last eight years, particularly in its homeowners and personal auto lines. It purchased direct auto insurer, The General, in 2012; direct homeowners’ insurer, Homesite Group Insurance, in 2013; and independent agency-based small business insurer, The Main Street America Group, in 2018. Since 2010, American Family Insurance has also been a very active investor in early stage startups, with a total of 112 investments in 59 different startups. It has made a commitment to invest $50 billion in mission-driven companies that provide a financial return and a measurable social impact. This includes home automation, connected vehicles, and data analytics companies with a focus on resilience. It has been a minority stakeholder in One Concern since 2015.

Emily Grover-Kopec (One Concern) said she is the Director of Insurance Practice at One Concern. She has spent more than a decade in the insurance industry, including serving as the Vice President of Model Solutions for Risk Management Solutions (RMS). One Concern was created in 2015 as the outcome of the personal experience of its CEO, Ahmad Wani, who survived being stranded on his roof for seven days during the catastrophic Kashmir flood in 2014. While at Stanford University, Mr. Wani met artificial intelligence (AI) expert, Nicole Hu, and earthquake expert, Tim Frank; together, they worked to apply data science and machine learning to natural disasters and climate change. The Palo Alto, California-based company uses technology to help predict and react to climate-related and seismic disaster impacts; analyze critical infrastructure and what is at risk; run realistic training scenarios; and help boost disaster recovery times by showing links of a community, such as healthcare, power, food and shelter. By using AI, its models can achieve a level of granularity and dynamicity not capable by traditional models. This enables responders to evacuate more quickly and effectively by pinpointing the effect of incoming disasters on communities ahead of time. The detailed disaster scenario drills also allow cities to prepare more thoroughly in advance of disasters. The company’s clients include city governments, such as San Francisco, Los Angeles and Seattle. The company plans to expand its reach to private sector clients, such as insurers, utilities and private companies.

Insurers have expressed interest in how these new tools can assist in claims, create new insurance products, expand access to insurance, and drive resilient businesses and communities. Physical-based traditional catastrophe models have served the insurance industry well for the past 25 years. However, their static nature means it takes considerable effort and time to update them for new learnings. In contrast, One Concern’s models leverage machine learning to continually improve by learning from an event and correcting itself in real-time. Its models use dynamic data, typically buried in deep silos across public and private sectors. It combines this data with innovative modeling techniques that consider the interconnectedness of independent structures and their dependencies and lifelines. This creates a digital footprint with the potential to identify unknown liabilities and risk to better inform an insurer’s decisions about risk mitigation and risk transfer.

For instance, in the existing business interruption insurance market, risk to critical business dependencies is not modeled in a consistent or comprehensive way. Additionally, coverage commonly excludes infrastructure dependencies, limiting the effectiveness of coverage. In contrast, One Concern’s models provide a comprehensive view of risk to the business and coverages needed. Specifically, its models start with a stochastic set of disaster scenarios in a specified region, then they produce probabilities of damage to assets and dependencies (e.g., water, power, roads, etc.) across scenarios. The aggregated risk for each facility, including impact and recovery time, is then used to estimate the expected loss in productivity hours per facility.

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Ms. Gellermann asked if One Concern could share any real-life applications of its models.

Carl Hedde (One Concern), who leads the insurance practice at One Concern, said the company initially focused on local emergency response, allowing responders to see things such as where a wildfire was moving. Down the road, its tools will become valuable for ultimate risk valuation and the measurement of risk accumulation.

Commissioner Lara asked if there was a difference in application between urban and rural areas.

Mr. Hedde said the company’s goal is to map out urban dependencies, first in the U.S. and Japan, then globally. Ms. Grover-Kopec said it is focused on urban areas first because its method of gathering dependency data is currently on a city-by-city collaboration basis.

Commissioner Lara said California is in critical need of models flexible enough to help the state tailor mitigation and response plans to each community’s unique topography and infrastructure, thereby encouraging insurers to continue providing coverage.

Mr. Hedde said the company’s goal is to help a city better identify its deficiencies, so it can better prepare and respond to events. As part of this goal, the company plans to eventually offer more pre-event tools, such as a resilience score.

Mr. Bozzo asked if One Concern was focused more on community outreach or partnerships with insurers.

