

Own Risk Solvency Assessment Directives, 2023 (2079)

Date of Approval: 16th March 2023

Preamble: Whereas it is expedient to introduce a risk-based framework according to the international prudential and supervisory insurance best practice standards and perform Own Risk Solvency Assessment by setting up an economic requirement to be able to have where relevant Economic Available Capital Resources above the Risk-Based Capital and a good governance obligation of the insurer to assess on a regular basis its capital needs from the widest possible perspective taking into account of all risks.

In exercise of the power conferred by Section 166 of the Insurance Act, 2022 (2079), Nepal Insurance Authority has issued the following directions.

Chapter-1

Preliminary

1. **Short Title and Commencement:** (1) This Directive may be cited as the Own Risk Solvency Assessment Directives, 2023 (2079)'. The Own Risk Solvency Assessment may be cited as 'ORSA'.

(2) This Directive entries into force since its publication and according to the transitional provisions of Chapter 4 of this Directive.

2. **Scope:** (1) This Directive shall refer to the Own Risk Solvency Assessment of all insurers, micro-insurers and reinsurers licensed by Nepal Insurance Authority. References of this Directive to insurers shall apply to micro-insurers as well as reinsurers unless otherwise explicitly stated.

3. **Definitions:**

(a) 'Business model' means the compulsory document where the insurer describes how it intends to provide value to all its stakeholders. The business model shall specify at least:

- 1) the type of activities to carry out, the target market of customers and the intended position of the insurer in the market,
- 2) the way to develop the activities, including at least the appetite and tolerances for different types of risk,
- 3) the level and type of 'Economic Available Capital Resources' and its relationship with the 'Economic Capital Target',
- 4) the intended impact on all stakeholders, including the set of values to apply, regarding the economic, social and governance sustainability, and

- 5) the management of conflict of interests, including those regarding the remuneration policy.
- (b) ‘Economic Available Capital Resources’ means the capital resources considered for purposes of the business model and the ORSA process. It may differ from the ‘Available Capital Resources’ set up in the Risk Based Capital and Solvency Directive, 2022 (2078) provided the insurer is able to justify the relevance of the divergence and the prudence of the capital resources considered for the ORSA assessment. These justifications shall be included in the ORSA supervisory report.
- (c) ‘Economic Capital Target’ means the capital needs resulting from the ORSA assessment, therefore considering all possible risks as required in point 8, subparagraph (10) of the Risk Based Capital and Solvency Directive, 2022 (2078).

Chapter-2

Own Risk Solvency Assessment (ORSA)

4. Enterprise Risk Management for Solvency Purposes: (1) The risk management required to insurers in point 8, subparagraph (1) of the Risk Based Capital and Solvency Directive, 2022 (2078) shall at least:
 - (a) Identify all reasonably foreseeable and relevant material risks and risk interdependencies for risk and capital management,
 - (b) Quantify risk and risk interdependencies under a sufficiently wide range of techniques for risk and capital management, including the performance of stress testing to assess the resilience of its total balance sheet against economic stresses, and
 - (c) Reflect the relationship between the insurer’s risk appetite, risk limits and tolerances, the Risk Based Capital requirement, the ‘Economic Capital Target’ and processes and methods for monitoring risk.
5. Enterprise Risk Management and Own Risk Solvency Assessment: (1) The ORSA shall:
 - (a) support the risk management system by providing a forward-looking assessment, both quantitative and qualitative, of the current and future solvency position of the insurer under normal and unfavourable conditions considering all types of risks. This includes the analysis of the ability of the insurer to continue in business, and the risk management and the ‘Economic Available Capital Resources’ required to do so over a time horizon that may

be longer than that used to determine the Risk-Based Capital requirement. The ORSA assessment of the financial and solvency condition of the insurer does not replace the regulatory Risk-Based Capital requirement.

