	Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)	**Deadline 19 June 2013 12:00 CET**
Name of Company:	**Insurance Europe**	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
	Please follow the following instructions for filling in the template: ⇨ Do **not** change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇨ Leave the last column empty. ⇨ Please fill in your comment in the relevant row. If you have no comment on a paragraph or a cell, keep the row empty. ⇨ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. **Please send the completed template, in Word Format, to CP-13-009@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.** The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.	

Reference	**Comment**	**Resolution**
General Comment	Generally we support interim measures on the forward looking assessment of the undertaking's own risks which allow undertakings and national competent authorities to gain practical experience with the upcoming ORSA We see it however rather as a dry run of a full ORSA (on best effort basis) than a phasing-in. Therefore the principle of proportionality and the application on a best effort basis should be	

	clearly stated in the beginning of the guidelines and the statements "should ensure that" in the Guidelines should be replaced with "should ensure that undertakings are making appropriate progress towards the implementation of". The forward looking assessment of the undertaking's own risks should not be designed as a 'compliance exercise' but follow the purpose of the ORSA, i.e. it should be primarily for the benefit of the undertakings and designed to their needs (as stated in the CROF Forum paper on ORSA). Moreover, we would strongly support a clear indication that national competent authorities would be advised to avoid requiring additional specificities at this stage of the implementation process, in order to create a level playing field among European undertakings. In particular, we believe that the following - the comments apply to both individual and group level - should be taken into consideration. - The focus should be on the undertakings own assessment and not on the assessment of Solvency II Pillar I elements not yet stabilized. The purpose of the forward looking assessment of the undertaking's own risks during the preparatory phase should be to make it possible for the undertaking to form an own assessment of its risks and not the compliance with a framework not yet in place. There should be no quantitative requirements in Pillar II and in particular in the forward looking assessment of the undertaking's own risks as long as Pillar I is not finalised. This applies in particular to requirements pertaining to Solvency II standard calculations and the forward looking assessment on whether the risk profile of the undertaking deviates from the assumptions underlying the standard formula.	

	Groups should be exempted from quantitative requirements in the preparatory phase, even if Pillar I is finalised. Material elements of group calculations under Pillar I are still in need of clarification. Problems in the previous tests caused that the group level rules were never fully tested; as such enormous costs and potentially misleading conclusions are to be expected. The implementation of Pillar I elements at group level should follow in a next step after Solvency II comes into force. - Requiring undertakings to perform the assessment for preparing for the eventuality that the application to use the internal model under Solvency II would be rejected penalizes undertakings in the preparatory phase. Also the standard formula should neither explicit nor implicit be used as a benchmark for internal models. Interim measures should focus on the preparedness of internal models instead of the standard formula for undertakings engaged in the pre-application process. It should be clear that the standard formula has its limitations in showing the individual risk situation e.g. on Cat risk. Therefore the standard formula should neither explicit nor implicit be used as a benchmark for internal models. We understand that when Solvency II will be in place there might be a lack of best practices; however, we believe that a proper pre-application and approval process may sufficiently address this gap and the emergence of internal models' best practices should not be constrained by the standard formula. We further add that after approval the national competent authority can require an estimate of the Solvency Capital Requirement determined in accordance with the Standard Formula (article 112 of the Directive). - Full documentation of the record of each ORSA process should be required only when the process is fully implemented under Solvency II Also requirements on the policy for the forward looking assessment of the undertaking's own risks should be reviewed.	

	It is not appropriate to expect that all the provisions in terms of evidence and documentation are met in the same way by all undertakings during the preparatory phase. A policy should only include general aspects of the risk assessment and not focus on the technical specifications of each record. - Requiring undertakings to submit the supervisory report of the forward looking assessment of the undertaking's own risks within 2 weeks of concluding the assessments is an unrealistic time frame at this stage of the implementation phase. The forward looking assessment of the undertaking's own risks is an area where there is a significant change between the existing regulatory requirements and those to be introduced by Solvency II. As such more flexibility in terms of deadlines should be introduced. We also ask for confirmation that the requirement to perform an assessment of the overall solvency needs "as of 2014" shall be interpreted as the submission in 2015 of an internal report based on year-end 2014 and prospective data. - Requiring all undertakings to quantify the impact on the overall solvency needs of using different recognition and valuation basis during the preparatory phase is inconsistent with EIOPA's approach towards small and medium-sized undertakings. By requiring all undertakings to quantify the impact on the overall solvency needs of using different recognition and valuation basis, EIOPA is imposing Solvency II Pillar I calculations to all undertakings. Considering the proportionality principle as well as the supposed flexibility introduced by EIOPA, undertakings should be allowed to use their local recognition and valuation basis which are the basis for their regulatory requirements (Solvency I), or any other risk measurement approaches, which, in their view, properly reflect the nature, scale, and complexity	