Mr. Hedde said resilience needs to be a unified effort that includes more than just insurers. Communication needs to be through multiple channels. As such, the resilience score would be relevant to all industries and stakeholders.

Mr. Bradner said One Concern’s product is very pertinent to his work as a state insurance regulator in Connecticut and as co-chair of the Federal Emergency Management Agency (FEMA) Long-Term Recovery Task Force. He said he would be interested in more discussion with One Concern on how its product could be of help in Connecticut.

Mr. Hedde said his frustration is that, while the insurance industry does a good job estimating post-event loss costs, it does not do enough to model the positive impact of pre-event mitigation responses.

Commissioner Lara said real-time modeling will become more essential to first responders and disaster planning as climate change renders historical data less relevant in some cases.

Ms. Brown said she sees this as the wave of the future as our society seeks to build stronger communities. Colorado is currently looking at various methods to improve resilience at the community level and help trades build with a more forward-looking perspective. Insurers need to begin to calculate the positive impact of stronger building in claims and reflect it in their pricing.

Mr. Bruns asked One Concern to elaborate on how first responders could have benefited from its product during the 2018 Houston flood.

Ms. Grover-Kopec said its flood model provides dynamic, hyperlocal predictions through the combination of hydrological and hydrodynamic models, along with machine learning. It can predict inundation and impact levels up to five days in advance. This allows cities to zero in on what areas are essential to be evacuated. In contrast, Houston’s models lacked the same level of granularity and thus were only able to identify a wide swath of areas with over a million people potentially in harm’s way. Evacuating that many people is not practical.

Commissioner Lara said California, Colorado and Oregon are beginning to see a lot of flooding from extreme atmospheric rivers. For instance, the city of Guerneville had record rainfall of 20 inches in two days, devastating many families. Flood modeling needs to consider atmospheric rivers. One Concern’s presentation illustrates how the insurance industry can be proactive, instead of just reactive. Real-time data is essential for better planning and expanding insurance products.

David Kodama (American Property Casualty Insurance Association—APCIA) said the APCIA supports the Working Group and state insurance regulators’ efforts to improve resilience.

Commissioner Lara said he sees that there will be many future opportunities to work with the APCIA on improving community resilience and lowering catastrophic risk to insureds.
Having no further business, the Climate Risk and Resilience (C) Working Group adjourned.

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Hear an Update on Working Group Members’ Climate Resilience Related Activities

—Marshal Bozzo (NY), George Bradner (CT) and Others
Attachment C

Discuss the NAIC Climate Risk Disclosure Survey, Including Resilience Measures Reported by Insurers and the Incorporation of the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) Guidelines

—Commissioner Mike Kreidler and Jay Bruns (WA)
NAIC Climate Risk Disclosure Survey
Format, recent results and future

December 7, 2019

NAIC Survey Background

- Started in 2009
- Poses same 8 climate-related questions each year
- Over 1,000 insurers report annually
- Results posted on California Insurance Department website for anyone to see
NAIC Climate Risk Disclosure Survey

- NAIC developed Climate Risk Disclosure Survey in 2009.
  - **Purpose**: better understand how insurers are considering and addressing climate change and climate risk in their business operations, underwriting and reserves.
  - 8 survey questions cover investment, mitigation, financial solvency (risk management), emissions/carbon footprint, engaging consumers.
  - Survey seeks **qualitative** information, not quantitative.
  - Currently, California, New York, New Mexico, Connecticut, Minnesota and Washington collaborate in administering the survey.
  - Individual company responses are public.

Who is Required to Report

Per survey guidance:

- “Mandatory disclosure will depend on the premium amounts reported for the most immediate prior financial reporting year. If an insurer reports over $100,000,000 on its Annual Schedule T filing with the NAIC, it must complete the survey. However, if an insurer reports less than that, it will not be required to complete and file the survey, but it may do so voluntarily.”

- Survey captures **1,000+ companies**, representing **70%** of US insurance market.
Question One

Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations?

- **Yes** - The company has a plan to assess and reduce or mitigate emissions in our operations or organizations - Please summarize.