- (b) verify the consistency of the actual risk profile of the insurer with its business model,
- (c) contribute to the explicit consideration of the actual or emerging risks in the decision-making processes of the insurer,
- (d) contribute for a robust integration of risk identification, measurement, monitoring, management, and reporting of risks in the procedures of the insurer, and
- (e) contribute to enhance a widespread risk culture and risk management within all levels of the insurer.

(2) The ORSA process and its methodologies shall be tailored to the characteristics of the activities of each insurer.

(3) The overall governance and assessment of the ORSA cannot be outsourced. Where some limited components of the ORSA are outsourced, the insurer shall have at all moments full knowledge of the methodologies, assumptions and limitations of the data, methodologies, assumptions, and outcomes of the service provider.

6. Role of the Board of the insurer regarding the ORSA: (1) The Board of the insurer shall own the ORSA process and shall actively steer it, embedding the outcomes of the ORSA into the overall decision-making framework of the insurer.

(2) All the members of the Board of the insurer and of the Senior Management are directly responsible for implementing the ORSA and providing the conditions for its effective and efficient application in usual activities.

(3) For this purpose, the Board shall govern the insurer with both a short-term and medium-long term views and shall keep a sceptical and challenging approach about the information received on the ORSA.

(4) Regarding the ORSA the Board shall at the minimum:

- (a) appoint at least one member of the Board who has specific responsibility for the follow up of the ORSA by the Board, and appoint an ORSA operational owner,
- (b) allocate adequate resources of any nature for an effective and efficient implementation and regular operation of the ORSA, including the appropriate quality of the data used for the ORSA assessment,

- (c) assure that the files for decision of the Board include a section describing the interlink of each decision with the ORSA assessment and its relation and consistency with the risk appetite and risk tolerances contained in the business model and the ongoing strategic plan,
 - (d) assure that the Board assesses the economic, financial and solvency condition of the insurer considering both the regulatory Risk-Based Capital requirement and the own financial and solvency assessment derived from the ORSA,
 - (e) sign-off the ORSA Policy and its updates,
 - (f) set up appropriate communication channels from any level of the staff to the Board and to the ORSA operational owner, to report any material non-regular event or mis-functioning of the ORSA process.
 - (g) consider at least annually:
 - 1) the consistency of the ORSA assessment with the business model and the strategic plans,
 - 2) the use test of ORSA outcomes throughout all material decision-making levels of the insurer,
 - 3) the adherence of the activities and organisation of the insurer to contribute to the ORSA as laid down by the Board,
 - 4) the areas of improvement of the ORSA process, including both adaptations and lessons learnt from failures,
 - 5) the adequacy and appropriateness of the resources for the reliable operation of the ORSA process,
 - 6) the conclusions of the internal audit regarding the areas of the ORSA audited during the year.
7. Tasks of the ORSA operational owner regarding the ORSA: (1) The ORSA operational owner shall carry out its tasks regarding the usual operation of the ORSA with authority over the rest of the organisation.
- (2) The tasks of the ORSA operational owner regarding the ORSA shall be, at least:
- (a) to elaborate a comprehensive annual work plan of the ORSA, distinguishing between the regular actions and the one-year actions approved by the Board,
 - (b) to overview the ORSA assessment, a report on the consistency of the actual risk profile of the insurer with the risk appetite and risk

tolerances defined in the business model of the insurer, and the proposal for review of the ORSA policy, delivering all of them to the Board for its sign-off and steering,