	of their business. - Groups should be allowed to carry out the assessment for third-country undertakings on the basis of local rules. The requirement on groups to carry out the assessment for third-country undertakings "in the same manner" as for EEA undertakings should not lead to a de-facto implementation of Solvency II rules in addition to local rules to third-country undertakings. Groups should be allowed to carry out the assessment for third-country undertakings on the basis of local rules. - Requiring a joint decision in the College for the decision on the single document covering all the forward looking assessments is inconsistent with Level 1. This decision, in line with Level 1, should be taken by the group supervisor, after consulting the other members of the college. It would also be helpful to have clarity on the conditions to be fulfilled by the group in order to be allowed to perform a single forward looking assessment of the undertaking's own risks. Considering that the allowance for a single document is significantly meant to avoid substantial duplication and unnecessary additional burden for undertakings, supervisors should aim to require, if needed, a translation in a language most commonly understood by the supervisory authorities involved, instead of in several local languages. - It is difficult to fully understand how to cater for proportionality and flexibility. Considering that, accordingly with EIOPA, the Guidelines are issued in order to prepare for	

	Solvency II and not its full application, additional flexibility should be introduced. Undertakings should for example be allowed to run the assessment on an one year time horizon completed by a qualitative assessment on a longer term horizon, highlighting multi-year tendencies and developments. Also the "phasing-in" described in the cover note (1.4, 4.3 and 4.6) should be included in the Guidelines. - The status of the explanatory text is unclear. The explanatory text, although not subjected to consultation, it is said to provide additional information and examples but it seems to a large extent to go beyond that and contains numerous additional requirements which are granular and prescriptive (e.g. on supervisory reporting), and in some cases not even mirror the current proposed Guidelines. We believe that the explanatory text should either be eliminated or revised and included in the consultation process.	
Introduction General Comment		
1.1		
1.2	We do not support enforcing Solvency II Pillar I calculations at this stage	
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1.4	We do not support enforcing Solvency II Pillar I calculations at this stage.	
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1.6	We agree on the objective of these guidelines easing the preparation of Solvency II. This objective should be included within the guidelines.	
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1.8	As noted in our cover letter, the expectation should be on NCAs to take steps to require that undertakings take a forward looking view. We would suggest that the sentence is redrafted to state that national competent authorities should ensure that undertakings take preparatory steps towards performing a forward looking view on the risks to which are exposed.	
1.9	In order to carry out the assessments required by Article 45(1)(b) and (c) of the Solvency II Directive, it is necessary to know how regulatory capital requirements should be calculated and the assumptions embedded in the calculation of the standard formula. We feel it is unclear whether undertakings would need to be compliant with the rules set in the Guidelines as of 1st of January 2014 or whether the NCAs are recommended to start an assessment of the level of preparedness with respect to these rules, waiting until the time at which Solvency II will enter in force to require full implementation. We would strongly prefer the 2nd option. We understand the requirement to perform an assessment of the overall solvency needs "as of 2014" as the submission in 2015 of an internal report based on year-end 2014 and prospective data. This would be in line with the start of requirements on interim reporting. We would be strongly opposed to any interpretation of this rule that requires undertakings to submit in 2014 forward looking assessments based on 2013 actual and prospective data as we feel this would be far too premature.	
1.10	Solvency II Pillar I elements should not be part of "Forward Looking assessment of the undertakings's own risk" at this stage (see our general comment). We feel it should not be required at this stage to demonstrate that business decisions are fully	

	based on internal models even if they have been internally approved, rather it should be demonstrated that: a) a robust process for setting risk appetite and risk tolerance limits is in place, regardless of the metrics used and that b) plans to phase in Solvency II measures in this process have been defined. We therefore would strongly support deferral of these requirements. In relation to the assessment of the significance of the deviation of the risk profile of an undertaking from the assumptions underlying the standard formula, 1.9.	
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1.13	A Guidelinefor a report on the forward looking assessment of the undertakingºs own risks seems contradictory with the "own" dimension of the ORSA.	
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1.15	The role of the Board in directing and challenging the ORSA process is vital within the preparedness for the ORSA process. However, a complete involvement and formalization of the Board's role starting from the Policy approval to the approval of ORSA results needs to be addressed gradually, in light of the phasing in approach, considering current regulatory requirements and risk reporting as well as the overall development of the ORSA process before Solvency II entry in force.	
1.16		
1.17	By making the Guidelines necessarily applicable to both the Group and individual levels, EIOPA is effectively forcing undertakings to implement at a quicker pace than initially required the forward looking assessments at all levels. We believe it should be up to the parent undertaking to: a) choose the appropriate level at which its forward looking assessment is considered	

