COLUMBIA LAW SCHOOL

CENTER FOR CLIMATE CHANGE LAW

Analysis of California, Washington, and New York Insurer Climate Risk Surveys for the 2011 Reporting Year

Irene Shulman, Summer Intern

August 2012

Flooding of farmlands and homes, San Joaquin Valley, CA. Credit: NOAA Photo Library

Background on Climate Risk Surveys for Reporting Year 2011

In 2009, the National Association of Insurance Commissioners (NAIC) Climate Change Task Force adopted the Insurer Climate Risk Disclosure Survey in order to address the implications of climate change for the insurance industry. The Climate Change Task Force originally intended to require all insurance companies with written premiums over $500 million to file a public survey report. Due to liability and confidentiality concerns, the survey was instead adopted as voluntary and confidential. In 2010, twenty-one states indicated to the NAIC that they would administer the voluntary survey, but when the Climate Change Task Force dissolved in 2011, few jurisdictions continued to administer the survey

In February 2012, the New York Department of Financial Services, the Washington State Office of the Insurance Commissioner, and the California Department of Insurance announced that they would require insurers to participate in NAIC's survey for the 2011 reporting year. The three states changed the conditions, requiring insurers that write in excess of $300 million in premiums annually to respond.

This summary reviews the climate risk surveys submitted by insurance companies to California, New York, and Washington. Some of the insurers that submitted surveys operate exclusively on regional levels, while others provide national or international services. Swiss Re Group is the only reinsurance company that submitted a survey. All surveys for the 2011 reporting year were submitted to the California Department of Insurance, the New York Department of Financial Services, or the Washington State Office of the Insurance Commissioner on May 7, 2012[1].

Insurance companies that were required by more than one of the three states to submit surveys submitted the same survey to each state. Among the companies that voluntarily submitted surveys for the 2010 reporting year, many provided more lengthy, detailed answers in the 2011 mandatory surveys than in 2010. Several insurers also submitted attachments with the surveys, providing more detail for their responses.

The Carbon Disclosure Project (CDP) is a non-profit that pursues disclosure statements about GHG emissions and climate change risk from companies throughout the world including many insurance companies. Many insurance companies that have completed the CDP questionnaire referenced it as supplemental information when completing the NAIC climate risk survey. In some cases, companies simply reused answers from the CDP survey.

---

[1] Completed surveys are available on the California Department of Insurance website http://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/financial-filing-notices-forms/annualnotices/ClimateSurvey.cfm. See Appendix 2 for a list of insurers that participated

Answers were varied across companies. In some cases, differences were due to the difference in services provided by the companies. Namely, the effects of climate change on insurance companies are different from those on providers of health insurance, life insurance, property insurance, casualty insurance, and automobile insurance. In other cases, there were regional differences, as climate change is not expected to impact all regions equally. More companies in the West considered the risk of environmental catastrophe than in New York, likely due to the fact that severe weather events such as wildfire and drought are less likely in New York. Other differences were related to company size.

Of the 400 surveys available to the public on the California Department of Insurance website, 264 indicated that climate change poses some risk to the insurance company. Among companies that expanded on these risks, 174 identified increased hurricane frequency or severity, which was the most common threat discussed in the surveys. 87 companies identified regulatory risks related to climate change.

Everest National Insurance Company is the only insurer that declined to complete any part of the survey. It stated that the information required to complete the survey "is confidential and if made public, could cause irreparable harm to Everest's business." The company also stated that the "vague and ambiguous" nature of the survey in its failure to define "climate change related risks" or "climate change influenced events" made it impossible for Everest to provide a response.

Emissions reductions in company operations

Overall, the discussion of measures to reduce company GHG emissions was longer, more detailed, and contained more specific quantitative information than any other area of discussion in the survey.

Nearly all of the insurance companies reported that they either have reduced or plan to reduce GHG emissions in their operations. Of those companies, most described efforts to reduce their automobile fleets, rely more heavily on "paperless" communication, and encourage employees to use public transportation. Some companies have moved their operations to LEED certified office buildings. Many insurance companies provided quantitative information reflecting how much their actions have reduced or will reduce GHG intensity and resource consumption. Allstate Insurance Group provided a particularly detailed response and is the only company that discussed specific reduction targets for the future. It indicated a 20% energy reduction goal by 2020 compared with 2007. [2] No other company discussed an emissions target, and Aetna stated that doing so would not be practical "given the evolving regulatory environment, variability in energy costs, the evolution of our business, and the countries in which we operate."[3]

---

[2] See Appendix 7 for Allstate's complete report

[3] See Appendix 8 for excerpts from Aetna's report

In general, larger companies reported more extreme measures to reduce emissions than small companies. This may be due to their financial resources, as larger companies have the capital to invest in expensive projects, such as LEED buildings. Ownership of office buildings may also be a factor, as companies that lease office spaces have less control over building utilities. For example, among the few companies that reported that they have not taken measures to reduce GHG intensity was Health Net Life Insurance Company. It explained, "99% of all Health Net facilities are under a gross lease structure wherein our Landlords completely control the emission producing equipment and operations."[4]

Mercury Casualty Company responded "No" to this section of the survey without providing an explanation.

Emissions reductions for policyholders

The survey inquired about measures to reduce the GHG emissions of policyholders, and answers for this section of the survey were shorter and more general than the previous section about reductions in company operations.

Most insurers reported that they have taken measures to reduce policyholder emissions. Many reported encouragement of "paperless" communications and statements, or discounts for policyholders who implement mitigation measures. Certain automobile insurers reported benefits to policyholders with hybrid vehicles. Certain property insurers reported that they offer endorsements to cover the cost of repairs or rebuilding with green materials. Very few companies gave quantitative information regarding the success of such efforts and how much emissions have been reduced as a result. Blue Shield of California reported a 54% reduction in the amount of paper printed for communication with policyholders.

Risks of climate change

Companies were asked to identify risks that climate change poses to their businesses. Answers varied in length from one sentence to one page. Some companies asserted that climate change poses no threat, neither operationally, nor financially, and gave no explanation. Health Net Life Insurance Company answered "none" and stated that its risk assessment team "did not identify climate change as a material risk to any of our critical facilities…to cause us to include climate change as a risk." No further detail was offered.

Of the 400 companies, 264 reported that there are risks associated with climate change. Some addressed direct risks including droughts, wildfire, floods, hurricanes, windstorms, and incidence of cardiovascular disease and asthma. Increased hurricane frequency or intensity was singled out as the most established threat by 174 companies. Other companies discussed indirect risks of climate change related to resource availability and potential regulatory risks from insurance regulatory obligations, emissions caps, or

[4] See Appendix 8 for complete Health Net Life Insurance Company report

building code requirements. Regulatory risks were the second most common concern and were addressed by 87 companies. Although insurance companies do not generate products or services that require substantial emissions of GHGs, they expect to be impacted by absorbing the increased cost that utility companies will face. Farmers Group acknowledged the complexity of identifying regulatory risks specifically for insurance companies that cover multiple regions, stating, "Results of the same policy will likely be different when applied in different jurisdictions…compliance in one jurisdiction may not satisfy other jurisdictions, thus creating duplicative or additive expenditures in the development of adaptive risk management solutions without demonstrable economic or social benefit."

Although several insurance companies provided lengthy answers to this section of the survey and addressed several risks associated with climate change, none of the insurers gave a quantitative assessment of the risks they mentioned or of the financial impacts that such risks may have. The only insurer to give quantitative information in this section was the Allianz Group Insurance Companies. Allianz stated that it has experienced a "fifteen-fold increase in weather-related insurance claims over the last 30 years," and that in its global industrial insurance business "40 percent of damages are due to natural catastrophes." Allianz also provided quantitative predictions, stating "Over the next decade, Allianz estimates average losses for the insurance industry could grow to US$41 billion per annum."[5]

A few insurers declined to answer whether or not they anticipate risks related to climate change. Some simply asserted that the question is not applicable. State Farm answered that it "is not aware of an industry standard that defines a climate risk, climate change or climate change-related risk," and without such standards and definitions, State Farm asserted that it has no basis to account for climate change or make predictions about risks that climate change may pose.[6]

Fidelity National Indemnity Insurance Company was the only insurer that discussed benefits related to climate change. The company stated, "Due to the nature of the National Flood Insurance Program, any increased flooding as a result of climate change likely would have a positive impact on the company's business."

Changes to risk management policies and investment portfolios

Most companies acknowledged that they face potential risks associated with climate change (see above) and indicated that climate change is considered by their risk management and investment teams. However, they all reported that after consideration of such risks, it was determined that company strategies and investment portfolios should not be altered in response to climate change. Reasons for this varied. Some companies explained that the risks associated with climate change were not significant enough,

---

[5] See Appendix 4 for Allianz Group Insurance Company complete answer to survey questions #4
[6] See Appendix 6 for complete State Farm report

while others explained that risks are not discretely identifiable and measurable, making it impossible to explicitly structure investments reflecting environmental factors. Aetna reported that it regards climate change as distant and gradual, affording flexibility to respond when the risks become more certain. Farmers Group stated its view that climate factors would drive long-term economic value for society, and thus, be reflected in the value of investments available in capital markets without explicit investment adjustments.

Allstate and MetLife mentioned that although their investment strategies were unchanged, their normal investment portfolios include investments in alternative energy. No quantitative information regarding these investments was given.

Actions taken to manage the risk of climate change

No insurance company explicitly indicated that it had changed policy rates as a result of climate change factors at this point, though some discussed in general the potential need to do so in the future.

Insurers reported a variety of other actions taken to manage the risks posed by climate change. Certain companies described methods for coping in the event of a natural disaster, and very generally referenced emergency business continuity plans. Other companies described plans to reduce resource intensive practices in their daily operations, thereby reducing the financial risks associated with resource and utility pricing due to climate change (see above).

Most companies, particularly providers of property insurance, reported the use of computer models to assess the risks of climate change, though most did not provide detail beyond this. AAA Northern California, Nevada and Utah Insurance Exchange reported that it has adjusted its computer models to utilize greater hurricane frequencies, "as opposed to the historical record of activity," as well as "a warm sea-surface temperature even set." Some insurance companies indicated that they do not use computer models at all. These were mostly providers of health and life insurance.

In taking action to manage the risk of climate change, several companies also reported that they are involved with organizations that have interests that overlap with those of advocates of climate change mitigation. Some also participate directly in "green" organizations, while others support environmental legislation and research in alternative energy through their philanthropy divisions.

Conclusions

The majority of insurance companies do view climate change as a threat to their businesses, though for the most part the companies did not elaborate on those threats. Few companies provided detail on how they plan to cope with the risks of climate change, and no company indicated changes in policy rates. Overall, statements related to climate change risks, climate change policy, and climate change management were not very specific or informative. The sections that did contain detail and quantitative information were those discussing company efforts to mitigate their resource consumption and carbon footprints.

The reason that the meaningful areas of the survey lacked thorough answers may be due to the public availability of the responses. Insurance companies may be concerned that the information they provide will affect claims or competition with other insurers. Additionally, the guidelines that California Department of Insurance issued for the survey did not encourage thorough answers. The guidelines indicated that insurers are not required to provide "quantitative or forward-looking information." They also allow an insurance company to "state that a question is not relevant to its business practice, operations or investments."[7] Perhaps such leeway should not be given, and the responses should be confidential. Lastly, the survey guidelines should provide definitions of climate change and climate change risks, so that insurers may not decline to answer for lack of a clear definition.