- (c) to deliver for the Board's approval the regular ORSA supervisory report that the insurer is required to submit to Nepal Insurance Authority,
- (d) to ascertain that the ORSA outcomes are timely delivered to the relevant decision-making processes, according to the ORSA Policy and the ORSA reporting system,
- (e) to monitor that, as set out in the ORSA Policy and ORSA reporting system, the organisation of the insurer is providing complete reporting in a timely manner to the unit or units responsible for consolidating all elements that compose the ORSA assessment.
- (f) to monitor that the activities of the ORSA that have been outsourced meet continuously the relevant requirements,
- (g) to verify that the usual operation of the ORSA is adequately documented.
- (h) to check regularly the dashboard implemented to identify whether the risk profile of the insurer has materially changed and hence whether it is necessary to run a new ORSA process, update the ORSA assessment, review the ORSA policy and verify the consistency of the new risk profile with the risk appetite and risk tolerances defined in the business model.
- (i) to monitor that all assurance mechanisms of the ORSA are in place, having direct responsibility for verifying, at least, that the validations of the calculations underpinning the ORSA assessment are carried out by personnel (internal or external to the insurer) independent from those that made the calculations,
- (j) to lead the training activities regarding ORSA and the activities addressed to the organization to provide an appropriate knowledge of the functioning of the ORSA,
- (k) to deliver on annual basis to the Board the documentation necessary to make possible a well-informed review of the functioning of the ORSA process by the Board, including an explicit opinion of the ORSA operational owner on the quality of the data used for the ORSA assessment.
- (l) to deliver to the Board the proposals regarding the material mis-functioning of the ORSA process or flaws of the ORSA policy that the ORSA operational owner may be knowledgeable of.

8. Required documentation of the ORSA: (1) In operating the ORSA, insurers are required to develop appropriate documentation systems, which shall include, at least the following documents:
- (a) the ORSA Policy,
 - (b) a record of each ORSA assessment, with detailed description of the methodologies, assumptions and parameters applied for the valuation of assets without a reliable market price, the valuation of the technical reserves and the definition of the sensitivity analysis, stress tests and reverse stress tests applied,
 - (c) an internal ORSA report for approval of the Board of the insurer, which shall be produced at least every year and at any time when there are significant changes to the risk profile of the insurer,
 - (d) the regular ORSA supervisory report, which shall be submitted to Nepal Insurance Authority no later than eight months after the end of the financial year. The regular ORSA supervisory report shall be fully informative of all the material findings of the ORSA assessment, containing, at the minimum, the details provided in Annexure to this Directive.
9. Content of the ORSA Policy: (1) The Board of the insurer shall approve the ORSA Policy and shall monitor in ongoing basis its appropriateness. Insurers shall inform Nepal Insurance Authority of the approval or amendment of the ORSA Policy within one month from its adoption. In the case of amendments, the insurer shall provide an informative summary of the reasons for the amendment.
- (2) The ORSA Policy shall contain, at the minimum, the following components:
- (a) a description of how the ORSA process incorporates the business model and the strategic plan of the insurer, with special consideration of its risk appetite, risk tolerance limits, and the overall ‘Economic Available Capital Resources’ needed,
 - (b) the methodology and process to develop and keep updated the inventory of risks according to the activities of the insurer. The inventory shall also include an assessment of the materiality of each risk and detail the related management actions,
 - (c) a description of the roles and responsibilities of all those involved with the ORSA,
 - (d) the timing and frequency of the ORSA assessment and of the ORSA reports, including the triggers for an ad hoc ORSA,
 - (e) the actuarial, financial, or other scientific methodologies used in risk assessment, as well as the assumptions, parameters, and other

components necessary for such assessment. This item shall also include the requirements regarding data quality and the monitoring mechanisms to put in place for an earlier identification of the risks or unfavourable scenarios,

- (f) an inventory of all decision-making processes of the insurer where ORSA outcomes are required to be used. The main elements of the process shall be identified, such as at least owner, content, receiver and description of the use. This inventory shall include all decision-making processes that have or may have a material impact on the financial and solvency condition of the insurer,
- (g) a description of the different lines of reporting of the ORSA process,
- (h) the IT software and infrastructure where the ORSA process is executed and the relevant control systems,
- (i) in case some elements or activities related to the ORSA process are outsourced, a description of such elements and activities along with the relevant control procedures, and
- (j) any other information relevant to the ORSA process.

