

**Member and Observer Comments on IAIS Draft paper:
Standard on enterprise risk management for solvency purposes
Draft, 26 February 2010**

Comments due by 30 April 2010

Name	Section or paragraph reference	Comment	Resolution (for use of the Secretariat only)
GNAIE	Requirement 14	<p>ORSA</p> <p>While we believe that insurers should assess their own risk exposure, the term ORSA has become synonymous with a very specific form of this assessment as used in the UK. There are multiple components which comprise the elements which comprise such an assessment. We believe that prescribing only a specific model will limit the way in which an organization might appropriately measure risk. We would therefore suggest a generalizing of the wording so that the term ORSA describes a less specific procedure and focuses on the goals of the assessment..</p> <p>Our suggestions are to amend the standard as follows:</p> <p>the insurer regularly to perform <u>an assessment of its own risk and solvency assessment (ORSA)</u> to provide the board and senior management with an assessment of the adequacy of its risk management and current, and likely future, solvency position.</p>	
GNAIE	Requirement 15	<p>the insurer's board to be responsible for the <u>ORSA risk and solvency assessment.</u></p>	
GNAIE	Requirement 16	<p>the insurer's <u>ORSA to risk and solvency assessment</u> should encompass all reasonably foreseeable and relevant material risks including, as a minimum, underwriting, credit, market, operational and liquidity risks. The assessment is required to identify the relationship between risk management and the level and quality of financial resources needed and available.</p>	
	Requirement 17	<p>the insurer, as part of its <u>ORSA, risk and solvency assessment</u> should to determine the overall financial</p>	

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		resources it needs to manage its business given its own risk tolerance and business plans, and to demonstrate that supervisory requirements are met.	
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