The survey guidelines strongly steered companies toward discussing harmful risks associated with climate change. Fidelity National Indemnity Insurance Company's statement that climate change will likely have a positive impact on company business suggests that the survey should include questions and guidelines that encourage insurers to discuss the potential benefits of climate change.

[7] For complete set of guidelines see http://www.insurance.ca.gov/0250-insurers/0300-insurers/0100-applications/financial-filing-notices-forms/annualnotices/ClimateSurvey.cfm

Contents of Appendices

Note: The survey excerpts that are included as appendices were selected for their noteworthy or anomalous responses, and the majority are discussed in the text above. Some are included as examples of particularly thorough or particularly lacking reports.

Everest is the only insurer that did not complete any part of the survey, stating that the information involved is confidential, and that the survey's failure to define climate change makes it impossible to answer.

Allianz was the only insurer to provide quantitative information regarding losses related to climate change.

Amica's response to question 4 of the survey serves as an example of a typical answer. The response is complete and addresses the question, but is brief and provides little detail.

State Farm declined to respond to several survey questions, stating that there is no standard definition of climate change as its reason.

Allstate serves as an example of a particularly thorough report

Among the companies that stated that climate change poses no risks to their businesses, Health Net Life's response was common. It provided little detail beyond its response that there is no risk.

Aetna provided a particularly thorough response, and is also noted for its response in question 1 that setting emissions targets is not practical.

MetLife's report is an example of common survey responses.

Mercury's report is an example of a particularly lacking response.

Appendix 1: Climate Risk Survey Form Administered to Insurance Companies for the 2011 Reporting Year

INSURER CLIMATE RISK SURVEY

Company Name:			
NAIC No.:		**Group No.:**	
Nationwide Direct Premiums Written:			

Survey Questions	**Comparable Carbon Disclosure Project Questions**
1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.	Performance Question 21
2. 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?	
3. Describe your company's process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications.	Risks and Opportunities Questions 1-3
4. 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.	Risks and Opportunities Questions 1-3
5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.	Risks and Opportunities Question 3: "Other Risks" Question 6: "Other Opportunities"
6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events.	Risks and Opportunities Questions 4-6
7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change.	Governance Questions 24, 26, 27
8. Describe actions your company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling.	Risks and Opportunities Questions 1-3

Appendix 2: Insurers that Participated in the Survey

AETNA
FEDERATED MUTUAL GROUP
AMERICAN INTERNATIONAL GROUP, INC.
ASSURANT INC
AMICA MUTUAL GROUP
BERKSHIRE HATHAWAY GROUP
CHUBB GROUP OF INSURANCE COMPANIES
AVIVA USA
FM GLOBAL GROUP
GREAT AMERICAN INSURANCE COMPANY
THE HANOVER INSURANCE GROUP
THE HARTFORD INSURANCE GROUP
MGIC
NATIONWIDE MUTUAL INSURANCE COMPANY
PROGRESSIVE INSURANCE GROUP
SWISS RE GROUP
ASSURED GUARANTY
ZURICH US INSURANCE POOL GROUP
ERIE INSURANCE GROUP
ING AMERICA INSURANCE HOLDINGS INC
VERMONT MUTUAL INSURANCE GROUP
SELECTIVE INSURANCE GROUP, INC.
THE CINCINNATI INSURANCE GROUP
MUTUAL OF OMAHA INSURANCE COMPANY
THE PRUDENTIAL

GROUP
THE PHOENIX LIFE INSURANCE COMPANY
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
UNUM GROUP
PHILADELPHIA CONSOLIDATED HOLDING GROUP
UNITED HEALTH GROUP, INC.
RLI GROUP
NEW YORK LIFE
THE PENN MUTUAL LIFE GROUP
NORTHWESTERN MUTUAL GROUP
JOHN HANCOCK GROUP
AXA GROUP
HIP INSURANCE GROUP
SYMETRA FINANCIAL
EXCELLUS HEALTH PLAN INC D.B.A. EXCELLUS BLUECROSS BLUESHIELD AND UNIVERA HEALTHCARE
MVP HEALTH CARE
THE TIAA FAMILY OF COMPANIES
CALIFORNIA STATE AUTO GROUP
ARCH INSURANCE GROUP
EMBLEMHEALTH INC
THE STANDARD
NYCM INSURANCE GROUP
GMAC INSURANCE
TRAVELERS GROUP

21ST CENTURY
CENTENNIAL
INSURANCE COMPANY
21ST CENTURY
INSURANCE COMPANY
AAA LIFE INSURANCE
COMPANY
ACCENDO INSURANCE
COMPANY
ACCIDENT FUND INS CO
OF AMER
ACCIDENT FUND
INSURANCE COMPANY
OF AMERICA
ACE AMERICAN
INSURANCE COMPANY
ACE PROPERTY AND
CASUALTY INSURANCE
COMPANY
ACUITY A MUT INS CO
AETNA LIFE INSURANCE
COMPANY
AGCS MARINE
INSURANCE COMPANY
ALFA MUT INS CO
ALLIANZ GLOBAL RISKS
US INSURANCE
COMPANY
ALLIANZ LIFE
INSURANCE COMPANY
OF NORTH AMERICA
ALLIENZ LIFE
INSURANCE COMPANY
OF NEW YORK
ALLSTATE CNTY MUT
INS CO
ALLSTATE FIRE & CAS
INS CO
ALLSTATE IND CO
ALLSTATE INDEMNITY
COMPANY
ALLSTATE INS CO
ALLSTATE INSURANCE
COMPANY
ALLSTATE LIFE INS CO

ALLSTATE NJ INS CO
ALLSTATE PROP & CAS INS CO
ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
ALLSTATE TX LLOYDS
AMERICAN AGRI-BUSINESS INSURANCE COMPANY
AMERICAN ALTERNATIVE INSURANCE CORPORATION
AMERICAN AUTOMOBILE INSURANCE COMPANY
AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA
AMERICAN FAMILY LIFE ASSURANCE CO. OF NEW YORK
AMERICAN FAMILY LIFE INS CO
AMERICAN FAMILY MUT INS CO
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY
AMERICAN HERITAGE LIFE INS CO
AMERICAN INCOME LIFE INSURANCE COMPANY
AMERICAN INSURANCE COMPANY (THE)
AMERICAN MODERN HOME INSURANCE COMPANY
AMERICAN NATIONAL INSURANCE COMPANY

AMERICAN NATIONAL
PROPERTY AND
CASUALTY COMPANY
AMERICAN SECURITY
INSURANCE COMPANY
AMERICAN STATES
INSURANCE COMPANY
AMERICAN UNITED LIFE
INSURANCE COMPANY
AMERICAN ZURICH
INSURANCE COMPANY
AMERICO FINANCIAL
LIFE AND ANNUITY
INSURANCE COMPANY
AMERITAS LIFE
INSURANCE CORP.
ANNUITY INVESTORS
LIFE INSURANCE
COMPANY
ANTHEM BLUE CROSS
LIFE AND HEALTH
INSURANCE COMPANY
ATHENE ANNUITY &
LIFE ASSURANCE
COMPANY
AUTO OWNERS INS CO
AUTOMOBILE CLUB
INSURANCE
ASSOCIATION
AVIVA LIFE AND
ANNUITY COMPANY
AXIS INS CO
AXIS INSURANCE
COMPANY
BALBOA INSURANCE
COMPANY
BANKERS LIFE AND
CASUALTY COMPANY
BANKERS STANDARD
INSURANCE COMPANY
BANNER LIFE
INSURANCE COMPANY
BLUE SHIELD OF
CALIFORNIA LIFE &
HEALTH INSURANCE

COMPANY

C.M. LIFE INSURANCE
COMPANY
CENTRAL MUTUAL
INSURANCE COMPANY
CHICAGO TITLE
INSURANCE COMPANY
CIGNA HEALTH AND
LIFE INSURANCE
COMPANY INC
CIGNA LIFE INSURANCE
COMPANY OF NEW
YORK INC
CINCINNATI INS CO
CINCINNATI INSURANCE
COMPANY (THE)
CITIZENS INS CO OF
AMER
CITIZENS INSURANCE
COMPANY OF AMERICA
CM LIFE INS CO
CNO INSURANCE
COMPANIES
COAST NATIONAL
INSURANCE COMPANY
COLONIAL LIFE &
ACCIDENT INSURANCE
COMPANY
COLONIAL PENN LIFE
INSURANCE COMPANY
COLUMBIA CASUALTY
COMPANY
COMMERCE INS CO
COMMONWEALTH LAND
TITLE INSURANCE
COMPANY
COMPANION LIFE
INSURANCE COMPANY
COMPANION PROPERTY
AND CASUALTY
INSURANCE COMPANY
CONNECTICUT GENERAL
LIFE INSURANCE
COMPANY

CONNECTICUT GENERAL
LIFE INSURANCE
COMPANY INC
CONNECTICUT
INSURANCE
DEPARTMENT
CONTINENTAL
CASUALTY COMPANY
CONTINENTAL
INSURANCE COMPANY
(THE)
CONTINENTAL WESTERN
INSURANCE COMPANY
COUNTRY LIFE
INSURANCE COMPANY
COUNTRY MUTUAL
INSURANCE COMPANY
COUNTRY PREFERRED
INSURANCE COMPANY
CUMIS INSURANCE
SOCIETY, INC.
CUNA MUTUAL
INSURANCE SOCIETY
DELTA DENTAL
INSURANCE COMPANY
DELTA DENTAL
INSURANCE COMPANY
DOCTORS' COMPANY,
AN INTERINSURANCE
EXCHANGE (THE)
ELECTRIC INS CO
ELECTRIC INSURANCE
COMPANY
EMPIRE FIRE AND
MARINE INSURANCE
COMPANY
EMPLOYERS MUTUAL
CASUALTY COMPANY
ENCOMPASS IND CO
ENCOMPASS INS CO OF
AMER
EQUITRUST LIFE
INSURANCE COMPANY
ESURANCE INS CO
ESURANCE INSURANCE

COMPANY
ESURANCE PROPERTY AND CASUALTY INSURANCE COMPANY
EVEREST NATIONAL INSURANCE COMPANY
FARM BUREAU LIFE INS CO
FARM BUREAU PROP & CAS INS CO
FARM FAMILY CASUALTY INSURANCE COMPANY
FARMERS INSURANCE COMPANY OF OREGON
FARMERS INSURANCE COMPANY OF WASHINGTON
FARMERS INSURANCE COMPANY, INC.
FARMERS INSURANCE EXCHANGE
FARMINGTON CASUALTY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.
FIDELITY NATIONAL TITLE INSURANCE COMPANY
FIDELITY NATL IND INS CO
FINANCIAL PACIFIC INSURANCE COMPANY
FIRE INSURANCE EXCHANGE
FIREMAN'S FUND INSURANCE COMPANY
FIRST AMERICAN TITLE INSURANCE COMPANY
FIRST HLTH LIFE & HLTH INS CO