	appropriate by covering at least all material risks and significant single entities. b) demonstrate why the current level at which its forward looking assessment is conducted is appropriate. With the goal of "phasing-in" Solvency II requirements, we would expect that the NCAs are not required to enforce applicability of the Guidelines at both levels; rather, it could be suggested that part of their assessment be dedicated to how and with what timeline the undertaking will deploy forward looking assessments at those levels that are not yet part of the framework. We consider especially complicated the implementation of Pillar I calculation rules at group level at this stage. Pillar I calculations at group should follow in a next step after Solvency II comes into force.	
1.18	See 1.17.	
1.19	We suggest changing "are expected" with "should be allowed", in line with paragraph 1.28, so as to allow flexibility for those undertakings which do not wish to fully base their assessment process on internal models until approved.	
1.20	We consider the "group single forward looking assessment of the undertaking's own risks" as flexibility given to the undertakings to simplify their assessment and documentation processes where the same methodologies and models are applicable to the group calculations and to its subsidiaries. Additional clarification is requested if this is not the case.	
1.21		
Section I. General Comments	Undertakings should not be subjected to control or sanction from the NCA as a result of the implementation of Guidelines. In order to carry out the assessments required by Article 45(1)(b) and (c) of the Solvency II Directive, it is necessary to know how regulatory capital requirements should be calculated and	

	the assumptions embedded in the calculation of the standard formula.	
1.22	See general comments Section I.	
1.23	The purpose of building qualitative information supporting the ORSA should be to make it possible for the undertaking to form an own assessment of its risks, not to support information to the supervisor.	
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1.25	See general comments.	
1.26	Solvency II Pillar I elements should not be part of "Forward Looking assessment of the undertakings's own risk" at this stage (see our general comment). It should be stated when the supervisors should notify companies if they fall within the threshold, as in the Guidelines for reporting. This should be done early in 2014, or even in 2013. Guideline 11 should only be applied to undertakings within the thresholds established in this Guideline or otherwise deleted. This Guideline should clarify that this requirement will just be applied if EIOPA provides technical specifications for the calculation of the Solvency II technical provisions and regulatory capital requirements. It should be clarified that the market share refers only to undertakings that under current circumstances would be subject to Solvency II and are not excluded due to size, the operations they carry out, because they are institutions excluded from its application or any other circumstances.	
1.27	See 1.26	
1.28	Double use of internal model and standard formula penalizes undertakings especially in the preparatory phase. Interim measures should focus on the preparedness of internal models	

	instead of the standard formula for undertakings engaged into that process. After approval than the NCA could require an estimate of the Solvency Capital Requirement determined in accordance with the Standard Formula (article 112 of the Directive).	
1.29	Solvency II Pillar I elements should not be part of "Forward Looking assessment of the undertakings's own risk" at this stage (see our general comment).	
Section II. General Comments		
1.30	We have doubts if the guidance provided on proportionality will assure harmonisation during the preparatory phase..	
1.31	It is unclear what the expectations of the managing body are in terms of defining the ORSA process. In many undertakings the managing body will have agreed over-arching principles for the risk management framework and charges the risk function, actuaries and others with the operational detail of the implementation (e.g. the selection of stress tests). The managing body will certainly challenge the results of the implementation (e.g the choice of stress tests, or the results of the stress tests) but this wording implies a greater responsibility which is not practical. Furthermore, it is not realistic to expect the managing body to challenge the SCR calculation until such time as it has regulatory standing.	
1.32	We believe the requirements for documentation outlined in the Guidelines go beyond what could reasonably be expected from undertakings at this stage of the implementation process. We recommend that it be made possible to provide versions in progress under the proportionality principle and general « phasing in » approach.	
1.33	Technical specifications of the approach used for the forward looking assessment of the undertaking's own risks should not be a part of the Policy for the forward looking assessment which should include only general aspects of the risk assessment without focusing on specific elements of each record.	

