

Principles for Sustainable Insurance – Annual Disclosure 2017

In 2014, TD became the second Canadian-based signatory to the United Nations Environment Program Finance Initiative's Principles for Sustainable Insurance (UNEP FI-PSI). UNEP FI-PSI serves as the global framework for insurance companies to better manage environmental, social and governance risks (as well as opportunities) in their core business strategies and operations.

This document outlines the actions TD has taken to demonstrate its progress in implementing the Principles for Sustainable Insurance.

Principle 1: We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

Company strategy

In 2017, TD Insurance (TDI) continued to build its understanding of the potential impact of a changing climate on our insurance business and identify opportunities for enhancing risk management, underwriting practices and customer protection. As well, TDI continues to seek out opportunities within our business, to support low carbon economy solutions.

Risk management and underwriting

TDI's underwriting criteria includes:

- A requirement for customers to install sewer back-up valves following a claim in order to continue coverage
- Strict criteria for oil tanks

Product and service development & claims management

Hybrid and electric vehicle insurance discounts	TDI has offered discounts on insurance for hybrid vehicles in Canada since 2008. In 2011 the program was extended to electric vehicles.
Solar panel insurance	Insurance on solar panels is included in TDI's mainstream insurance offerings.
Rebuild Stronger Pilot	As part of a claims prevention initiative, TDI ran a pilot to understand how best to implement recommendations from the Institute for Catastrophic Loss. In this pilot, a number of TDI customers, whose assets were damaged as a result of catastrophic events, were selected to have their assets rebuilt with stronger, more climate-resilient materials at no additional cost.
GreenCheck Pilot	TDI ran a pilot in preventative claims education for customers, specifically targeted at water damage prevention.
Mobile Response Units	TDI deployed Mobile Response Units (MRUs) to provide disaster relief to two cities experiencing catastrophic incidents related to climate change: Fort McMurray, in the wake of the massive wildfire in May, and Calgary, following the major hailstorm in late July. These vehicle based units provide easy and customer assistance in locations where catastrophic events (i.e., hail, flooding) have occurred. MRUs allow for on-site face-to-face assistance and immediate, on-the-spot assessment of damages.
My Insurance self-service tool	Online portal for customers to view their documents, reducing waste by eliminating the need for paper documents.
Resilience-related discount	Customers in the province of Alberta who choose stronger and longer-life-expectancy roofing materials to reduce damage from extreme weather events such as hailstorms, receive a discount on insurance.

Sales and marketing

TDI has implemented several advice initiatives on water damage prevention and earthquake coverage awareness.



Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Client, community, and supplier initiatives

Claims advice line	TDI provides preventative advice to customers as part of the Claims Advice Line, including advice on prevention related to damage from severe weather events.
Revitalization of High River Park, Alberta	TDI partnered with TD Friends of the Environment Foundation to bring to life an idea submitted by a TDI employee to help families/customers revitalize areas in High River, Alta., affected by the catastrophic floods of 2013.
Responsible Procurement	TDI participates in TD's broader responsible procurement process prior to selecting vendors. To learn more about responsible procurement at TD, please visit TD's Responsible Procurement Policy Summary.
Green Car Discount	TDI offers the Green Car Discount insurance program, an insurance discount for hybrid and electric vehicles. This offer is promoted at the Plug 'n Drive Electric Vehicle Discovery Center; a center enabling consumers to learn about and test drive electric vehicles.

Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

- TDI is engaged in the following government and industry initiatives to promote action on ESG issue:
- Atmospheric and Environmental Research (AER)
 - Member and sponsor of Alberta Severe Weather Management Society
 - Participation in industry associations such as the Insurance Bureau of Canada Natural Catastrophe Committee and Institute for Catastrophic Loss Reduction (ICLR)

Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

- TD discloses information related to its implementation of the Principles for Sustainable Insurance through the following channels:
- Annual Corporate Responsibility Report
 - Annual CDP response