FIRST LIBERTY INS CORP
FIRST LIBERTY INSURANCE CORPORATION (THE)
FIRST NATIONAL INSURANCE COMPANY OF AMERICA
FIRST UNUM LIFE INSURANCE COMPANY
FIRST UNUM LIFE INSURANCE COMPANY
FOREMOST INSURANCE COMPANY GRAND RAPIDS, MICHIGAN
FRANKENMUTH MUT INS CO
GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY
GENERAL AMER LIFE INS CO
GENERAL AMERICAN LIFE INSURANCE COMPANY
GENERAL CASUALTY COMPANY OF WISCONSIN
GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
GENWORTH LIFE INSURANCE COMPANY
GENWORTH LIFE INSURANCE COMPANY OF NY
GERBER LIFE INS CO
GERBER LIFE INSURANCE COMPANY
GLOBE LIFE AND ACCIDENT INSURANCE COMPANY
GREAT AMERICAN ASSURANCE COMPANY
GREAT AMERICAN INSURANCE COMPANY

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK
GREAT AMERICAN LIFE INSURANCE COMPANY
GREAT WEST CASUALTY COMPANY
GREENWICH INS CO
GREENWICH INSURANCE COMPANY
GROUP HLTH COOP
GROUP HLTH OPTIONS INC
HANOVER INS CO
HANOVER INSURANCE COMPANY (THE)
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD CASUALTY INSURANCE COMPANY
HARTFORD FIRE INSURANCE COMPANY
HARTFORD INSURANCE COMPANY OF THE MIDWEST
HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
HARTFORD LIFE INSURANCE COMPANY
HARTFORD UNDERWRITERS INSURANCE COMPANY
HCC LIFE INSURANCE COMPANY
HEALTH NET LIFE INSURANCE COMPANY
HM LIFE INSURANCE COMPANY
HOMESTEADERS LIFE COMPANY

HORACE MANN LIFE
INSURANCE COMPANY
HUDSON INSURANCE
COMPANY
HUMANA INSURANCE
COMPANY
IDS PROPERTY
CASUALTY INSURANCE
COMPANY
ILLINOIS FARMERS
INSURANCE COMPANY
INDEMNITY INSURANCE
COMPANY OF NORTH
AMERICA
INFINITY INSURANCE
COMPANY
ING LIFE INSURANCE
AND ANNUITY
COMPANY
ING USA ANNUITY AND
LIFE INSURANCE
COMPANY
INTEGRITY LIFE
INSURANCE COMPANY
INTERINSURANCE
EXCHANGE OF THE
AUTOMOBILE CLUB
JACKSON NATIONAL
LIFE INSURANCE
COMPANY
JEFFERSON NATIONAL
LIFE INSURANCE
COMPANY
JOHN DEERE INSURANCE
COMPANY
KAISER FOUND HLTH
PLAN OF THE NW
KEMPER INDEPENDENCE
INSURANCE COMPANY
KEMPER INDEPENDENCE
INSURANCE COMPANY
LAFAYETTE LIFE
INSURANCE COMPANY
(THE)
LIBERTY INS CORP

LIBERTY INS
UNDERWRITERS INC
LIBERTY INSURANCE
CORPORATION
LIBERTY INSURANCE
UNDERWRITERS, INC.
LIBERTY LIFE INS CO
LIBERTY MUT FIRE INS
CO
LIBERTY MUT INS CO
LIBERTY MUTUAL FIRE
INSURANCE COMPANY
LIBERTY MUTUAL
INSURANCE COMPANY
LIBERTY NATIONAL LIFE
INSURANCE COMPANY
LIFE INSURANCE
COMPANY OF THE
SOUTHWEST
LINCOLN BENEFIT LIFE
CO
LINCOLN HERITAGE LIFE
INSURANCE COMPANY
LINCOLN LIFE &
ANNUITY COMPANY OF
NEW YORK
LINCOLN LIFE AND
ANNUITY COMPANY OF
NEW YORK
LINCOLN NATIONAL
LIFE INSURANCE
COMPANY (THE)
LM INS CORP
LM INSURANCE
CORPORATION
MARKEL INSURANCE
COMPANY
MARYLAND CASUALTY
COMPANY
MASSACHUSETTS BAY
INS CO
MASSACHUSETTS BAY
INSURANCE COMPANY
MASSACHUSETTS MUT
LIFE INS CO

MASSACHUSETTS
MUTUAL LIFE
INSURANCE COMPANY
MEDICAL PROTECTIVE
CO
MEDICAL PROTECTIVE
COMPANY (THE)
MERCURY CASUALTY
COMPANY
MERITPLAN INSURANCE
COMPANY
METLIFE INS CO OF CT
METLIFE INSURANCE
COMPANY OF
CONNECTICUT
METLIFE INVESTORS
INSURANCE COMPANY
METLIFE INVESTORS
USA INS CO
METLIFE INVESTORS
USA INSURANCE
COMPANY
METROPOLITAN LIFE INS
CO
METROPOLITAN LIFE
INSURANCE COMPANY
MID-CENTURY
INSURANCE COMPANY
MINNESOTA LIFE
INSURANCE COMPANY
MORTGAGE GUARANTY
INSURANCE
CORPORATION
MUTUAL OF AMER LIFE
INS CO
MUTUAL OF AMERICA
LIFE INSURANCE
COMPANY
MUTUAL OF ENUMCLAW
INS CO
NATIONAL FIRE
INSURANCE COMPANY
OF HARTFORD
NATIONAL INTEGRITY
LIFE INSURANCE

COMPANY

NATIONAL INTERSTATE INSURANCE COMPANY
NATIONAL LIFE INSURANCE COMPANY
NATIONAL SURETY CORPORATION
NATIONAL WESTERN LIFE INSURANCE COMPANY
NAU COUNTRY INSURANCE COMPANY
NAVIGATORS INS CO
NAVIGATORS INSURANCE COMPANY
NETHERLANDS INS CO THE
NETHERLANDS INSURANCE COMPANY (THE)
NEW ENGLAND LIFE INS CO
NEW ENGLAND LIFE INSURANCE COMPANY
NEW JERSEY MANUFACTURERS INS CO
NEWPORT INSURANCE COMPANY
NGM INS CO
NORTHLAND INSURANCE COMPANY
OCCIDENTAL FIRE & CASUALTY COMPANY OF NORTH CAROLINA
OHIO CAS INS CO
OHIO CASUALTY INSURANCE COMPANY (THE)
OLD REPUBLIC INSURANCE COMPANY
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

ONEBEACON AMER INS
CO
PACIFIC LIFE & ANNUITY
COMPANY
PACIFIC LIFE
INSURANCE COMPANY
PACIFICSOURCE HLTH
PLANS
PAUL REVERE LIFE
INSURANCE COMPANY
(THE)
PEERLESS IND INS CO
PEERLESS INDEMNITY
INSURANCE COMPANY
PEERLESS INS CO
PEERLESS INSURANCE
COMPANY
PENNSYLVANIA LIFE
INSURANCE COMPANY
PENNSYLVANIA
MANUFACTURERS'
ASSOCIATION
INSURANCE COMPANY
PHILADELPHIA
INDEMNITY INSURANCE
COMPANY
PHOENIX LIFE
INSURANCE COMPANY
PHYSICIANS RECIP
INSURERS
PMI MORTGAGE
INSURANCE CO.
PRAETORIAN
INSURANCE COMPANY
PREMERA BLUE CROSS
PRIMERICA LIFE
INSURANCE COMPANY
PRINCIPAL LIFE INS CO
PRINCIPAL LIFE
INSURANCE COMPANY
PRODUCERS
AGRICULTURE
INSURANCE COMPANY

PROPERTY AND
CASUALTY INSURANCE
COMPANY OF
HARTFORD
PROTECTIVE LIFE
INSURANCE COMPANY
PROVIDENCE HLTH
PLAN
PROVIDENT LIFE AND
ACCIDENT INSURANCE
COMPANY
PYRAMID LIFE
INSURANCE COMPANY
(THE)
QBE INSURANCE
CORPORATION
QBE SPECIALTY
INSURANCE COMPANY
Q-CARE INSURANCE
COMPANY
RADIAN GUARANTY INC.
REASSURE AMERICA
LIFE INSURANCE
COMPANY
REGENCE BCBS OF OR
REGENCE BLUESHIELD
REGENCE BLUESHIELD
OF ID INC
RELIASTAR LIFE
INSURANCE COMPANY
RELIASTAR LIFE
INSURANCE COMPANY
OF NEW YORK
REPUBLIC MORTGAGE
INSURANCE COMPANY
RIVERSOURCE LIFE
INSURANCE CO. OF NEW
YORK
RIVERSOURCE LIFE
INSURANCE COMPANY
RLI INS CO
RLI INSURANCE
COMPANY
RSUI INDEMNITY
COMPANY

RURAL COMM INS CO
RURAL COMMUNITY INSURANCE COMPANY
SAFECO INS CO OF AMER
SAFECO INS CO OF IL
SAFECO INSURANCE COMPANY OF AMERICA
SAFECO INSURANCE COMPANY OF ILLINOIS
SAFETY NATIONAL CASUALTY CORPORATION
SECURITY BENEFIT LIFE INSURANCE COMPANY
SECURITY LIFE OF DENVER INSURANCE COMPANY
SECURITY MUT LIFE INS CO OF NY
SENTINEL INSURANCE COMPANY, LTD.
SENTRY INSURANCE A MUTUAL COMPANY
SENTRY LIFE INSURANCE COMPANY
SENTRY SELECT INSURANCE COMPANY
ST. PAUL FIRE AND MARINE INSURANCE COMPANY
STANDARD FIRE INSURANCE COMPANY (THE)
STANDARD INSURANCE COMPANY
STARR IND & LIAB CO
STATE AUTO PROP & CAS INS CO
STATE AUTOMOBILE MUT INS CO
STATE COMPENSATION INSURANCE FUND
STATE FARM FIRE AND CASUALTY COMPANY

STATE FARM GENERAL
INSURANCE COMPANY
STATE FARM LIFE
INSURANCE COMPANY
STATE FARM MUTUAL
AUTOMOBILE
INSURANCE COMPANY
STATE LIFE INSURANCE
COMPANY (THE)
STATE NATIONAL
INSURANCE COMPANY,
INC.
STONINGTON
INSURANCE COMPANY
SUN LIFE AND HEALTH
INSURANCE COMPANY
(U.S.)
SUN LIFE ASSURANCE
COMPANY OF CANADA
SUN LIFE ASSURANCE
COMPANY OF CANADA
(U.S.)
SYMETRA LIFE INS CO
SYMETRA LIFE
INSURANCE COMPANY
TEXAS FARMERS
INSURANCE COMPANY
TOKIO MARINE &
NICHIDO FIRE
INSURANCE CO., LTD.
TOWER INS CO OF NY
TRAVELERS CASUALTY
AND SURETY COMPANY
OF AMERICA
TRAVELERS CASUALTY
INSURANCE COMPANY
OF AMERICA
TRAVELERS
COMMERCIAL
INSURANCE COMPANY
TRAVELERS INDEMNITY
COMPANY (THE)
TRAVELERS INDEMNITY
COMPANY OF
CONNECTICUT (THE)