	It would be more adequate for the requirement (b) to be a part of the Record of each forward looking assessment, as the risk profile and the approved risk tolerance limits can change between two risk assessments. Analyzing this link requires a description of the concrete risk profile as well as a focus on the current risk tolerance limits and the overall solvency needs at the time of realizing and documenting the risk assessment. On c) we recommend removing from the policy the « justification of its adequacy particularily taking into account the undertaking's risk profile and the volatility of its overall solvency needs relative to its capital position" as we would expect this type of information / conclusion to be included in a report that describes the outcomes of the forward looking assessment (Internal Report). We would also recommend removing the data quality standards from the forward looking policy as this would typically be part of the policy on data quality required in the System of Governance	
1.34	Full documentation of the recording of each ORSA process should be required only when the process is fully implemented under Solvency II, considering the overall development until the effective entry in force. Also the Explanatory Text should be treated as providing additional guidance and not as a vehicle for setting out additional mandatory requirements as seem to be applied here. While the Guideline states that the undertaking "appropriately evidences and internally documents each forward looking assessmentof the undertaking's own risks and its outcomes", the explanatory text (section 3.18) sets out a list of additional points too detailed, e.g. "[must include] Details of any planned relevant management actions, including an explanation and a justification for these actions, and their impact on the assessment". The text is also written as a requirement rather than illustrative.	

	The Explanatory text expands on the assessment of the continuous compliance with the requirements on regulatory capital and technical provisions as well as of the deviation of the risk profile from the assumptions underlying the SCR calculation, to be included in the record of each forward looking assessment of the undertaking's own risks, which is only applicable for the undertakings and groups falling within the thresholds.	
1.35	We consider that Article 45 of the Framework Directive does not require the AMSB to approve the Own risk and solvency assessment, nor does it require the AMSB specifically to communicate the results to all relevant staff. The appropriate communication of ORSA results to all relevant staff, after ORSA results approval, shall be performed in order to be tailored to the undertaking's system of governance and its risk management system via adequate communication process; that does not necessarily have to be performed by the AMSB. The AMSB only has to steer that the results are communicated to all relevant staff. As such, we would suggest that this guideline is rephrased to be more in line with Article 45. It is also unclear if the information received by the AMSB would correspond exactly to the information communicated to all relevant staff. The aim should be that relevant information is communicated to the relevant staff.	
1.36	We feel that at this stage of the implementation phase 2 weeks to provide a supervisory report is an unrealistic time frame. It is also not clear if a submission of the "Forward Looking assessment of the undertakings's own risk" is expected in 2014 while the supervisory reporting should be submitted in 2015. All reports should be consitently submitted in 2015. The requirement (c) is critical because it requires Pillar I-calculations. See 1.42 and our general comments. It is unclear if and what actions EIOPA expects national supervisors to take based on the report.	

	We reiterate our concern that no additional supervisory actions should be required based on these figures that would otherwise not have been taken. Furthermore, (b) is very burdensome. It should be limited to a brief description or excluded from the supervisory report and available upon request. The requirement (c) seems premature for 2 reasons: the supervisory reporting is noly required as from 2015 (or even later); and a comparison with the available own funds is useless since undertakings are expecting the application of the grandfathering procedure during the first (10) years of Solvency II. Therefore it is proposed not to include the requirement (c).	
Section III. General Comments	See our general comments.	
1.37	This requirement is inconsistent with the approach described in the Cover note. In the Cover note EIOPA indicates that considers not to be appropriate for NCAs to expect that all provisions are to be met in the same way by all undertakings during the preparatory phase and for that purpose a number of thresholds was created. Accordingly, just the undertakings and groups that fall within that thresholds would be expected to perform Solvency II Pillar I calculations. By requiring all undertakings to quantify the impact on the overall solvency needs of using different recognition and valuation basis, EIOPA is imposing Solvency II Pillar I calculations to all undertakings. Considering the proportionality principle as well as the supposed flexibility introduced by EIOPA, undertakings and groups should be allowed to use their local recognition and valuation basis which are the basis for their regulatory requirements (Solvency I) , or any other risk measurement	

