

California Department of Insurance

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

Due May 1, 2011

Company Name:		BALBOA LIFE INSURANCE COMPANY			
NAIC No.	68160	NAIC Group No.	1281	Domiciled State	CA
CA Direct Premiums Written	\$2,291,615	Nationwide Direct Premiums Written	\$16,239,008		

Survey Questions	Comparable CDP Questions
1. Does the company have a plan to assess, reduce or mitigate its emissions 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.	

Survey Questions	Comparable CDP Questions
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?	Performance Question 21
Answer: The company does not have a specific climate change policy. The company panners \\itb vendors usrng their licensed models that provde us with analysis that help us assess natural catastrophes. Those models rfiecl.. cunent climate conditions.	

Survey Questions	Comparable CDP Questions
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
Answer: The company licenses natural catastrophe models \\11.rhich are nm routinely to help us assess impact to our business, specifically regarding increased volume of losses associated wifh claims ffrom natural disasters, such as hurricanes, \\Vildfires, and other severe .:veathcr related events.	

Survey Questions	Comparable CDP Questions
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
Answer: Cfonatc change could potentia!ly create an environment which the company cpenenccR more severe weather related events than have bcn historically experienced., particularly among the itlantic coastal states most susceptible to hmTicanes,	

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Survey Questions	Comparable CDP Questions
<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>Risks and Opportunities Question 3: "Other Risks" Question 6: "Other Opportunities"</p>
<p>Answer: 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 are either targeted or avoided based solely upon the issue of climate change.</p>	
Survey Questions	Comparable CDP Questions
<p>6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change- influenced events.</p>	<p>Risks and Opportunities Question 3: "Other Risks" Question 6: "Other Opportunities"</p>
<p>Answer: The company offers discounts or 10% of deductibles to policyholders in hurricane prone states; then steps have been taken to reduce losses to property, such as by applying storm shutters and/or anchored roofs as examples.</p>	
Survey Questions	Comparable CDP Questions
<p>7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change.</p>	<p>Governance Questions 24, 26, 27</p>
<p>Answer: 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>	
Survey Questions	Comparable CDP Questions
<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>Risks and Opportunities Questions 1-3</p>
<p>Answer: The company models our exposure to hurricane losses on a monthly basis in U.S. Includes a Hurricane states subject to hurricanes in addition with Hawaii, Near term 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 storm. Also model exposure to Wild fire risk in California. Understand very clearly our exposure to natural and severe weather, including, in general terms, the use of computer modeling, looking at 3-5 Year info.</p>	