TRAVELERS PROPERTY
CASUALTY COMPANY
OF AMERICA
TRUCK INSURANCE
EXCHANGE
TRUMBULL INSURANCE
COMPANY
TWIN CITY FIRE
INSURANCE COMPANY
U.S. SPECIALTY
INSURANCE COMPANY
UNION CENTRAL LIFE
INSURANCE COMPANY
(THE)
UNITED AMERICAN
INSURANCE COMPANY
UNITED FIRE &
CASUALTY COMPANY
UNITED SERVICES
AUTOMOBILE
ASSOCIATION
UNITED STATES FIRE
INSURANCE COMPANY
UNITEDHEALTHCARE
INS CO
UNITEDHEALTHCARE
INSURANCE COMPANY
UNITRIN AUTO & HOME
INS CO
UNITRIN AUTO AND
HOME INSURANCE
COMPANY
UNIVERSAL
UNDERWRITERS
INSURANCE COMPANY
UNUM LIFE INSURANCE
COMPANY OF AMERICA
US SPECIALTY
INSURANCE COMPANY
USAA CASUALTY
INSURANCE COMPANY
USAA GENERAL
INDEMNITY COMPANY
USAA LIFE INSURANCE
COMPANY

VALLEY FORGE
INSURANCE COMPANY
VIKING INSURANCE
COMPANY OF
WISCONSIN
VISION SERV PLAN INS
CO
WASHINGTON DENTAL
SERV
WASHINGTON
NATIONAL INSURANCE
COMPANY
WAUSAU
UNDERWRITERS INS CO
WAUSAU
UNDERWRITERS
INSURANCE COMPANY
WEST COAST LIFE
INSURANCE COMPANY
WESTCHESTER FIRE
INSURANCE COMPANY
WESTERN SURETY
COMPANY
WESTERN UNITED
INSURANCE COMPANY
WESTERN-SOUTHERN
LIFE ASSURANCE
COMPANY
WILLIAM PENN LIFE
INSURANCE COMPANY
OF NEW YORK
XL INSURANCE
AMERICA, INC.
XL SPECIALTY INS CO
XL SPECIALTY
INSURANCE COMPANY
ZENITH INSURANCE
COMPANY
ZURICH AMERICAN
INSURANCE COMPANY

Appendix 3: Everest National Insurance Company Report
Everest is the only insurer that did not complete any part of the survey, stating that the information involved is confidential, and that the survey's failure to define climate change makes it impossible to answer.

Re: Insurance Climate Risk Disclosure Survey (Survey)

Dear Ms. Landsman-Smith:

I am Associate General Counsel for Everest National Insurance Company (Everest), domiciled in the State of Delaware. I write in response to your request to complete the captioned Survey.

I have reviewed the Survey questions and have the following comments. Everest is concerned about the public availability of its responses to the Survey. Such publication could result in waivers of privilege in connection with current or future claim matters. This is a particular concern since the Survey requires disclosure of claim related protocols. Further, the Survey's questions require disclosure of competitive information including Everest's products, rates, geographic exposures, loss control practices and claims as related to "climate risk." This information is confidential and if made public, could cause irreparable harm to Everest's business.

Many of the Survey's questions are vague and ambiguous. Neither the Survey or the accompanying Guidelines to the Survey define the terms "climate change related risks," (question (3)), "climate change influenced events" (question (6)) who or what is a "key constituency(ies) (question (7)) or the "risks [of] climate change" (question (8)). Lacking a clear definition or understanding of these terms, we cannot provide meaningful responses.

Accordingly, for the reasons stated above, we decline to respond to the Survey.

Respectfully yours,

Arnold Braun

Appendix 4: Allianz Group Insurance Companies Report, Reponse to Question #4
Allianz was the only insurer to provide quantitative information regarding losses related to climate change

4. 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.

Allianz companies, and the customers we serve, face a variety of potential physical, regulatory and other risks and opportunities related to climate change. For example, although our businesses are not significant greenhouse gas sources and are thus unlikely to face significant greenhouse gas regulation risks, we are monitoring how existing and proposed state and federal greenhouse gas regulations might create compliance risks and costs for our commercial clients – both as a factor we need to consider in our investment analysis, and as a service to our customers like the recently launched Allianz Global Corporate and Specialty coverage for damage or losses which prevent our clients from deliver carbon reduction certificates as planned. Similarly, evolving state and federal policy and regulation ranging from energy efficiency and renewable energy mandates to building codes need to be accounted for in our investment due diligence and underwriting criteria. With responsive insurance coverages like Fireman's Fund's industry leading green building and rebuilding insurance policies we enable our customers to upgrade their buildings to efficient standards and thus help to mitigate emissions.

As a large investor, Allianz faces some indirect regulatory risk associated with climate change regulations. However, Allianz maintains a conservative investment portfolio which is internationally diversified, and we are constantly reviewing how regulatory instruments – whether they be emissions trading schemes modeled after the EU program where we have substantial expertise, or carbon tax, energy mandates and other policies – may impact individual investments and energy-intensive industry sectors most exposed. More broadly, we consider this indirect regulatory risk as small when compared with the benefits to our company of a more robust international regulatory environment surrounding climate change as the risk of increasing insurance losses is mitigated and new product/service development and investment opportunities emerge.

According to Allianz data, there has been a fifteen-fold increase in weather-related insurance claims over last 30 years. In Allianz's global industrial insurance business, 40% of damages are due to natural catastrophes. Over the next decade, Allianz estimates average losses for the insurance industry could grow to US$41 billion per annum. Allianz companies draw upon the data analysis, meteorological, climate science and other expert resources such as the competence center for Natural Catastrophes within the Allianz Group Reinsurance unit, as well as broad partnerships with the international climate science community and related NGOs, to constantly update our understanding of the links between climate change and physical risks from more frequent and extreme severe weather – including heat waves, droughts, wildfires, thunderstorms and tornadoes, winter storms and severe cold weather, flooding and sea level rise. We are constantly working to access and help develop more precise and certain knowledge about the links between complex changes in the climate system and specific emerging and forecast impacts – not only because uncertainty in this regard is a risk to our ability to protect our customers and business assets, but also because our industry can play a key role working to integrate sophisticated risk modeling and risk management expertise with emerging climate science in a way that protects the availability and affordability of insurance solutions for our clients. We are also working closely with modeling agencies to better understand how they are integrating potential physical climate change risks into sophisticated modeling of exposures and potential losses, as well as various adaptive and loss-reduction methods and scenarios.

While the recently observed frequency and scale of natural disasters reinforce the sizeable potential threat of climate change for insurers, it's important to note uncertainties and the closely related trends of increasing urbanization and concentrated wealth accumulation. Changes in storm frequencies and intensities are likely to occur in future. However, especially for tropical cyclones, the changes are not yet fully understood and thus linked with high uncertainty. Precipitation patterns are also likely to change (impacting flood patterns, etc.), yet this is going to happen on a highly regional and more often local scale so that global statements do not appear appropriate. Climate change-related losses are currently still within the "noise" of natural variability (of weather related phenomenon); an increase in losses due to climate change is not yet seen by Allianz. Furthermore, the major driver for increasing losses are socio-economic reasons, such as increasing insurance penetration, increasing value concentration at exposed sites and inadequate planning and counter measures. We anticipate large claims from natural catastrophes to decrease to long-term average levels.

In addition to reviewing reports by the Intergovernmental Panel on Climate Change, the U.S. Climate Change Science Program, and other leading climate science sources, we partner with environmental organizations to commission and contribute to additional research on climate science, impacts, and implications for insurers. For example, our most recent of several reports commissioned in partnership with the World Wildlife Fund entitled Major Tipping Points in the Earth's Climate System and Consequences for the Insurance Sector evaluated potential thresholds in current climate projections to 2050, their economic costs, and assets at risk. The study follows U.S. cooperation between Allianz and WWF that began with an influential 2006, report Climate Change and Insurance: An Agenda for Action in the United States, outlining the potential risks and solutions for the U.S. insurance industry. These are among many additional research efforts like Allianz's Hedging Climate Risk report and participation in the industry collaborative that resulted in the Coastal Resiliency Blueprint, which further examine insurance and policy solutions to the issue of concentrating population and rising value of infrastructure along floodplains and in coastal regions vulnerable to potential climate change impacts. Ultimately, no one report can conclusively determine precise climate change impacts and risks and the appropriate insurance business response -- but as confidence in climate science and our understanding of impacts evolves, Allianz and its companies commission, collaborate and gather the broadest possible sources of credible research to inform our business decisions and protect our customers.

As office based companies with no manufacturing facilities, our direct exposure to such physical risks is somewhat limited, but nonetheless includes potential physical damage to corporate property and IT infrastructure, loss of employee working hours and business interruption, and higher operating costs in the form of energy demand and price affects. All of these are eventualities that the Allianz businesses are prepared for as part of the Allianz Group Business Continuity Planning and Crisis Management structures, which were set up in 2003 and have been adapted to include back-up office space solutions and IT infrastructure, teleworking models, and other measures that can respond to climate change related risks as our understanding of these risks develops. For example, the Group-wide Business Continuity Management (BCM) system is operated locally and monitored centrally, with local BCM Officers who conduct a BC Process Review annually that includes natural disasters, energy reliability and other climate related risks. Physical risks have a more significant implication in the form of potential underwriting risk, increased macroeconomic risk, and increased capital risk. Such physical risks underscore the need for loss mitigation investments that aim to preserve the affordability and availability of insurance. Through the Emerging Risk monitoring function of the Allianz Group and participation related forums coordinated by Harvard Medical School and others, Allianz is also monitoring physical risks that may create public health impacts that could indirectly affect Allianz Life Insurance Company of North America.

In addition to underwriting risk, insurers may become exposed to reputational risk wherever climate risks may render certain perils and markets uninsurable due to inadequate loss mitigation and risk management, or encumbering regulations that prevent risk based pricing, constructive use of sophisticated loss exposure and mitigation measure modeling, enforcement of adequate codes, etc. That said, Allianz believes our industry-leading approach to climate change and related environment and sustainability issues is key to how we grow our business through increased customer satisfaction and brand recognition, supported by innovative products and services and thoughtful investments – while simultaneously taking responsibility for environmental and societal needs. In Interbrand's 2011 Best Global Green Brands report, Allianz was ranked as the Best Global Green Brand in the Financial Services sector. The ranking assesses brands by consumer perception of green activities and demonstration of environmental performance. Interbrand refers to the company's wide variety of sustainable development activities, broad range of green products, investment in wind and solar energy, and internal emissions targets as evidence of convincing green credentials. On the basis of this ranking, the value of the 'Allianz' brand increased to approximately USD 5.3B in 2011 (2010: USD 4.9B), with our brand value growing faster than any other European financial services provider. The Allianz brand is an important and valuable asset and therefore an essential element of the company's business strategy.

Appendix 5: Amica Mutual Group Report, Response to Question #4
Amica's response to question 4 of the survey serves as an example of a typical answer. The response is complete and addresses the question, but is brief and provides little detail.

The most immediate threat posed by climate impact is an increase in weather related losses. Amica has concentrations of business in the Northeast, Atlantic and Gulf Coasts that are exposed to Hurricane risk. We also have concentrations of business in California and the Pacific Northwest exposed to Earthquake risk. A catastrophic loss has the potential for sudden and significant impact on our business from a financial and logistical perspective. Financially, Amica is prepared for an event that exceeds our 1-in 100 probabilistic exposure identified through the conservative use of computer modeling.
Logistically, the volume of claims expected with such a catastrophe requires advance planning to ensure our ability to handle loss reporting, adjustment and payment. We have a catastrophe plan in place that we are confident will allow us to respond appropriately. Weather related changes that occur over a slower period of time, such as frequency and intensity of winter storms, hail and tornados or increased wildfire threats will require pricing changes commensurate with risk. The impact on our business is heavily dependent on our ability to gain timely regulatory approval for prices that adequately reflect the risk underwritten.