	approaches, which, in their view,and properly reflect the nature, scale, and complexity of their business. We so would propose to delete this Guideline or only apply it to undertakings within the thresholds established in Guideline 3.	
1.38	See comment above	
1.39	We understand the meaning of this requirement to be that once the overall solvency needs have been established, material risks should be the object of some form of qualitative commentary.	
1.40	Stress test and sensitivity analysis should not be seen as an exhaustive list of methods. We suggest the redraft "range of ~~stress test or scenario~~ analysis".	
1.41	We agree that an undertaking should run continuity analysis so as to demonstrate its ability to manage risks over the longer term, in contrast to the Pillar I time horizon. However, the long term projections according to business plan could be quite burdensome, moreover on this preparatory phase. Undertakings should be allowed to run the assessment on an one year time horizon completed by a qualitative assessment on a longer term horizon, highlighting multi-year tendencies and developments. The explanatory text includes some strict guidance on the need for scenario testing. We underline that particularly in this preparatory phase, undertakings should not be required to complete an unlimited amount of tests, but instead just to test relevant scenarios.	
1.42	This requirement is critical because it requires Pillar I calculations. The Guideline should only apply for solo undertakings when the legislative process is completed. Implementation of Pillar I calculation rules at group level should follow in a next step after Solvency II comes into force. Continuous compliance should not require a full calculation of the regulatory capital requirements over the business planning period (at several valuation dates after year 0). It should be made clear that estimations are sufficient if they take into account material changes in risk profile. Sub-paragraph (c) is an excessive requirement during the interim period as undertakings are stil	

	subjected to the Solvency I own fund requirements and counting on the grandfathering procedure thereafter. It is proposed to drop the requirement 1.42 c).	
1.43	This requirement is critical because it requires Pillar I calculations. See 1.42 and our general comments. As such, we find innappropriate to require compliance to this rule on a continuous basis. It could be required for those undertakings in the internal model pre-application process to demonstrate how the actuarial function(s) is/are involved in phasing in the Solvency II requirements on Technical Provisions, and if they have conducted impact analysis under any form to this effect.	
1.44	This requirement is critical because it requires Pillar I calculations. See 1.42 and our general comments. The policy option described in the Impact Assessment should be included in the Guideline, namely that undertakings are just required to perform a qualitative assessment as a first step. Quantification would be a second step only if the qualitative assessment indicates that the deviation is significant and will have a material impact. Nonetheless it is unclear how this requirement can be implemented as the assumptions of the SCR standard formula are not yet finalised and the necessary background information is not yet announced by EIOPA . We further underline that the framework directive states that the ORSA "shall not serve to calculate a capital requirement" (cf. Art. 45 (7), Directive 2009/138/EC). We see the risk of an overly broad interpretation of Guidelines by NCAs, leading indirectly to capital add ons or to an obligation to implement an internal model. Such requirements implicitly based on ORSA results need to be avoided. Whether or not a deviation from the assumptions underlying the SCR	

	calculation is considered significant should be defined by an undertaking itself.	
1.45	It should be clear that the insights gained during the process of this assessment are only for prepatory purposes. No conclusions or decisions should be made based on the outcome of the own risk assessment. If decisions are made based on the outcome of the assessment, undertakings possess two different decision-making frameworks (Solvency I and ORSA) which might lead to inconsistent results. For instance, it is not appropriate nor desirable to make decisions on capital management based on a forward looking assessment and Solvency II rules when prudential requirements for own funds under Solvency I still prevail. It is proposed to drop the requirement 1.45 a). See our general comments about how these Guidelines should not be interpreted as requirements to be implemented as of 2014 but as requirements to be worked towards in this preparatory phase.	
1.46	As observed for other Guidelines, the explanatory text does not seem to have been adjusted to the proposed Guidelines. It expands on infra-annual forward looking assessments not included in the Guideline. See our general comments about how these Guidelines should not be interpreted as requirements to be implemented as of 2014 but as requirements to be worked towards in this preparatory phase.	
Section IV. General Comments		
1.47	The scope of Group supervision for performing the ORSA process at group level should appropriately consider the proportionality principle, accordingly to an overall assessment of materiality of risks which may have an effect on group structure and its risk profile. As such, only	