- **No** - The company does not have a plan to assess and reduce or mitigate emissions in our operations or organizations - Please describe why not.
Question Two

Does the company have a climate change policy with respect to risk?

- Management and investment management? If yes, please summarize. If no, how do you account for climate change in your risk management?

- Yes - The company has a climate change policy with respect to risk management and investment management - Please summarize.

- No - The company does not have a climate change policy with respect to risk.

- Management and investment management - Please describe how you account for climate change in your risk management, or why you do not account for climate change in your risk management.

Question Three

Describe your company’s process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications.

- Yes - The company has a process for identifying climate change-related risks and assessing the degree that it could affect our business including financial implications - Please summarize.

- No - The company does not have a process for identifying climate change-related risks and assessing the degree that it could affect our business including financial implications - Please describe why not.
**Question Four**

**Summarize the current or anticipated risks that climate change poses** to your company. Explain the ways that these risks could affect your business. Include identification of the geographical areas affected by these risks.

- **Yes** - The company has identified current or anticipated risks that climate change poses to our company - Explain the ways that these risks could affect your business – Include identification of the geographical areas affected by these risks.

- **No** - The company has not identified current or anticipated risks that climate change will pose to our company - Please describe why not.

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**Question Five**

Has the company considered the **impact of climate change** on its **investment** portfolio?

- **Yes** - The company has considered the impact of climate change on its investment portfolio - Please summarize.

- **No** - The company has not considered the impact of climate change on its investment portfolio - Please describe why not.

Has it **altered its investment strategy** in response to these considerations? If so, please summarize steps you have taken.

- **Yes** - The company has altered its investment strategy in response to these considerations - Please summarize steps you have taken.

- **No** - The company has not altered its investment strategy in response to these considerations - Please describe why not.
Question Six

Summarize steps the company has taken to **encourage policyholders** to reduce the losses caused by climate change-influenced events.

- **Yes** - The company has taken steps to encourage policyholders to reduce the losses caused by climate change-influenced events - Please summarize.
- **No** - The company has not taken steps to encourage policyholders to reduce the losses caused by climate change-influenced events - Please describe why not.

Question Seven

Discuss steps, if any, the company has taken to **engage key constituencies** on the topic of climate change.

- **Yes** - The company has taken steps to engage key constituencies on the topic of climate change - Please summarize.
- **No** - The company has not taken steps to engage key constituencies on the topic of climate change - Please describe why not.
Question Eight

Describe actions the company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling.

- Yes - The company is taking actions to manage the risks climate change poses to the business - Please summarize what actions the company is taking and in general terms the use if any of computer modeling.
- No - The company is not taking actions to manage the risks climate change poses to the business - Please describe why.

2018 Responses

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<tr>
<th>Q.</th>
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<tbody>
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<td>1 Emissions targets?</td>
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<td>2 Climate change policy?</td>
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<td>6 Action for policyholders?</td>
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<td>7 Key constituency activity?</td>
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<td>8 Risk mgmt./modeling?</td>
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Sample Company Responses

• Many – but not all – of following samples drawn from largest companies that would be expected to respond with full, sophisticated answers.

• Following sample responses are among most detailed.

• Most NO responses indicate that question is not relevant to the company.

Q. 1- Emissions targets

The Travelers Companies, Inc. and its subsidiaries and affiliates, including those subsidiaries that are licensed property casualty insurers required to respond to this Climate Risk Disclosure Survey (collectively “Travelers” or “company”) began to assess and develop an environmental management system for reducing or mitigating its emissions in its owned operations and organizations many years ago. After studying the issues and opportunities associated with such an endeavor, we initially established a goal to reduce our emissions by 7% prior to December 31, 2011, with 2006 as a base year. Included in this base year analysis were all of our owned operational real estate scope 1 and scope 2 emissions, including our data center operations. The original program goals were developed with the assistance of the EPA Climate Leaders Program, its associated consultants and the Business Roundtable Climate Resolve Group.