Appendix 6: State Farm Insurance Company Report

State Farm declined to respond to several survey questions, stating that there is no standard definition of climate change as its reason.

Survey Questions

Question One: ***Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.***

Response

Yes. State Farm Mutual Automobile Insurance Company and its affiliates and subsidiaries (State Farm) has a long tradition of being environmentally responsible and is committed to a future where environmental values are central to the way we do business. As one component of that philosophy, State Farm has taken aggressive steps to reduce our own greenhouse gas (GHG) emissions. State Farm has been a member of the Business Roundtable Climate RESOLVE initiative since 2002, voluntarily reporting our progress on managing GHG emissions. In addition:

- We have reduced our GHG intensity by 47 percent since 2002, far exceeding our initial goal of an 18 percent reduction by 2012.
- We have greatly improved the average energy efficiency of our large facilities, from an EPA Energy Star rating of 49 in 1999, to a current rating of 87; a 38 point improvement.
- We have reduced the size of our motor vehicle fleet and introduced a number of hybrid and flexible-fuel vehicles, making ours the third largest non-governmental, eco-friendly fleet in the United States, according to *Automotive Fleet* magazine's 2010 listing; 85 percent of our 2011 model fleet purchases were EPA SmartWay® certified.
- We sponsor several ride sharing initiatives:
    - The enterprise-wide commuter vanpool program subsidizes vans that average 1000 to 1,200 commuters daily;
    - At our Corporate facilities in Bloomington, Illinois, we provide employee shuttles between buildings that equate to more than 400,000 employee trips annually;
    - A company initiated free Ride to Work program through the Bloomington-Normal Public Transit System available to State Farm employees since 2008 averaged 2,900 riders per month during 2011.

Finally, State Farm's Austin Operations Center has participated in the EPA's Green Power program for several years. One hundred percent of the Austin facility's current power supply comes from renewable resources that produce no net increase to GHG emissions. These actions and recognitions confirm State Farm's position as an industry leader in reducing GHG emissions.

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?***

Response

No. With respect to risk management, State Farm is not aware of an industry standard that defines a "climate risk", "climate change" or "climate change-related risk." As such, State Farm has no basis to insure for a unique peril labelled a "climate change risk" or a "climate change-related risk" or account for climate change in risk management State Farm actively manages its exposure to all types of risk and regularly reviews its underwriting practices to manage its risk to financially sound levels. Furthermore, with respect to investment management, all risks associated with State Farm's investments are continuously monitored and evaluated in order to maximize long-term returns and preserve State Farm's financial strength.

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.***

Response

Similar to the above response State Farm is not aware of an industry standard that defines a "climate risk", "climate change" or "climate change-related risk." As such, State Farm has no basis to account for climate change or predict how it may affect State Farm business, including financial implications.

However, State Farm actively manages its exposure to all types of risk and regularly reviews its underwriting practices to manage its risk to financially sound levels. State Farm is constantly measuring demand for its products, its liquidity and capital needs, monitoring changes in reinsurance industry practices and measuring its surplus to meet its obligations and needs for the continuation of its operations.

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 risks.***

Response

State Farm is not aware of an industry standard that defines a "climate risk", "climate change" or "climate change-related risk." As such, State Farm has no basis to account for climate change or predict specific geographical areas that may be affected by current or anticipated risks that climate change may pose. However, as stated previously, State Farm actively manages its exposure to all types of risk and regularly reviews its underwriting practices to manage its risk to financially sound levels.

Question Five: ***Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.***

Response

State Farm has not considered the impact of climate change on its investment portfolio as State Farm is not aware of an industry standard that defines a "climate risk", "climate change" or "climate change-related risk." As such, State Farm has no basis to account for climate change or predict how it may affect State Farm's investment portfolio.

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

Response

Although the concept of "losses caused by climate change-influenced events" is not defined, State Farm is concerned about the prospect of global climate change, its potential impact on severe weather patterns, and how that potential impact may affect the business of insurance. State Farm works with organizations across the country – such as the Institute for Building and Home Safety, ProtectingAmerica.org, and the Federal Alliance for Safe Homes – to help protect our policyholders from the human injuries, property destruction and financial impact that can result from natural disasters.

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

Response

State Farm is actively supporting several organizations interested in studying loss mitigation related to natural disasters as well as conducting its own research on various loss mitigation products.

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

Response

State Farm is not aware of an industry standard that defines a "climate risk", "climate change" or "climate change-related risk." As such, State Farm has no basis to account for climate change or predict how it may affect State Farm's business, including the use of computer modeling. State Farm continuously monitors trends in relation to the perils it insures. State Farm utilizes modeling and stress tests based on historical data concerning insured perils to maximize possible loss scenarios and manage its risk to financially sound levels.

Appendix 7: Allstate Insurance Group Report.
Allstate serves as an example of a particularly thorough report

1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.

   CDP: **Performance** Question 21

Yes, the Allstate Insurance Group ("Allstate") is committed to conducting business in a sensible way that protects and preserves the natural environment and to supporting solutions that address the impact of environmental issues, including climate, throughout our operations – from our suppliers to our customers, employees, agency owners, business partners, investors and the public.

In contrast to the manufacturing or energy sectors, insurers are service sector companies with minimal emissions impact from their operations. Still, Allstate seeks to conserve natural energy sources and to limit our greenhouse gas emissions. Setting an energy reduction target in 2010 was Allstate's most substantial business decision influenced by the climate change driven aspects of the strategy. We have set a goal of 20% energy reduction for corporate owned resources by 2020 (vs. 2007 baseline). To date, Allstate has reduced its carbon footprint by 15 percent since 2007, the first year the company started monitoring its greenhouse gas emissions.

Allstate has a number of greenhouse gas (GHG) emissions reduction initiatives already in place and is looking to expand the scope of these initiatives. Because the bulk of Allstate's GHG emissions are associated with the purchase of electricity, these initiatives focus on reducing energy consumption in its buildings. These initiatives include more efficient light fixtures, reducing the hours that lights are used, and optimizing the boilers, chillers, and HVAC hours of operation.

One significant initiative under way is participation in the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) program. Allstate is a national member of the USGBC, and we have two employees with LEED AP credentials on staff in the Real Estate and Construction Department. In 2009, Allstate completed construction of a greenfield Data Center in Rochelle, IL that received LEED Gold level certification from the USGBC. Allstate also leases 99,936 square feet in a LEED Silver certified building in Houston. Two of our Home Office campus buildings have undergone retro-commissioning reviews based on LEED criteria, and implementation of a number of energy conservation measures at those facilities are currently under way. One of those buildings was registered with the USGBC under the LEED EB v2.0 rating system in July, 2008. More recently, in 2011, Allstate opened a LEED Silver certified customer information center in Chubbuck/Pocatello, Idaho.

Allstate has also undertaken a number of initiatives focused on engaging employees on sustainability issues including climate change. Allstate created a new informal network of "Green Champions" to harness employee passion and ideas for improving Allstate's environmental commitment and performance.

Allstate also established several departmental "Green Teams" tasked with encouraging energy efficiency among employees. Programs implemented include:

- reducing electricity use in office building;
- promoting use of campus shuttle buses;
- establishing periodic rideshare days; and
- decreasing paper use.

We launched an internal office paper reduction campaign in April 2009 with the goal of reducing overall office paper use by 25 percent by the end of 2010. The ongoing campaign reminds employees to print only when necessary, print double-sided whenever possible and recycle used paper. As a result, Allstate achieved a 41% reduction in purchase of High-Speed White office paper used in all Home Office facilities, and a 50% reduction in purchase of multi-purpose white office paper used by all field offices countrywide. There was a total cost savings of more than $750,000 (2008 baseline expenses vs. 2011).

Additionally, more than 5 million pounds of paper were recycled at the Home Office in 2010.

Allstate sends a significant volume of mail through the U.S. Postal service. In 2010, Allstate estimates that 94.6 million billing related documents were distributed. In an effort to reduce the volume of mail, Allstate continues to offer the eBill option (an electronic version of a paper bill) and electronic payment options to customers, which avoided 34 million pieces of mail in 2010. To make e-delivery customer friendly, Allstate now allows customers to access, store and manage insurance policy documents from a convenient online location.

More and more customers are taking Allstate up on its paperless offer, with 15 percent enrolled in electronic billing at the end of 2011 (up sharply from 4 percent in 2009) and approximately 18 percent enrolled in an automatic electronic payment plan. Allstate provides an incentive to participate in paperless solutions by offering discounts. In some states, Allstate auto customers who meet certain criteria, such as homeownership and having multiple vehicles on their policy, can lower their premiums by enrolling in electronic billing. In 2012, Allstate will begin offering a discount which will give customers a financial incentive to enroll in a program to receive documents electronically.

According to the U.S. Postal Service estimate of lifecycle GHG emissions of first-class mail, each piece of mail generates 87 grams of GHG emissions. Using this methodology, this program avoided 3,000 metric tons of GHG in 2010. The majority of these avoided emissions are related to the manufacture of pulp and paper. The estimate is based on emissions intensities from the following report: "The Environmental Impacts of the Mail: Initial Life Cycle Inventory Model and Analysis, Environmental Policy and Programs, U.S. Postal Service, Washington, DC June 2008."

Finally, Allstate created a cross-functional Environmental Leadership Team, composed of officers and senior staff from all areas of the enterprise. This team helps guide environmental efforts from an enterprise wide perspective, build alignment and create momentum for Allstate's heightened sustainability efforts and identify opportunities associated with environmental responsibility and climate.

2. 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?

Allstate does not have a stand-alone climate change policy with respect to risk management and investment management. However, Allstate is engaged in an ongoing evaluation of climate change and natural catastrophes as it relates to Allstate's future risk exposure and America's ability to prepare for and manage these catastrophe related risks moving forward.

Allstate monitors all significant enterprise risks and opportunities, including those related to climate change, on a regular basis, with fluid risk identification processes to reflect a continuously shifting external and internal risk environment. Business area risk owners identify risks and opportunities throughout the year. Allstate monitors significant risk exposures in comparison to enterprise action plan targets quarterly through a comprehensive Enterprise Risk & Return report prepared for the Enterprise Risk & Return Council and the Audit Committee of the Board of Directors. This report captures potential risks related to climate such as catastrophic weather events and other factors such as auto and homeowner insurance claim frequencies and severities, business continuity and disaster recovery planning, and investment concentration. Regulatory, customer behavior changes, reputational, and weather-related risks and opportunities are considered. Financial modeling, scenario testing and management judgment are used to assess the significance of risks and opportunities including materiality.

Risks and opportunities are assessed at an enterprise or business unit level rather than an asset or localized level.

Allstate also created a cross-functional Environmental Leadership Committee, composed of officers and senior staff from all areas of the enterprise. The committee meets on a quarterly basis to guide environmental efforts from an enterprise-wide perspective, build alignment, create momentum for Allstate's heightened sustainability efforts, and identify opportunities associated with environmental responsibility and climate change.

On an annual basis, Allstate's Environmental Leadership Committee completes a review of Allstate's operations, stakeholder expectations, and competitive actions in this space to identify internal opportunities related to climate change. The Committee considers potential opportunities related to: employee engagement, current and future regulation, improved operational efficiencies, and customer and consumer expectations.

Allstate's Vice President of Public Social Responsibility, who leads the Environmental Leadership Committee, reports to the senior leadership team on the efforts and assessments of the Committee.