10. Regular operation of the ORSA: (1) Regarding the ORSA required in point 8, subparagraphs (9) and (10) of the Risk Based Capital and Solvency Directive, 2022 (2078), insurers shall at least:

- (a) Regularly perform the ORSA assessment of the adequacy of the risk management system and of the current and likely future solvency position of the insurer. The solvency position shall assess the ‘Economic Capital Target’, considering all reasonably foreseeable and relevant material risks under severe but plausible conditions and shall assess the ‘Economic Available Capital Resources’ considering the relationship between the risk management and the level and quality of those resources,
- (b) Approve and update an ORSA Policy appropriate to create within the insurer ongoing conditions for the reliable and timely execution of the ORSA assessment,
- (c) Develop and maintain an appropriate governance to assure the reliability and completeness of the ORSA assessment. This shall include at least the execution of the necessary regular procedures to operationalize the ORSA assessment, the adequate involvement of the internal control, the continuous consideration of the outcomes of the ORSA in the decision-making processes,

the action of the internal audit and timely and reliable internal and external reporting.

11. Elements of the ORSA assessment: (1) The ORSA assessment shall contain at least the following elements:

- (a) Based on the solvency balance sheet elaborated according to point 4 and Annexure II of the Risk Based Capital and Solvency Directive, 2022 (2078), an assessment of the current ‘Economic Available Capital Resources’ and the ‘Economic Capital Target’ in accordance with this Directive. This assessment shall include a breakdown of the ‘Economic Capital Target’ into the material risks the insurer is exposed to and the areas of activity where each risk stems from,
- (b) An assessment of the future solvency position of the insurer, considering the impact of sufficiently changing and plausible adverse events and scenarios,
- (c) An assessment of the capacity of the insurer to continuously comply with the Risk-Based Capital requirements,
- (d) The identification of the measures the insurer may adopt where relevant to comply with the Risk-Based Capital requirement and to maintain ‘Economic Available Capital Resources’ of appropriate quality and adequate amount considering the ‘Economic Capital Target’ assessed by the ORSA,
- (e) A quantitative and qualitative analysis of the overall risk-profile of the insurer and determination of whether its exposure to material risks is consistent with the risk appetite and risk tolerance contained in the business model, strategic plans, and policies.

12. Actions of the internal audit regarding the ORSA assessment, policy, and process:

(1) The internal audit shall include in its activities on sufficient regular basis, at the minimum, the following verifications regarding the ORSA:

- (a) the outcomes of the ORSA are, always, appropriately considered in the material decision-making processes of the insurer,
- (b) there is objective evidence of the approval by the Board of the insurer of the Own Risk Solvency Assessment and of its appropriate and adequate steering of the ORSA process,
- (c) the ORSA Policy is appropriate, complete, effectively implemented and signed by the Board,
- (d) there is an identification of the components of the ORSA process whose failure would lead to material risks or damages to the insurer or mislead material areas of the governance of the insurer.

(2) The internal audit shall submit to the Board at least annually a report on the adequacy and appropriateness of the resources of the internal audit regarding the performance of the ORSA process according to the ORSA Policy. The report shall also contain the proposal of the internal audit regarding the multi-year planning of the internal audit to cover all the material components of the ORSA process at least every three years.

13. Reporting regarding the ORSA: (1) The insurer shall implement and effectively run an ORSA reporting system adequate to:

- (a) transmit in a timely and appropriate manner all the information needed to run the ORSA process, both top-down and bottom-up,
- (b) cover the timely delivery of the outcomes of the ORSA process to support the decision-making of the insurer,
- (c) allow the assessment of the functioning of the ORSA and its potential areas of malfunctioning or improvement,
- (d) facilitate an appropriate level of knowledge about the ORSA functioning within the organization of the insurer, and
- (e) assure the timely and reliable disclosure of the relevant information about the ORSA to Nepal Insurance Authority and third parties with legitimate interests in understanding the business model of the insurer and its degree of performance.