Some of the key elements of our environmental management system include: periodic re-commissionings of facilities; evaluating emerging technologies and their potential use in our facilities; partnering with power and other utility providers to review our operations and, when available, utilizing their incentive programs to help fund our improvements; utilizing technology to fine tune the operations parameters; and with respect to waste, minimizing and recycling as much waste as possible. To help measure our progress for continual improvements in efficiency, all Travelers-owned facilities go through an annual Energy Star recertification process.
Q. 1- Emissions targets

Between the start of 2006 and the end of 2011, we achieved a 7.5% reduction in emissions, exceeding our original goal. Subsequently we established a goal to reduce our owned scope 1 and scope 2 emissions by another 4% by the end of 2020, with 2011 as a base year and taking into account expected emissions from a new full service data center completed in 2015. With the continued progress in emissions reduction and some changes to the company's owned operational real estate portfolio, we had already exceeded our goal and as a result we modified our reduction goal to a 40% reduction by 2020. As of the end of 2018, we have achieved a 34.4% reduction, or 86% of our goal.

In 2017, we spent considerable time changing our data collection and tracking process and vendors involved as well as putting in place the methodology to report for the first time on Scope 3 Business Travel. We intend to continue to report Business Travel going forward.

Our real estate team conducts facilities assessments on all owned sites annually. These collective reviews help us to determine which building initiatives to focus on in the next year and drive sustainable initiatives as appropriate. A recent business decision made (as part of our owned space interior renovation program) was to upgrade all lighting on the Hartford Owned Campus to LED fixtures in an effort to reduce our utility consumption, extend the asset life of our lights and provide an enhanced environment for Travelers employees.

Q.2 Climate Change Policy

Yes, The Hartford does have a climate change policy related to risk management and investment management. The Hartford’s Climate Change Statement aligns with the 5th Assessment of the Intergovernmental Panel on Climate Change (IPCC) and is available here: https://s0.hfdstatic.com/sites/the_hartford/files/statement-on-climate-change.pdf. The statement recognizes climate change and outlines the potential consequences, implications for public policy and investment risks. It also includes The Hartford’s emissions reduction progress as well as commitments to ongoing actions to reduce our carbon footprint.

For investment decisions, The Hartford employs an ESG Investment Policy Statement regarding sustainable investing. The statement recognizes Environmental, Social and Governance (ESG) risks and their potential impacts to investment return over time. The statement can be found on The Hartford’s website at: https://s0.hfdstatic.com/sites/the_hartford/files/esg-investment-policy-statement.pdf. This statement was updated in early 2019, replacing the one originally established in 2010.
Q.2 Climate Change Policy

Business risks, including those associated with climate change, are identified and managed at multiple levels across the organization. The Board of Directors has ultimate responsibility for risk oversight. The Finance, Investment and Risk Management Committee of the Board meets at every regularly scheduled meeting of the Board of Directors. It is made up of all the Board Directors. At the corporate level, the Company’s Enterprise Chief Risk Officer (CRO) leads the Enterprise Risk Management (ERM) team. The CRO reports directly to the CEO. The Company has established the Enterprise Risk and Capital Committee (ERCC). It includes the CEO, Chief Financial Officer, Chief Investment Officer, CRO, the Presidents and Chief Operating Officers of each business segment, and the General Counsel. It is responsible for managing the Company’s risks and overseeing the enterprise risk management program. The Company has a formal enterprise risk appetite framework that is approved by the ERCC and reviewed by the Board. The CRO oversees any identification process that specifically includes risk. The Hartford’s SVP in charge of all facilities management and procurement has responsibility for identifying and prioritizing many activities that lead to reducing our own carbon footprint.

Since severe weather-related events can occur at any time, our strategy to manage these risks is imperative. Our CRO and ERM team are also focused on the risks severe weather events pose to our ongoing operations. Our Business Resiliency Office has an ongoing responsibility to ensure that the company is not adversely affected in the event of a disaster.