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

   CDP: **Risks and Opportunities** Questions 1-3

By responding to the Insurer Climate Risk Disclosure Survey, Allstate is not endorsing, rejecting or expressing any opinion with respect to any particular scientific pronouncement about climate change/global warming. Further, since climate is one potential variable among a mix of complicated and evolving interrelated factors, an assessment of risk in this area is by its very nature speculative.

Allstate monitors all significant enterprise risks and opportunities on a regular basis, with fluid risk identification processes, both formal and informal, to reflect a continuously shifting external and internal risk environment. Risks and opportunities are identified routinely throughout the year by business area risk owners. Our Enterprise Risk & Return Management processes identify potential risks that could significantly impact Allstate.

Allstate monitors key risks and opportunities through the quarterly comprehensive Enterprise Risk & Return report, which is reviewed with the Enterprise Risk & Return Council, the Audit Committee of Allstate's Board of Directors and the Board of Directors. Financial modeling, scenario testing and management judgment are used to assess significance of risks and opportunities. Some of the areas where risks and opportunities affected by climate may arise include catastrophic weather events, auto and homeowner insurance claim frequencies and severities and business continuity and disaster recovery planning.

4. 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.

   CDP: **Risks and Opportunities** Questions 1-3

Climate change, to the extent it produces rising temperatures and changes in weather patterns, could impact the frequency or severity of weather events and wildfires, the affordability and availability of homeowners insurance, and the results of our Allstate Protection segment.

Allstate is the largest publicly held personal lines property and casualty insurer in America providing insurance products to approximately 16 million households. The physical impacts of changing climate conditions such as catastrophic events may adversely affect our financial condition, profitability, or cash flows. Catastrophes can be caused by various natural and man-made disasters, including earthquakes, volcanoes, wildfires, tornadoes, hurricanes, tropical storms, and certain types of terrorism.

To the extent that climate change impacts mortality rates and those changes do not match our long-term mortality assumptions in our product pricing, our Allstate Financial segment (life/retirement products) would be impacted. To the extent that climate change impacts valuation of commercial real estate properties or municipalities we invest in, our Investment results would be impacted.

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.

As an insurance and financial services provider, the physical risks to our business operations are relatively low and deal mainly with the infrastructure of our business centers and the possible disruption of service to our customers. Allstate maintains robust business continuity and disaster recovery plans, which we review and update regularly, in order to minimize these risks. We have data centers, call centers and claims offices located throughout the country, and we have the ability to automatically re-route customers to unaffected offices. Additionally, Allstate maintains a small fleet of mobile response units, which allows us to reach our customers and process claims in the immediate aftermath of a catastrophe, even in the hardest hit areas

5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.

   CDP: **Risks and Opportunities** Question 3: "Other Risks", Question 6: "Other Opportunities"

Our Investment control structure includes Board approved investment policies, guidelines and operating procedures, with a comprehensive daily monitoring system. Allstate monitors its geographic concentration, with commercial mortgage loan limits on geographic concentration in any one metropolitan statistical area. Allstate's mortgage loans are collateralized by a variety of commercial real estate property types located throughout the United States. Substantially all of the commercial mortgage loans are non-recourse to the borrower. As of December 31, 2011, the principal geographic distribution of commercial real estate was California (22.6%), Illinois (9.1%), New Jersey (6.5%), Texas (6.2%), New York (5.8%), and Pennsylvania (5.3%). No other state represented more than 5% of the commercial mortgage loan portfolio as of December 31, 2011. As of December 31, 2011, the principal geographic distribution of Allstate's diversified municipal bond portfolio included California (10.4%), Texas (7.7%), Florida (5.9%) and New York (5.3%). No other state represented more than 5% of the municipal bond portfolio as of December 31, 2011.

Our Investment team also invests in green technology as part of its normal course of investing, including municipal utilities that have mandates regarding greenhouse gases. Allstate's investment portfolio includes debt investments in wind, hydro, solar and geothermal projects.

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

   CDP: **Risks and Opportunities** Questions 4-6

Allstate encourages policyholders to take actions to reduce the losses caused by events that could be influenced by climate. In the homeowners' line, Allstate offers underwriting incentives designed to encourage improved resistance to hurricane damage. In many areas, we offer lower rates for homes constructed under more modern and stringent building codes and for homes retrofitted with improvements designed to better withstand hurricane force winds. Allstate continues to examine actuarial data to identify any situations where lower greenhouse gas emissions and lower risk may converge. In addition, Allstate pursues environmentally friendly and convenient options such as paperless billing for our customers.

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

   CDP: **Governance** Question 24, 26, 27

Allstate believes America needs to be better prepared for and protected from growing natural catastrophe risk. Climate change, to the extent it produces changes in weather patterns, could impact the frequency or severity of weather events. Preparing and protecting America from catastrophe is larger than Allstate and even larger than the insurance industry. That's why Allstate is a founding member of a coalition called ProtectingAmerica.org, which encourages collaboration between local, state and federal governments, consumers and the private sector. Since 2005, ProtectingAmerica.org has been working to advance a comprehensive, integrated solution to deal more effectively and efficiently with mega-catastrophes.

The ProtectingAmerica.org coalition is working to:

- Improve financial protection for consumers by establishing special catastrophe backstops at the state and national level to provide recovery and rebuilding funds in case of a major natural catastrophe;
- Support efforts to improve prevention and mitigation programs through stronger building codes;
- Augment homeowner education and consumer protections to make sure people are better prepared for catastrophes before they strike;
- Strengthen first responders by enhancing existing emergency response protocols; and
- Improve relief, recovery and rebuilding by developing new processes to stage and deploy essential relief materials and to make sure there are adequate building materials, supplies and licensed contractors available in the aftermath of a catastrophe.

In order to achieve these goals, the coalition takes the following actions:

- Raise awareness;
- Educate the public and policymakers; and
- Offer solutions that will better prepare and protect consumers, taxpayers & the American economy from major catastrophes in a sensible, cost-effective fashion, including stronger building codes and sensible land use policies to reduce the impact of catastrophes.

Since its formation, ProtectingAmerica.org has achieved several important milestones in which Allstate has played a key role, including:

- Building a coalition consisting of more than 350 member organizations, including emergency management officials, first responders, catastrophe relief experts, large and small businesses, nonprofit organizations and insurers;
- Raising awareness, supplying information to hundreds of media outlets and other public information sources;
- Educating policymakers across the country;
- Appearing before numerous legislative and related committees at the state and national levels; and
- Helping to craft and advance specific legislative proposals that will advance this cause.

Additionally, a senior member of Allstate's law and regulation department serves as national director of ProtectingAmerica.org, working with the National Co-Chair of the coalition, James Lee Witt, Former Director, Federal Emergency Management Agency, and Admiral James M. Loy, Former Deputy Secretary, Department of Homeland Security and Commandant of the United States Coast Guard (retired).

In addition, Allstate is actively engaged with a variety of environmental and corporate social responsibility organizations and groups. Allstate has been a corporate member of the nonprofit organization Ceres since 2010. Ceres leads a national coalition of investors, environmental organizations and other public interest groups that work with corporations on issues of sustainability and accountability. We are also members or participants in the following projects and programs:

- Business for Social Responsibility
- Business Roundtable Climate RESOLVE
- Carbon Disclosure Project
- Chicago Climate Change Task Force

Finally, information related to climate change is included in the following public documents:

- Allstate's annual response to the Carbon Disclosure Project (CDP) can be found at the CDP website: https://www.cdproject.net/en-US/Results/Pages/responses.aspx and search for "Allstate".
- Allstate's Annual Report: Notice of 2012 Annual Meeting Proxy Statement & 2011 Annual Report available at http://www.allstate.com/about/annual-report.aspx. Under the heading of "Risks Factors," Allstate's potential for significant losses from catastrophes and severe weather events, as well as climate change, are listed.
- Social Responsibility Report: 2010 Report and companion Web site can be found at http://www.allstate.com/social-responsibility/main.aspx.
- Environmental Policy: Our complete environmental policy can be viewed at www.allstate.com/environment, including a section on addressing climate change at http://www.allstate.com/social-responsibility/environment/climate-change.aspx.

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

CDP**: Risks and Opportunities** Questions 1-3

We continue to manage our property catastrophe exposure in order to provide our shareholders an acceptable return on the risks assumed in our property business and to reduce the variability of our earnings, while providing protection to our customers.

As of December 31, 2011, we continue to be within our goal to have no more than a 1% likelihood of exceeding annual aggregate catastrophe losses by $2 billion, net of reinsurance, from hurricanes and earthquakes, based on modeled assumptions and applications currently available. The use of different assumptions and updates to industry models could materially change the projected loss.

Property catastrophe exposure management includes purchasing reinsurance to provide coverage for known exposure to hurricanes, earthquakes, wildfires, fires following earthquakes and other catastrophes. We are also working for changes in the regulatory environment, including recognizing the need for better catastrophe preparedness, improving appropriate risk based pricing and promoting the creation of government sponsored, privately funded solutions for mega-catastrophes that will make insurance more available and affordable. We have also taken actions to reduce the catastrophe exposure in our property business and also consider their impact on our ability to market our auto lines.

In addition, we closely follow ongoing scientific and hurricane modeling research through regular discussions with premiere hurricane modelers. We examine the prevailing scientific thought about how climate change might be expected to impact the frequency and severity of future hurricanes.

While these actions can mitigate potential risks related to catastrophe exposure, the timing of catastrophes is largely unpredictable.

Appendix 8: Health Net Life Insurance Company Report

Among the companies that stated that climate change poses no risks to their businesses, Health Net Life's response was common. It provided little detail beyond its response that there is no risk.

For Reporting Year 2011 Company Name:	**Health Net Life Insurance Company**		
NAIC No.:	66141	**Group No.:**	0623
Nationwide Direct Premiums Written:	1,986,118,835		
Survey Questions			**Comparable Carbon Disclosure Project Questions**
1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize. **Answer** No. 99% of all Health Net facilities are under a gross lease structure wherein our Landlord's completely control the emission producing equipment and operations. We support the reduction of emissions in requesting the Landlord institute plans and programs for reducing emission output, but we have no legal rights. We do have recycling programs in all our facilities and 100% of our annual document and electronic media destruction materials are recycled.			Performance Question 21
2. 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? **Answer** We do not have a climate change policy with respect to investment management. Investment risk is generally managed through portfolio diversification.			
3. Describe your company's process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications. **Answer** Health Net has both Business Continuity and Disaster Recovery departments that are responsible for assessing the operational risks within the geographic locations of all our critical facilities. The risk assessment for climate change is included in our Threat and Risk Assessment study, which is performed every 5 years (last assessment was performed in 2008), unless material changes in the environment or social climate occur, requiring an "interim" assessment to be performed. In our 2008 assessment, climate change-related risks were not determined to have any materially negative impact, from either an operational or financial perspective, to any of our critical facilities and there have not been any location condition changes			Risks and Opportunities Questions 1-3

at any of our critical facilities to warrant an interim assessment prior to scheduled one in 2013, at this time.	
4. 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	Risks and Opportunities Questions 1-3
areas affected by these risks. **Answer** None. As noted in the bullet response directly above this one, the Threat & Risk Assessment Health Net performed in 2008 did not identify climate change as a material risk to any of our critical facilities and conditions have not changed to this point, to cause us the need to include climate change as a risk.	
5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken. **Answer** The company continually monitors the investment portfolio and regularly reviews exposure to financial and secular risks both internally and with its outside investment managers. Climate change did not have a noticeable impact on the portfolio in 2011. The company did not alter its investment strategy in 2011 in response to climate change considerations.	Risks and Opportunities Question 3: "Other Risks" Question 6: "Other Opportunities"
6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events. **Answer** The company encourages employees and policyholders to obtain electronic explanation of benefits in order to reduce the amount of paper used.	Risks and Opportunities Questions 4-6
7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change. **Answer** No other comments other than what was disclosed elsewhere in this survey.	Governance Questions 24, 26, 27

8. Describe actions your company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling. **Answer** Health Net will continue to perform Threat & Risk Assessments and if it is determined that climate change poses a threat to the company from either an operational or financial perspective, we will act accordingly. We do not currently use computer modeling.	Risks and Opportunities Questions 1-3

Appendix 9: Excerpts From Aetna Life Insurance Company Report
Aetna provided a particularly thorough response, and is also noted for its response in question 1 that setting emissions targets is not practical.