(2) The ORSA reporting shall be consistent with the ORSA Policy and contain an inventory of the ORSA reports, describing to the necessary extent at least the content of each report, the producer and the sender, the addressee and the point in time or events that trigger the reporting.

Chapter-3

Supervision of the Own Risk Solvency Assessment (ORSA)

14. The supervision of the ORSA: (1) The supervision shall be carried out by Nepal Insurance Authority according to the following principles:

- (a) The scope of the supervision of the ORSA shall focus on:
 - 1) the adequate involvement of the Board and the Senior Management on the ORSA, including an adequate medium and long-term view and a sceptical and challenging approach,
 - 2) the fulfilment of the activities of the ORSA operational owner,
 - 3) the completeness and appropriateness of the ORSA Policy,

- 4) the existence of a good governance related to the ORSA,
 - 5) the appropriateness of the quantitative and qualitative assessment of the ORSA assessment considering the features of the insurer,
 - 6) the consistency of the current and foreseeable risk profile of the insurer with its business model and strategic plan,
 - 7) the use test of the outcomes of the ORSA process,
 - 8) the timely functioning of the ORSA reporting system,
 - 9) the effectiveness of the ORSA assurance, related to the internal audit of the ORSA, and
 - 10) the completeness, reliability, and informative value of the ORSA regulatory report.
- (b) the provisions of this Directive shall be applied in accordance with the proportionality principle.
 - (c) the insurer has complete freedom to organize its departments, business units and infrastructures provided that the implementation of a good governance, including the goals, deliverables, and features of the ORSA process, are achieved.
 - (d) the outcomes of the ORSA process shall not be systematically used to deliver a new legally binding capital requirement or an increase of the regulatory Risk-Based Capital requirement, and
 - (e) Nevertheless, where the insurer has not implemented the ORSA or its governance or functioning has material flaws, Nepal Insurance Authority shall apply appropriate remedial supervisory measures.

(2) Nepal Insurance Authority shall have access, on confidential basis, to any information regarding this scope, including the information considered by the Board and the Senior Management of the insurer.

15. Ladder of remedial supervisory measures regarding the ORSA: (1) Nepal Insurance Authority shall apply the following ladder of remedial supervisory measures where there are deficiencies on the governance or in the functioning of the ORSA of the insurer. These measures may be applied in isolation or in combination:

- (a) Recommendations of Nepal Insurance Authority, which may be addressed to an individual insurer or to the whole market. This supervisory measure is applicable where the Authority identifies improvements to the ORSA that do not require urgent action or that are at an earlier stage of development. The insurer receiving the recommendation shall report whether it applies the

recommendations, and where this is not the case, shall explain the reasons for not applying the recommendation of Nepal Insurance Authority.

- (b) Compulsory recommendations of Nepal Insurance Authority to the insurer for the achievement of certain outcomes or the production of certain deliverables within a given timeframe. This measure shall apply where the ORSA process has deficiencies that jointly considered may impede to fully achieve any of the outcomes of the ORSA or to produce with adequate quality any of its essential deliverables, and provided that those deficiencies do not put at risk in the short-term the protection of the interests of policy holders or jeopardize the financial and solvency condition of the insurer.
- (c) Requirement of a capital add-on to the regulatory Risk-Based Capital requirement. Nepal Insurance Authority shall consider the application of a capital add-on as a transitional measure to last only meanwhile the insurer adopt the relevant remedial actions. This measure shall be applicable at least
 - 1) where there is evidence that the overall quality of the ORSA process does not allow for a reliable assessment of the financial and solvency condition of the insurer according to the risk appetite and risk tolerances defined in the business model.
 - 2) where being reliable the ORSA process, their outcomes show that the actual risk-profile of the insurer is materially higher than the risk appetite and risk tolerances defined in the business model, and the insurer has failed in adopting the appropriate measures to recover the consistency among both, and
 - 3) where there are material deficiencies in critical components of the usual operation of process, such as the role of the Board, lack of the ORSA Policy or major deficiencies in its content, lack of assurance of the ORSA process, deficient overall reporting (either internal or external).
- (d) Prohibition to the insurer of certain or all business operations or activities. This supervisory action shall apply at least where the ORSA process is unable to deliver a robust and reliable assessment of risks with a material impact and/or there is evidence that those risks exceed the risk appetite and risk tolerances of the business model.