The Company monitors major risks at the enterprise level through a number of enterprise reports, including but not limited to, a monthly risk dashboard, tracking the return on risk-capital across products, and regular stress testing. ERM communicates the Company’s risk exposures to senior and executive management and the Board, and reviews key business performance metrics, risk indicators, audit reports, risk/control self-assessments and risk event data. The CRO also conducts a process of identifying Emerged and Emerging risks. The Company quantifies its risk exposures using multiple lenses including statutory, economic and, where appropriate, U.S. GAAP. ERM leverages various modeling techniques and metrics to provide a view of the Company’s risk exposure in both normal and stressed environments at the company and asset level. ERM regularly monitors the Company’s risk exposure and provides regular reporting to the ERCC. The Company defines insurance risk as its exposure to loss due to a range of perils and risks covered under its policies including loss due to catastrophes.
Q.2 Climate Change Policy

For additional information, please see the following references:

- 2018/2019 CDP response: [https://s0.hfdstatic.com/sites/the_hartford/files/cdp-project-submission.pdf](https://s0.hfdstatic.com/sites/the_hartford/files/cdp-project-submission.pdf)
- 2018 Sustainability Highlight Report: [https://s0.hfdstatic.com/sites/the_hartford/files/sustainability-highlight-report.pdf](https://s0.hfdstatic.com/sites/the_hartford/files/sustainability-highlight-report.pdf)

In May 2019, The Hartford acquired The Navigators Group, Inc., an organization that both aligns with our business strategy and shares in our commitment to environmental stewardship. We are currently working to consolidate the data for both organizations into one comprehensive sustainability framework and we anticipate reporting fully integrated environmental data in 2020. For the 2018 reporting year, we are responding together in one submission but data remains separate for both organizations. We appreciate your understanding as we work through this transition.

Q.3 Company Process on Climate Risk

Allstate manages enterprise risk under an integrated Enterprise Risk and Return Management (ERRM) framework with risk-return principles, governance, modeling and analytics and management dialogue. This enables leadership to provide risk and return insight and drive strategic business decisions.

ERRM governance includes Board oversight, an executive management committee structure and chief risk officers. The Board of Directors has overall responsibility for oversight of management's design and implementation of ERRM, including integration with strategy and operations. The Risk and Return Committee of the Board oversees effectiveness of the ERRM framework, governance structure and decision-making, while focusing on the Company's risk and return position. The Audit Committee oversees effectiveness of management's control framework for risks. The Enterprise Risk & Return Council (ERRC) is Allstate's senior risk management committee. It directs ERRM by establishing risk-return targets, determining economic capital levels and directing integrated strategies and actions from an enterprise perspective. It consists of Allstate's chief executive officer, president, business unit presidents, chief investment officer, enterprise and business unit chief risk officers and chief financial officers, general counsel and treasurer.
Q.3 Company Process on Climate Risk

Allstate relies on two internal groups, the ERRC and the Sustainability Council, to evaluate, prioritize, and enact responses to risks and opportunities related to climate change. Allstate’s risk and opportunity management strategies adapt to changes in business and market environments and seek to optimize returns. Allstate prioritizes climate-change related opportunities by the level of financial feasibility of the opportunity and alignment with our strategic and operating plans and enterprise risk and return principles. Our risk-return principles define how we operate and guide decision-making around risk and return. These principles state that, first and foremost, our priority is to protect solvency, comply with laws and act with integrity. Building upon this foundation, we strive to build strategic value and optimize risks and returns.

Q. 4 Climate Change Risks to Company

Allstate: Climate change, to the extent it produces changes in weather patterns, could affect the frequency or severity of weather events and wildfires. As a property and casualty insurer, we may face significant losses from catastrophes. There is generally an increase in the frequency and severity of auto and property claims when severe weather occurs. We consider the greatest areas of potential catastrophe losses due to hurricanes generally to be major metropolitan centers in counties along the eastern and gulf coasts of the United States.

Property catastrophe exposure management includes purchasing reinsurance to provide coverage for known exposure to hurricanes, earthquakes, wildfires, fires following earthquakes and other catastrophes. To the extent climate change results in more frequent catastrophic weather events, the cost of reinsurance is likely to rise.

The financial implications related to severe weather events can vary. Our 2019 reinsurance program continues to support our risk tolerance framework that targets less than a 1 percent likelihood of annual aggregate catastrophe losses from hurricanes and earthquakes, net of reinsurance, exceeding $2 billion, based on modelled assumptions and applications currently available.

To the extent that climate change impacts valuation of commercial real estate properties or municipalities in which we invest, our investment results would be impacted. Allstate’s investments throughout the United States could be affected by risks associated with other physical climate drivers.
Q.5a Climate Change Risk to Investments

Berkshire's corporate office senior management participates in and is ultimately responsible for the significant capital allocation decisions and investment activities of the Group. The impact of climate change is considered in this process as evidenced by the quote below from Berkshire’s CEO and Chairman included in the 2006 Letter to Shareholders.