ATTACHMENT A

RESPONSE TO QUESTION 1

CDP 2012 Question 3.1 - Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year? No
CDP 2012 Question 3.1(e) - Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years.

Given the evolving regulatory environment, variability in energy costs, the evolution of our business and the countries in which we operate, our company has not articulated specific numerical emissions targets. Rather, we have articulated a goal of enhancing awareness and implementation of environmentally sustainable practices inside and outside our company and reducing our carbon footprint. We honor our values in this regard by practicing what we preach, as evidenced by our responses to these survey questions.

CDP 2012 Question 3.3 - Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases) No
CDP 2012 Question 3.3(e) - If you do not have any emissions reduction initiatives, please explain why not.

Aetna has achieved certain emissions goals but as an indirect user of energy and other natural resources at many of our locations, Aetna cannot always quantify and provide a currency metric for each and every savings or action taken as requested by CDP's chart for this question. Aetna has provided the quantifiable metrics in answers to this survey in areas where we are absolutely certain of our answer. Please see our responses to other CDP survey questions.

ATTACHMENT B

RESPONSE TO QUESTION 2

CDP 2012 Question 2.1 - Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CDP 2012 Question 2.1a - Please provide further details

Aetna has many processes in place and organizational personnel tasked with identifying significant risks and/or opportunities from climate change and assessing the degree to which those changes can affect our business. Mr. Robert M. Mead, Senior Vice President and Head of Marketing, Product and Communications, is in charge of overseeing all of Aetna's environmental sustainability practices, public policy positions and company responses. Aetna's environmental initiatives run the gamut from changing our operating practices to reduce our company's carbon footprint to educating our employees, shareholders and other stakeholders on the importance of environmental sustainability and what Aetna is doing to foster those goals. At an operating level, as indicated in Aetna's responses to other questions contained in this survey, Aetna's Real Estate Services and Facilities Management department factors in environmental impacts when making office leasing or other office facility decisions. Aetna's Procurement department and information technology areas similarly consider environmental impacts and enhancing sustainability practices in its equipment leasing and purchasing activities. The risk/opportunity analysis of climate change is also incorporated into other areas of our company and its decision-making processes. For example, Aetna has a Business Continuity Office (BCO) whose sole purpose is to maintain continuity of services throughout a natural or other form of disaster, including disasters caused, directly or indirectly, by climate change. Aetna has also long maintained a crisis team, consisting of department heads (or their appointees) from across the Company, called the Corporate Event Response Team (CERT) which convenes to respond to various crisis events and to coordinate Aetna's response to those events. The CERT and BCO regularly perform drills and other exercises to ensure Aetna responds with maximum effectiveness in the face of any kind of crisis. If climate change leads to increased incidence of infectious disease, or any other natural disaster then Aetna, through its CERT and BCO teams, is well positioned to respond to the challenge. In addition, Aetna has a newly formed Sustainability Council made up of representatives of various departments and businesses throughout the company to help facilitate the flow of environmental risk/opportunity development information to senior management and establish an advisory group to help prioritize new ideas. Under the direction of Mr. Mead and others, our company has also created and distributed a number of communications materials informing our employees, shareholders, members and other stakeholders of our environmental initiatives. Aetna's role as an environmentally responsible corporate citizen committed to the health of our members, employees and communities in which we live and work means that assessing the risks and opportunities presented by climate change is a factor we keep constantly in mind when making business decisions.

CDP 2012 Question 5.1 - Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation

Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CDP 2012 Question 5.1a - Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Time-frame	Direct/ Indirect	Likelihood	Magnitude of impact
General environmental regulations, including planning	Aetna considers itself indirectly exposed to regulatory risks related to greenhouse gas emissions. As a U.S.-based insurance benefits corporation, Aetna does not produce products or services that lead directly to the emissions of substantial amounts of greenhouse gases or other pollutants.	Increased operational cost	Unknown	Indirect (Supply chain)	More likely than not	Low

CDP 2012 Question 5.1b - Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

Aetna considers itself indirectly exposed to regulatory risks related to greenhouse gas emissions. As a U.S.-based insurance benefits corporation, Aetna does not produce products or services that lead directly to the emissions of substantial amounts of greenhouse gases or other pollutants. Thus, any regulations addressing climate change will not directly impact our products and services. Rather, changes in environmental laws and regulations, whether inside and/or outside the U.S., are likely to impact Aetna's cost of doing business indirectly in the form of higher utility costs. Aetna leases the vast majority of its office locations and expects that any changes in governmental policy concerning climate change will likely impact power generation (i.e., utility) companies which can be expected to pass on those costs to commercial landlords and other property owners which, in turn, can be expected to pass on those costs to commercial tenants such as Aetna over time. At our corporate headquarters in Connecticut and in a few additional locations, Aetna does possess a modest amount of fuel burning equipment in order to handle power generation and business continuity needs in an emergency power outage situation. We purchase low sulfur fuel for this equipment and would expect that any laws or regulations regarding the use of, and emissions from, this fuel burning equipment would impact Aetna directly. However, based on past experience we would expect the activation and use of this fuel burning equipment to be an infrequent occurrence. The scarcity of wood and wood pulp products may impact Aetna in any new construction project it might in the future undertake and would also impact the cost of office supply products such as printer paper. Other raw materials may also become scarcer or more expensive in the future due to the energy cost associated with their manufacture (e.g., plastic). Those in our value chain will be similarly impacted through higher energy costs associated with their operations. Aetna's vendors and suppliers will face higher overhead costs in the form of energy use and, where relevant, the cost of manufacture of certain items, and will be forced to pass those costs on to Aetna and other customers. Aetna will be indirectly impacted by increased costs for our suppliers

and vendors. Aetna's vendors and suppliers will face higher overhead costs in the form of energy use and, where relevant, the cost of manufacture of certain items, and will be forced to pass those costs on to Aetna and other customers. Aetna will be indirectly impacted by increased costs for our suppliers and vendors.

CDP 2012 Question 5.1d - Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

As a U.S.-based insurance benefits corporation with an owned corporate headquarters in Connecticut and leased space throughout the U.S. and internationally, we consider our company to be exposed to physical risks. As a geographically diverse organization with workers located throughout the U.S. and several overseas locations, Aetna is exposed to the physical risks of climate change. The Intergovernmental Panel on Climate Change ("IPCC") describes an accelerating transition to a warmer globe marked by more extreme temperatures and extreme weather events (e.g., increases in the frequency and severity of cyclone and hurricane activity). Specifically, in light of these predictions, Aetna's offices in Florida and along the Gulf of Mexico and the Atlantic seaboard potentially may be impacted by increased hurricane activity. Aetna maintains these and other offices in support of our customers and to maintain a local market presence. Aetna already has plans in place to respond to emergencies and other potential physical risks. Our emergency and business continuity plans exist to ensure that Aetna is able to serve its customers without interruption regardless of natural or other disaster. Aetna continues to evaluate its office location decisions based on the needs and location of our customers, the cost of doing business at a given site and other variables including the possibility of an extreme weather event which may impact our operations in that location. Aetna, as well as many of its vendors, customers and suppliers in Aetna's value chain are located in geographically diverse locations that might be impacted by these risks. We consider our company as well as those in our value chain to be exposed to physical risks. As a geographically diverse organization with workers located throughout the U.S. and several overseas locations, Aetna is exposed to the physical risks of climate change. The Intergovernmental Panel on Climate Change ("IPCC") describes an accelerating transition to a warmer globe marked by more extreme temperatures and extreme weather events (e.g., increases in the frequency and severity of cyclone and hurricane activity). Specifically, in light of these predictions, Aetna's offices in Florida and along the Gulf of Mexico and the Atlantic seaboard potentially may be impacted by increased hurricane activity. Aetna maintains these and other offices in support of our customers and to maintain a local market presence. Aetna already has plans in place to respond to emergencies and other potential physical risks. Our emergency and business continuity plans exist to ensure that Aetna is able to serve its customers without interruption regardless of natural or other disaster. Aetna continues to evaluate its office location decisions based on the needs and location of our customers, the cost of doing business at a given site and other variables including the possibility of an extreme weather event which may impact our operations in that location. If Aetna and others in its value chain experience these kinds of events, then the cost of doing business is likely to increase for all.

CDP 2012 Question 5.1f - Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

We consider our company to be exposed to other risks. As an energy end-user, any restrictions upon or scarcity of certain fuel types can be expected to impact Aetna indirectly as an increase in utility and/or commercial rent costs. Aetna leases the vast majority of its office locations and would expect that any fuel scarcity or restrictions would be reflected in increased rental or utility costs. The scarcity of wood and wood pulp products may impact Aetna in any new construction project it might in the future undertake and would also impact the cost of office supply products such as printer paper. Other raw materials may also become scarcer or more expensive in the future due to the energy cost associated with their manufacture (e.g., plastic). Fortunately, Aetna has a history of environmentally sensitive programs that include an effective paper reduction campaign. Through the implementation of network based, multifunction copiers, Aetna has eliminated 250 single function printers and cancelled plans to acquire 150 high capacity printers. In addition to this net volume reduction of 400 devices, the newly deployed copiers are more energy efficient than their predecessors, consuming less electricity and using more environmentally friendly toner. The implementation of the new Xerox 5655 copiers is environmentally friendly, featuring power save with quick start-up, as well as compliance with RoHS (Restriction of Hazardous Substances) and Energy Star 2007 standards. In addition, Aetna has implemented long-standing power consumption reduction measures, and recycling programs for paper, cardboard, glass and plastic bottles, and fluorescent bulbs. Our comprehensive approach to reducing energy use reached a new milestone in 2010 – the first year for which we could report a drop in energy consumption at all of our largest facilities. Aetna saved 6.4 million kwh of power across the enterprise over a three-year period. Also, Aetna's use of environmentally friendly paper for the printing of marketing materials in 2010 helped save 283 tons of paper, equal to 1,979 trees; 878 million BTUs of energy; 225,041 lbs of greenhouse gases; 973,641 gallons of waste water; and 59,114 lbs of solid waste. In 2007, Aetna reinforced its commitment with the adoption of an environmental policy statement and by naming an Executive Sponsor to help drive environmental leadership, encourage proactive environmental thinking and a set of workable action steps throughout the company as described in Aetna's other responses to this survey.