- (e) Withdraw of the license. Nepal Insurance Authority shall withdraw the license where the insurer lacks capacity to run the ORSA process and there is evidence that this puts at risk in the short-term the protection of the interests of policy holders.

Chapter-4

Transitional provisions

16. Transitional provisions for insurers, reinsurers and micro-insurers qualified as of material impact: (1) The requirement to implement the ORSA set out in the point 8 and the Annexure V of the Risk Based Capital and Solvency Directive, 2022 (2078), shall apply since the publication of this Directive and according to the transitional provisions of this point, to the insurers, reinsurers and micro-insurers qualified as of material impact.

(2) For the remaining insurers, the requirement to implement the ORSA shall not apply until a decision by Nepal Insurance Authority trigger such requirement.

(3) The qualification of an insurer as of material impact according to this point shall apply only for the purposes of the implementation of the ORSA. The qualification shall be carried out according to the following rules:

- (a) Life insurers shall be qualified as of material impact when its market share is above 5 percent of the gross technical provisions of the Nepalese life insurance market, according to the latest available information at the day of publication of this Directive, and in subsequent years by mid-Chaitra of each financial year to determine any new entities qualifying as material impact.
- (b) Non-life insurers shall be qualified as of material impact when its market share is above 7 percent of the gross written non-life premiums of the Nepalese non-life insurance market, according to the latest available information at the day of publication of this Directive, and in subsequent years by mid-Chaitra of each financial year to determine any new entities qualifying as material impact.
- (c) Nepal Insurance Authority may qualify other insurers as of material impact considering, on a case-by-case basis, the type of business, the complexity of risks and the impact on general or specific groups of population or economic sectors.
- (d) Reinsurers shall be qualified as of material impact in any case.
- (e) Insurers who are part of the joint venture, branch or subsidiaries of the foreign entities shall be qualified as of material impact.

(4) Once qualified as of material impact, an insurer shall not be disqualified, even if its market share decreases below the thresholds set out in this point.

(5) Insurers, reinsurers and micro-insurers qualified as of material impact shall:

- (a) within one month after the publication of this Directive, appoint at least one member of the Board of the insurer as specific

responsible of the Board roles regarding the ORSA assessment and process, and appoint an ORSA operational owner,

- (b) develop a gap analysis for the implementation of the ORSA, having in mind the legal provisions of the Risk Based Capital and Solvency Directive, 2022 (2078) and of this Directive and the content of any guideline or toolkit on the ORSA released by Nepal Insurance Authority. The ORSA gap analysis shall be approved by the Board of the insurer no later than four months after the publication of this Directive,
- (c) submit the gap analysis to Nepal Insurance Authority within fifteen days after its approval by the Board of the insurer. The submission of the gap analysis shall not be considered an application for its approval, although Nepal Insurance Authority can require its amendment or completion where necessary,
- (d) approval by the Board of the insurer of an action plan to fill in the gaps identified in the ORSA gaps analysis, within six months after the approval by the Board of the ORSA gap analysis. The detailed action plan should achieve the following targets within the following deadlines. Unless otherwise stated, deadlines refer to the date of approval by the Board of the insurer of the action plan to address the gap analysis:
 - 1) Immediate initiation of the relevant governance adaptations for the implementation of the ORSA. The adaptations should be completed within six months from the approval of the action plan.
 - 2) No later than two months, approval of a written document risk handbook addressed to the organization of the insurer, setting the rules for the identification and qualification of risks and for the elaboration of an inventory of material risks according to each activity of the insurer,
 - 3) No later than four months, approval of the ORSA policy,
 - 4) No later than March 2025, approval of the first ORSA internal report by the Board of the insurer and of the ORSA supervisory report to submit to Nepal Insurance Authority, based on the assessment referred to the end of the financial year July 2024,
 - 5) No later than March 2026, first internal audit report on the ORSA process with the regular annual ORSA assessment referred above.