“We do know that it would be a huge mistake to bet that evolving atmospheric changes are benign in their implications for insurers.”

The Group’s investment portfolio has experienced superior long-term performance in comparison to its peers. There are also various mechanisms of control in place to ensure the Group has the cash sources to meet cash needs under current conditions or possible future environments. These controls include stress test modeling that presents how certain key solvency-related financial statement entries of the insurance companies are affected by modifications in key asset valuations (stocks and bonds). The modeling links risks associated with investments and underwriting activities.

The Group also considers regulatory changes that may adversely impact future operating results. Over time, in response to financial markets crises, global economic recessions, and social and environmental issues, regulatory initiatives were adopted in the United States and elsewhere. Such initiatives addressed, for example, the regulation of banks and other major financial institutions and environmental and global-warming matters. These initiatives impact all businesses, albeit in varying ways. Increased regulatory compliance costs could have a significant negative impact on Berkshire’s operating businesses, as well as on the businesses in which Berkshire maintains a significant, but not controlling economic interests.

As noted above, Climate Risk is included in the Group’s emerging risk inventory. Through a qualitative risk assessment process, the Group’s ERM Committee has assessed the exposure to emerging risks as potentially greater than $5 billion over a sustained period.
Q. 5b Altered Investment Strategy

Pennsylvania Lumbermens’ Mutual: We have increased our surplus in anticipation of larger losses and shifted our investments to a more conservative position.

Q. 6 Policyholder Activities

Plymouth Rock: We use pricing, underwriting, and marketing to communicate the increased risk of loss posed by climate change-influenced events. We have named storm and hurricane deductibles in place in coastal areas to encourage customers to take measures to protect their properties. We offer price discounts to customers who install protective measures such as shutters and other forms of window protection. In some areas, we require customers to invest in mitigation steps in order for us to insure their properties. In addition, we send information to customers about the risks posed by weather events, and the property mitigation measures that they could take to reduce these risks. We send similar information in advance of threatening storms such as hurricanes, and use social media (website, blogs, etc.) to publicize these messages to our customers and the public at large.
Q. 7 Interaction with Key Consistencies

USAA regularly communicates to our members and key influencers (including military organizations such as The American Legion), the many programs we have available to help protect our members’ autos, homes, and lives. We also promote weather-related loss prevention and safety advice through member communications such as articles on usaa.com, USAA Magazine, our eNewsletter for members, content marketing and social media promotion. We also regularly promote weather-related loss prevention and safety topics to the communities we live in and serve through public relations efforts via the news media.

Additionally, in 2017, USAA became the title sponsor of two conferences, StormCenterLive and the National Tropical Weather Conference, both of which seek to provide updates to the meteorological and emergency management community as well as other interested parties on the latest technological and scientific findings on the causes and behavior of severe weather and apply that knowledge towards better communicating risks to the public and encouraging them to take concrete steps to mitigating their exposure to loss from severe weather events.

Q. 7 Interaction with Key Consistencies

As discussed above, USAA is also a member of many disaster-mitigation and community resiliency-focused organizations and coalitions. USAA was a founding member of IBHS and continues to support its mission “to conduct objective scientific research to identify and promote the most effective ways to strengthen homes, businesses and communities against natural disasters and other causes of loss.” In 2016, IBHS research and programs were highlighted as part of many events focused on increasing resilience to weather-related events, including:

- A conference emphasizing the critical role that building codes and standards (such as Fortified) play in creating more resilient communities.
- A wildfire roundtable to discuss the many challenges related to increasing development in vulnerable areas.
- A forum on “Smart Finance for Disaster Resilience” focused on insurance, mortgage financing, bonds, tax incentives, and various innovative programs.
- A roundtable devoted to maximizing the resilience [return on investment or] ROI.
- An insurance resilience briefing designed to create a lasting connection between the resilience activities of the Obama and Trump Administrations.
Q. 7 Interaction with Key Consistencies