CDP 2012 Question 5.1f - Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

We consider our company to be exposed to other risks. As an energy end-user, any restrictions upon or scarcity of certain fuel types can be expected to impact Aetna indirectly as an increase in utility and/or commercial rent costs. Aetna leases the vast majority of its office locations and would expect that any fuel scarcity or restrictions would be reflected in increased rental or utility costs. The scarcity of wood and wood pulp products may impact Aetna in any new construction project it might in the future undertake and would also impact the cost of office supply products such as printer paper. Other raw materials may also become scarcer or more expensive in the future due to the energy cost associated with their manufacture (e.g., plastic). Fortunately, Aetna has a history of environmentally sensitive programs that include an effective paper reduction campaign. Through the implementation of network based, multifunction copiers, Aetna has eliminated 250 single function printers and cancelled plans to acquire 150 high capacity printers. In addition to this net volume reduction of 400 devices, the newly deployed copiers are more energy efficient than their predecessors, consuming less electricity and using more environmentally friendly toner. The implementation of the new Xerox 5655 copiers is environmentally friendly, featuring power save with quick start-up, as well as compliance with RoHS (Restriction of Hazardous Substances) and Energy Star 2007 standards. In addition, Aetna has implemented long-standing power consumption reduction measures, and recycling programs for paper, cardboard, glass and plastic bottles, and fluorescent bulbs. Our comprehensive approach to reducing energy use reached a new milestone in 2010 – the first year for which we could report a drop in energy consumption at all of our largest facilities. Aetna saved 6.4 million kwh of power across the enterprise over a three-year period. Also, Aetna's use of environmentally friendly paper for the printing of marketing materials in 2010 helped save 283 tons of paper, equal to 1,979 trees; 878 million BTUs of energy; 225,041 lbs of greenhouse gases; 973,641 gallons of waste water; and 59,114 lbs of solid waste. In 2007, Aetna reinforced its commitment with the adoption of an environmental policy statement and by naming an Executive Sponsor to help drive environmental leadership, encourage proactive environmental thinking and a set of workable action steps throughout the company as described in Aetna's other responses to this survey.

ATTACHMENT E

RESPONSE TO QUESTION 5

CDP 2012 Question 6.1g - Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

Regulatory requirements do not present opportunities for our company. Aetna does not perceive opportunities for itself or its customers in any global warming scenario. Global warming may lead to an increase in and spread of certain infectious diseases as well as the possibility of increased asthma and cancer rates. The World Health Organization suggests that certain infectious diseases and other maladies, such as asthma, may increase but has not been able to quantify direct links. See Field, C.B., L.D. Mortsch, M. Brklacich, D.L. Forbes, P. Kovacs, J.A. Patz, S.W. Running and M.J. Scott, 2007 North: North America. Climate Change 2007: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, M.L. Parry, O.F. Canziani, J.P. Palutikof, P.J. van der Linden and C.E. Hanson, Eds., Cambridge University Press, Cambridge, UK, 617-652. As such, Aetna cannot reasonably forecast future opportunities. We do not view global warming, or any aspect of global warming, as an opportunity.

CDP 2012 Question 6.1h - Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

Physical impacts of climate change do not present opportunities for our company. Aetna does not perceive any physical opportunities for itself or its customers in any global warming scenario. Global warming may lead to sicker populations and an increase in the prevalence and spread of infectious diseases as well as the possibility of increasing asthma and cancer rates. These do not represent opportunities for Aetna, its customers or its members. Global warming will only lead to higher health care costs for everyone.

Appendix 10: MetLife Insurance Company report
MetLife's report is an example of common survey responses.

NAIC 2011 Insurer Climate Risk Disclosure Survey

MetLife, Inc. and consolidated subsidiaries

MetLife, Inc. and its consolidated subsidiaries expressly disclaim any responsibility for the accuracy of forward-looking information contained in the responses provided to the questions set forth below. See "Note Regarding Forward-Looking Information" below. These responses are provided only on the condition that any person who makes use of such information waives any claim under any theory of law based on the inaccuracy of such information.

1. **Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.**

   Yes. MetLife, Inc. and its consolidated subsidiaries (collectively, "MetLife" or the "company") set a goal to reduce its indirect carbon emissions by 20% by 2010 (based on the 2005 baseline year) at all its owned and managed U.S. facilities. This goal was met and exceeded by the end of 2009. As of the end of 2011, MetLife achieved a 60% reduction relative to the original 2005 baseline. In addition, MetLife's Troy, N.Y. data center reached carbon neutrality for its indirect electricity consumption in 2009. [1]

   Throughout the enterprise, MetLife continues to embrace its role as a responsible corporate citizen through an effective energy management policy, investments in renewable energy projects and integrating energy efficient practices throughout its operations.

2. **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?**

   MetLife has considered the climate change policy issue since 1997. Climate risk is one of many risks considered in the application of the company's general policy on managing investment risk. We believe the company's investment portfolio remains sound with respect to such potential risk and continue to monitor developments regarding climate change.

   To mitigate hurricane risk, we mandate the use of high hurricane wind deductibles on homeowners' insurance policies in coastal areas. In addition, we purchase reinsurance coverage to protect our financial position should a large catastrophe event occur.

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

   As a company, MetLife has strong risk management programs and procedures built into its businesses to evaluate and mitigate various types of risk. As an enterprise, MetLife does not consider itself to be materially exposed to significant risks associated with climate change. In addition to the response to questions 1 and 2,

[1] Unless otherwise indicated, the information herein is being provided with respect to MetLife, Inc., a Delaware corporation, and its consolidated subsidiaries (collectively, "MetLife"). "MetLife Auto and Home" refers to Metropolitan Property and Casualty Insurance Company, a Rhode Island insurance company, and its subsidiaries engaged in the property and casualty insurance business.

the company's efforts to date for addressing climate change issues include making a number of energy efficiency improvements in its owned and operated offices.

MetLife has identified and acted upon attractive investment opportunities related to investments in wind, solar and geothermal projects. The company continues to evaluate opportunities to invest in wind farms and solar energy as advances in technology make these alternative energy sources attractive investments.

4. **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.**

   Subject to the paragraph below, we do not consider our company to be materially exposed to regulatory or other risks posed by climate change. We do consider our company to be exposed to physical risks, however. Climate change risks exist for both Metlife's domestic and global insurance operations and businesses. MetLife has internal policies and procedures to foresee, manage and mitigate natural events impacting its global operations.

   MetLife, Inc. is a holding company which, through its subsidiaries and affiliates, offers life insurance, annuities, auto and homeowners insurance, and other financial services to individuals, as well as group insurance and retirement and savings products and services to corporations and other institutions. MetLife's auto & home insurance business was the source of about 7% of the company's 2011 premiums, fees and other revenues. MetLife recognizes that there are certain risks associated with changing climate conditions and their potential impact on this business. Potential risks that could have an impact on the company can be found in the Risk Factors section on page 56 of MetLife, Inc.'s Form10-K for 2011.

5. **Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.**

   As stated above, MetLife has reviewed the impact of climate change on its investment portfolio and believes the portfolio remains sound with respect to such potential risk. The impact of climate change is one of the many risks that are considered in investment decisions and we continue to monitor developments regarding climate change.

   MetLife recognizes the importance of investing in renewable energy ventures that have a positive impact on the environment. MetLife currently has over $2.5 billion invested in renewable energy projects and evaluates opportunities to invest as advances in technology make these alternative energy sources attractive investments.

   MetLife Real Estate Investments (REI) has a broad based sustainability strategy covering MetLife's existing real estate equity portfolio, new development projects, mortgage investments and real estate funds. REI's strategy centers on the EPA's Energy Star program and U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) standards. REI has equity stakes in 23 LEED certified properties with a market value of $2.9 billion (as of 12/31/11).

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

   MetLife Auto and Home offers homeowner premium discounts to policyholders who implement mitigation measures such as installing storm shutters and storm resistant glass on their homes.

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

The Governance and Corporate Responsibility Committee of the MetLife, Inc. Board of Directors reviews the company's activities and initiatives related to sustainability and environmental issues. Also, the company communicates, on an ongoing basis, with both its employees and the general public about its sustainability and environmental efforts, as well as its real estate and renewable energy investment projects and its philanthropic support of environmental programs through MetLife Foundation.

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

MetLife Auto and Home runs probabilistic hurricane computer models to help determine its probable maximum losses for various return periods. The results of these computer models are used to guide the company in the purchase of catastrophe reinsurance protection.

Appendix 11: Mercury Casualty Company report

Mercury's report is an example of a particularly lacking response.

INSURER CLIMATE RISK SURVEY
For Reporting Year 2011

Company Name:	**Mercury Casualty Company**		
NAIC No.:	**11908**	**Group No.:**	0660
Nationwide Direct Premiums Written:		$697,543,968	

<u>**Survey Questions**</u>	**Comparable Carbon Disclosure <u>Project Questions</u>**
1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize. <u>Answer</u>: No	Performance Question 21
2. 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? <u>Answer</u>: The only climate change risk that Mercury Insurance Group considers currently has to do with hurricane frequency. Because of the predicted increase in hurricane frequency, Mercury is taking numerous steps to monitor, control or even reduce exposure to catastrophic losses caused by hurricanes. Mercury is also exiting the homeowners insurance market in Florida. The company does not have an investment climate change policy.	
3. Describe your company's process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications. <u>Answer</u>: None	Risks and Opportunities Questions 1-3
4. 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. <u>Answer</u>: The main climate change risk that Mercury Insurance Group faces has to do with hurricanes and property losses caused by those hurricanes. There is a predication of increasing hurricane frequency and severity that would be caused by climate change. For Mercury, this exposure to loss is greatest in Florida, with lesser exposures in Texas, Georgia, Virginia, New Jersey, Pennsylvania and New York. A catastrophic hurricane would affect Mercury in several ways. First, Mercury could have exceptionally high demands on the claims staff. Next Mercury could experience a severe drain on capital. Third,	Risks and Opportunities Questions 1-3

Mercury might have to sell investment assets to generate cash at a time when the value of those assets is depressed. As previously mentioned, Mercury is also exiting the homeowners insurance market in Florida.	
5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken. **Answer**: No. Climate change is not a risk consideration for evaluating investment risk.	Risks and Opportunities Question 3: "Other Risks" Question 6: "Other Opportunities"
6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events. **Answer**: There are two general principles in effect in all states that encourage policyholders to reduce losses from climate change influenced events. First, Mercury offers a number of credits for utilization of better building materials. Common examples would be credits for the installation of storm shutters or roofing material that offer superior wind resistance. Second, Mercury surcharges areas that are prone to weather related events thus encouraging home building in less risky locations.	Risks and Opportunities Questions 4-6
7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change. **Answer**: None	Governance Questions 24, 26, 27
8. Describe actions your company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling. **Answer**: Mercury Insurance Group models its exposure to catastrophic loss at least annually, using at least one computer model in order to get a better indication of exposure to catastrophic losses. Mercury monitors the accumulations of insured value by zip code, and Mercury shuts off new business, when permitted, in areas where insured value has surpassed Mercury's tolerance for loss. Mercury may even terminate policies in order to maintain a prudent exposure to catastrophic losses. This management of insured values is primarily focused on hurricane losses, and thus geographically, occurs in the coastal areas of the eastern United States. Florida is Mercury's most heavily managed state in this regard. As previously mentioned, Mercury is also exiting the homeowners insurance market in Florida.	Risks and Opportunities Questions 1-3