- (e) submit the draft of the detailed action plan to Nepal Insurance Authority within fifteen days after its approval by the Board of the insurer. The submission of the action plan shall not be considered an application for its approval, although Nepal Insurance Authority can require its amendment or completion where necessary,

(6) When after the publication of this Directive Nepal Insurance Authority qualifies an insurer as of material impact, the deadlines of this point shall apply starting from the decision of Nepal Insurance Authority.

ANNEXURE

Details of the ORSA supervisory report to be submitted to Nepal Insurance Authority

[Related to Direction 7]

The list of items contained in this Annexure shall be considered a non-exhaustive list, which means that it shall be completed where necessary to provide fully informative explanations on any material information of the ORSA assessment.

- I. Business model: Main features of the business model and description of the risk appetite and the relevant levels of risk tolerance, including the preferred ‘Economic Available Capital Resources’.
- II. Information on the governance of the ORSA process.
 - A. Name of the entity.
 - B. Information about the time horizon used for the purpose of the ORSA assessment and a justification of its appropriateness.
 - C. Design of the ORSA process, monitoring procedure in place for ensuring its on-going appropriateness, internal reporting structure to ensure the communication of the ORSA results to all relevant bodies.
 - D. Any changes made to the ORSA process or its governance, and to the ORSA Policy, with respect to the last ORSA report.
 - E. Role, responsibilities and tasks assigned for the ORSA purposes in the Board, the ORSA operational owner, the risk management function, the staff responsible for the compliance as part of the internal control system, the actuarial experts involved and the Internal Audit of the insurer. In case of outsourced activities, the staff of the insurer responsible for its monitoring.
- III. Detailed information on the ORSA.
 - A. Methods and assumptions underlying the assessment, in particular:
 1. Exposures to risks (risk map).
 2. Methods and assumptions used to calculate the ‘Economic Capital Target’ and the ‘Economic Available Capital Resources’. Methods applied to allocate the overall ‘Economic Capital Target’ to the material risks.
 3. Risk mitigation techniques and management actions considered in the ORSA assessment.
 4. Quantitative analyses (sensitivity analysis, stress testing techniques) made on material risk factors, with the indication of the assumptions and results.
 5. The results of the assessments carried out in terms of risk profile of the insurer.

- B. Type and quality of the data used in the ORSA assessment of risks as well as for the description of the macroeconomic assumptions underlying the calculation. Justification of the quality of the data in terms of completeness, accuracy, and appropriateness. Description of any expert judgment used.
- C. Assessments carried out to verify the continuous compliance with the regulatory Risk-Based Capital requirement.
- D. Processes performed and assessments made by the insurer to verify ongoing compliance with the regulations on technical provisions, regulatory Risk-Based Capital requirement and regulatory ‘Available capital resources’.

IV. Conclusions and use of the ORSA.

- A. Impact of the assessments made on the ‘Economic Capital Target’ in a medium to longer term.
- B. Detailed description of the conclusions drawn by the insurer on the basis of the assessments made, with the indication of the actions taken or planned.
- C. Links between the results of the assessments made, the ‘Economic Capital Target’, and the risk appetite and risk tolerance thresholds set up in the business model.
- D. Links between the results of the assessments made and the business model.
- E. Estimate of the costs connected with obtaining any additional capital resources with respect to the current level in case of being necessary and
- F. Self-assessment of the ORSA, with indication of the areas of possible improvement both in terms of process and of actions regarding capital resources and organization.