

California Department of Insurance

**INSURER CLIMATE RISK DISCLOSURE SURVEY  
For Calendar Year 2010**

**Due Date: May 1, 2011**

Company Name:	MERITPLAN INSURANCE COMPANY	Domiciled State:	CA
NAIC No.:	24821	NAIC Group No.:	1281
CA Direct Premiums Written	\$208,402,868	Nationwide Direct Premiums Written:	\$611,164,762

Survey Questions	Comparable CDP Questions
<p>1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.                      Answer: The company does not currently have a plan to reduce or mitigate its emissions in its operations or organizations.</p>	<p>Performance Question 21</p>
<p>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: The company does not have a specific climate change policy. The company partners with vendors using their licensed models that provide us with analysis that help us assess natural catastrophes. Those models reflect current climate conditions.</p>	
<p>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: The company benchmarks natural catastrophe models which are run routinely to help us assess impact on our business, specifically regarding increased volume of losses associated with claims from natural disasters, such as hurricanes, wildfires, and other severe weather related events.</p>	<p>Risks and Opportunities Questions 1-3</p>
<p>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.                      Answer: Climate change could potentially create an environment in which the company experiences more severe weather related events than have been historically experienced, particularly among the Atlantic coastal states most susceptible to hurricanes.</p>	<p>Risks and Opportunities Questions 1-3</p>

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<p>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.</p> <p><u>Answer:</u> The issue of climate change is taken into consideration by our Investment Manager's economists and strategists the same way that other macro issues (interest rates, currency movements, political developments, terrorism, etc.) are considered in developing their investment views. However, there are no specific sectors, industries, or companies where investments were either targeted or avoided based solely upon the issue of climate change,</p>	<p>Risks and Opportunities Question 3: "Other Risks" Question 6: "Other Opportunities"</p>
<p>6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events.</p> <p><u>Answer:</u> The company offers discounts or lower deductibles to policyholders in hurricane prone states when steps have been taken to reduce losses to property, such as by applying storm shutters and/or anchored roofs as examples.</p>	<p>Risks and Opportunities Questions 4-6</p>
<p>7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change.</p> <p><u>Answer:</u> The company's associates periodically attend risk management vendor sponsored conferences which include the topic of climate change and participate in regular conversations with vendors.</p>	<p>Governance Questions 24, 26, 27</p>
<p>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.</p> <p><u>Answer:</u> The company models our exposure to hurricane losses on a monthly basis in U.S. includes all Atlantic states subject to hurricanes. In addition to the historical modeling event set that represents the risk level for next three to five years. Also use models to assess exposure to earthquake and severe weather including tornado and hail storms. Also model exposure to Wildfire risk in California. Understand very clearly our exposure to natural and severe weather, and how these conditions evolve with climate change, looking at 3-5 years.</p>	<p>Risks and Opportunities Questions 1-3</p>