	entities material at the group level should be of importance for the group forward looking assessment. Improvements may also be need in the explanatory text, namely by including in 3.72 the materiality principle (e.g. material specificities instead of all specificities) and clarifying the meaning of d) and b) (contagion risk is the risk of financial difficulties in one or more undertakings spilling over to a large number of other undertakings or the financial system as a whole; is not clear if EIOPA envisages additional capital requirements?) Also is not clear why is just referred in 3.78 of the explanatory text that these entities are not required to carry out a solo ORSA. That should also be referred for third-countries entities and regulated non-(re)insurance undertakings, in order to avoid ambiguity and assure consistency in terms of the content of the explanatory text.	
1.48	It should be made clear when an application can be made during the preparatory phase (prior to 2014?) and to which supervisor. Guideline 20 is also inconsistent with Level 1. Accordingly with art 246, the decision on the single document covering all the forward looking assessments is to be taken by the group supervisor, after consulting the other members of the college; is not required a joint decision. It would also be helpful to have clarity on the conditions to be fulfilled by the group in order to be allowed to perform a single forward looking assessment of the undertaking's own risks.. Considering that the allowance for a single document is significantly meant to avoid substantial duplication and unnecessary additional burden for undertakings, supervisors should aim to require, if needed, a translation in a language most commonly understood by the supervisory authorities involved, instead of in several local languages.	
1.49	The explanatory text, nevertheless not subject to consultation, will be used as guidance by NCAs and undertakings. As such, EIOPA should consider the need to revisit the explanatory texts, not to	

	provide an exhaustive list, but to clarify some concepts that may raise uncertainty, such as: - material quantifiable group specific risks not considered in the group SCR calculation (3.85); - meaning of "…describes the interrelationship between the risks" (3.86); - quantifiable risks not captured by means of article 230, 231, 233 (3.87); -consider that contagion risk is not a standalone risk (3.88); - which risks arising from IGT cannot be identified at solo level, moreover considering that IGT are eliminated at group level (3.88); -delete d) (already considered in c) (3.88); We further underline that 3.89 b) is accordingly with Level 1 just required when method 1 is used.	
1.50	Implementation of Pillar I calculation rules at group level should follow in a next step after Solvency II comes into force. Otherwise, it should be ensured that the Guideline 3 on the tresholds apply for a) – c).	
1.51	A single ORSA should be allowed where the group supervision is already in place, and the group has a group financial planning and risk management processes, and also for sub-groups. Also should be clarified that: - the scope is (re)insurance subsidiaries; - the objective of the "explanation of how the subsidiaries are covered" considering that accordingly with art 246 these subsidiaries have to comply with art 45 requirements.	
1.52	Is not clear the pure exclusion of method 2. The application for a IM from a related undertaking (solo SCR) or the participating undertaking (group SCR) do not prevent accordingly with the Solvency II Directive the application of method 2. Also the last paragraph seems to just apply to applications under art 231.	

1.53	The requirement that the group carries out the assessment for third-country undertakings "in the same manner" as for EEA undertakings should not lead to a de-facto implementation of Solvency II rules in addition to local rules to third-country undertakings. Groups should be allowed to carry out the assessment for third-country undertakings on the basis of local rules. Also paragraph 3.95 of the explanatory text is significantly unclear, besides referring to disclosure (and not reporting) requires information on third countries to be separated, which is inconsistent with the previous Guidelines on the group forward looking assessment which require a report's structure more based on risks.	
Compliance and Reporting Rules General Comments		
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Impact Assessment – General Coments		
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2.3	The guidelines appear to introduce reporting ahead of the implementation of Solvency II. This entails additional costs and burden on the industry and goes beyond what would be reasonably planned within an internal project timetable for Pillar 1 and Pillar 3 compliance. Such a plan is likely to include dry run reporting and dry run model calculations but these should only be reported internally for information purposes.	
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2.14	The principle of proportionality should guarantee that each undertaking has the opportunity to develop its own forward looking assessment process that depends on its own risk, calibrated with entity-specific assumptions in terms of organizational structure and risk management which takes into account the nature and complexity of the risks inherent to its business.	
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Question 1	This is an additional cost to undertakings and should be at their own discretion depending on their own project plans and preferences.	
Question 2	It is not appropriate to issue detailed expectations since this will have the effect of turning the ORSA into another regulatory return and shall detract from the key question of how firms see their own business.	
Question 3	Production of a single document would reduce costs and allow undertakings to develop the appropriate approach that could then be implemented in a number of entities. This is a more appropriate response than multiple „dry runs".	
Question 4	The requirement for a written policy is a duplication of much of the content of a good risk management policy / framework and therefore it is unclear what additional content should be included. The undertaking should be allowed to demonstrate how its risk management approach meets the requirements of the ORSA rather than having to produce another document.	
Question 5	The response to analysing deviations has to be proportionate and a qualitative explanation should be key.	

Question 6	Many undertakings already use their internal model to run their business and given that Solvency II has not yet come into force it would seem appropriate to allow them to use this as a proxy for the SCR calculation.	
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