USAA was also a founding member of FLASH and continues to support its mission “[t]o promote life safety, property protection and resiliency by empowering the community with knowledge and resources for strengthening homes and safeguarding families from natural and man-made disasters. In 2016, in partnership with USAA, FLASH joined the Federal Emergency Management Agency (FEMA), the National Oceanic and Atmospheric Agency (NOAA) and The Weather Channel to create #HurricaneStrong, a national hurricane resilience initiative that won the Outstanding Achievement in Public Awareness Award at the National Hurricane Conference. The outreach campaign, seeks to increase public safety and reduce damages from hurricanes by educating millions of Americans in hurricane-exposed areas with five key messages:

- Personal Safety - Know your evacuation zone
- Family Preparedness - Build a disaster supply kit
- Financial Security - Have an insurance checkup
- Damage Prevention - Strengthen your home
- Community Service - Help your neighbor

In addition, USAA is a member of the BuildStrong Coalition; a group of firefighters, emergency responders, insurers, engineers, architects, contractors and manufacturers, as well as consumer organizations, code specialists, and many other groups committed to building a more resilient America. The coalition is dedicated to raising awareness on how disaster preparedness can help minimize risk and reduce losses to communities, businesses and families. As part of the coalition, USAA advocates for federal legislation to create a national mitigation investment strategy and incentivize mitigation on a broad scale. Decades of research has shown that investments in pre-disaster mitigation have significant advantages over post-disaster spending. However, the federal government continues to allocate only a fraction of its total disaster spending on pre-disaster mitigation.
Q. 8 Risk Management/Modeling

Chubb uses internal and external data together with sophisticated analytical, catastrophe loss and risk modeling techniques to ensure an appropriate understanding of risk, including diversification and correlation effects, across different product lines and territories. Chubb invests to continually upgrade and refine its risk management tools. Chubb accounts for the potential impact of climate risks on the company’s own facilities and operations. Chubb’s risk analysis ranges from the known (based on definitive historical loss experience) to the hypothetical (based on a probable maximum loss (PML) calculation). Through the use of catastrophe models, Chubb manages severe weather risk to indirect client exposures throughout the world. Special emphasis is given to areas where Chubb has significant exposures and the inherent risk from extreme weather events – such as tropical cyclone and other windstorm – is deemed to be high, such as the coastal United States, Southeast Asia and U.K./Europe. To aid in prioritizing management focus on extreme weather events, each peril region is classified as either Tier 1, 2 or 3 according to the exposures and risk combination present. Tier 1 regions are the highest-priority areas for the company as they present the greatest risk profile and are the most carefully managed. Tier 2 and 3 regions are also closely managed at the regional and business unit level. In addition to modeled peril regions, we focus on non-modeled perils, such as flood, which present a risk in many of the developing areas of the Chubb insurance portfolio. We are presently actively developing in-house tools to identify and track our exposures related to flood, given an increasing incidence in flood losses in our property insurance portfolio over the last decade.

Q. 8 Risk Management/Modeling

To ensure that its enterprise risk management (ERM) efforts are focused in terms of time horizon and business materiality, Chubb’s ERM discipline is defined as the process to identify, assess, mitigate and monitor those risks that, if manifested, mainly over the next 36 months, might impact Chubb’s exposure footprint (investments, operations and short/long-tail liabilities) such that the firm’s ability to achieve its strategic business objectives might be impaired. For that ERM mission statement, 36 months is defined as the period during which Chubb conducts its strategic ERM planning but actual ERM execution, and risks associated with that execution, has a 1-2 year focus. Thus, our scenario analyses are modeled on a yearly basis to inform daily underwriting. Because we generally underwrite one-year contracts, the stochastic modeling assumes current climate conditions. However, we also perform portfolio analysis with a 30-year timeframe to better inform management of the overall book of business, with the expectation that conditions will change over time.

The results of our scenario analyses inform our business strategy on an ongoing basis, both in terms of making underwriting decisions on specific accounts and in terms of managing entire lines of business. For example, our modeling of flood risk has improved to the extent that our specialized understanding of the risk enabled us to expand Chubb’s primary flood insurance coverage offering for consumers and businesses.
TCFD Description

- Financial Stability Board (FSB) created Task Force for Climate-Related Financial Disclosures in 2015
- FSB is international financial body that monitors and makes recommendations to promote stable international system
- Task Force launched to better understand climate risks to financial system
- TCFD Guidelines drawn up by 32 private sector participants: BlackRock, Swiss Re, EY, Moodys, HSBC, PRI, Daimler, Unilever, Mitsubishi, JP Morgan, Bloomberg, Barclays and others
- Guidelines launched in 2017

TCFD Mission

- The FSB Task Force on Climate-related Financial Disclosures (TCFD) will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.
- The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.
- The work and recommendations of the Task Force will help companies understand what financial markets want from disclosure in order to measure and respond to climate change risks, and encourage firms to align their disclosures with investors’ needs.
SUPPORT FOR TCFD

• Support for the TCFD has grown to 867 organizations as of September 2019

• IAIS and Sustainable Insurance Forum (SIF) endorsed insurance companies reporting under TCFD format

Climate Risk Disclosure Survey - TCFD

• In 2019 regulator request to complete survey, added info on TCFD

• Encouraged AIG to submit TCFD report as 2019 submission
Questions?

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• www.insurance.wa.gov
Attachment D

Hear a Presentation on AIG’s Newly Implemented Sustainability Strategy and Enhanced Reporting, Including Participating in the 2018 TCFD Disclosure Report

—Jennifer Waldner Grant (AIG)
AIG’s new sustainability strategy & enhanced reporting
Jennifer Waldner
AIG Chief Sustainability Officer
December 7, 2019

Sustainability is a part of our DNA

- In 2006, first U.S. insurer to formally recognize the risks of anthropogenic climate change
- Currently manage over $2.9 billion in private placement investments in renewable energy projects worldwide
- Founding member of the micro insurance consortium Blue Marble, which provides commercially viable insurance protection to the underserved
- Last year, we had a 34% reduction in utility usage and related carbon emissions across AIG’s New York City and UK office operations
AIG's Sustainability Journey

- **2015**: Sustainability Working Group formed – employee-led effort
- **2018**: Sustainability Task Force formed – CEO-endorsed strategic planning group
- **2019**: Sustainability strategy approved; Chief Sustainability Officer hired; Taskforce on Climate-related Financial Disclosures (TCFD) inaugural report launched

Our strategy

**Future Proofing Communities**

- **City/Community Resilience**
- **Sustainable Investments**
- **Financial Security**
- **Sustainable Operations**

Aligning sustainability efforts with our core business
Our governance structure

- Provides an opportunity to be more responsive and transparent with stakeholders
- Reflects the company’s increased attention to and awareness of climate-related risks
- Offers a more consistent approach that aligns with other reporting efforts
- Provides a structure to guide internal discussions and thinking around climate-related risks
- Allows for proactive reporting, with indications that mandatory reporting will likely be instituted in some jurisdictions

Why TCFD?
What we learned

- Identifying and engaging with cross-functional colleagues across the company to develop responses is imperative
- Responding to the TCFD is a commitment of time and resources
- Publishing our inaugural report was a starting point – we see it as a living disclosure that will undergo continuous iterative updates as our sustainability efforts continue to mature and progress
  - Exploring the development of a climate change scenario analysis

Transitioning from the NAIC Climate Risk Disclosure Survey

We applaud the NAIC’s approach to encourage TCFD disclosure through substitution rather than duplication of the standard survey

- Helps streamline climate survey responses
  - Creates a more consistent way to report on climate-related issues
  - Eliminates survey fatigue
- Provides a more comprehensive response to the NAIC
- Offers a platform to build upon as the report framework evolves
Our next steps

- Working on the development of our next TCFD report, evaluating how to best build upon our foundational disclosure
- Partnering with Sustainability Integration Team to:
  - Help identify and drive current / future initiatives
  - Build business and social impact cases; develop flagship projects
- Supporting work of three new groups focused on sustainability matters:
  - Climate Working Group
  - ESG Working Group
  - ERM Sustainability Working Group
- Continuing to work with the NAIC and other key stakeholders to report on and discuss climate-related risks and their impact on our company and the industry

Thank you

To learn more, visit [aig.com/corporate-responsibility](http://aig.com/corporate-responsibility)