



EIOPA-BoS-21/327
18 June 2021

Resolution of comments

Public consultation on the Supervisory statement on ORSA in the context of Covid-19

EIOPA's Insurance and Reinsurance Stakeholder Group

| Response to the public consultation question | EIOPA's comments |
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| <p>Par. 3. The IRSG recognizes that the promotion of common supervisory approaches is an important piece to ensure harmonization in the implementation of the solvency II regulation.</p> <p>Yet, the goal of common supervisory approaches should not be confounded with a goal of application of identical methodologies and results. Differences in markets, products, insurers and finally business models yield different risk profiles that are indeed best captured and reflected under entity proportionate</p> | <p>Noted. The objective of the Supervisory Statement is to clearly set up supervisory expectations about the assessments, approach and use of ORSA by insurance/reinsurance undertakings, while keeping the ORSA as an 'own', undertaking-related, exercise.</p> <p>For this purpose, EIOPA has included in the text a reference in Par.2 to emphasise the objective and the addressee of this supervisory statement: Notwithstanding the fact that specific points of this Supervisory Statement describe supervisory expectations for insurance and reinsurance undertakings,</p> |

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| <p>approaches and risk management. The specificities of each (re)insurance undertaking are uniquely addressed under the ORSA which has been designed for the purpose of being the undertaking's own risk management tool and this is very much welcomed.</p> <p>The expectations under the ORSA are very comprehensive, the IRSG does not see a need to extend them, but rather to make sure that the ORSA produced by each (re)insurance undertaking is effectively meeting the expectations set in article 45 of Directive 2009/138/EC and usefully complement pillar 1 numbers in a proportionate manner.</p> <p>Under the matter of the ORSA, the promotion of common supervisory approaches should be focused on the supervision of the internal processes of the (re)insurance undertaking that are necessary prerequisites for the delivery of an ORSA of good quality. Supervisors should supervise the risk management framework and its ability to identify risks and monitor them but should refrain from acting as if they were part of the (re)insurance undertaking's own governance forcing risk appetite and views of the risks.</p> <p>Finally, as an extract of EIOPA guidelines on ORSA 'The undertaking should provide a quantification of the capital needs and a description of other means needed to address all material risks irrespective of whether the ...</p> | <p>they are required to comply with the regulatory and supervisory framework applied by their competent authority based on Union or national law.</p> <p>EIOPA has furthermore amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused also on the supervision of the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> |
| <p>Par. 5. We find that, the (Re)Insurance undertakings do not need to be guided through the impacts of the COVID 19 pandemic, they have all the processes, tools and key risk indicators for that. What is only needed is the supervision that all these elements are indeed in place.</p> <p>The IRSG would also like to underline that Solvency 2 has proved its efficiency, relevance and adequacy through the COVID 19 crisis. The modular approach of the risks under the standard formula as well as the required identification of all the risks drivers under a business model profile are instrumental features that allow to capture whatever type of combination of shocks that might occur on the asset side and the liability side of the economic balance sheet at a point in time as well as on a prospective basis.</p> | <p>Noted. See answer to the previous comment</p> |

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| <p>Under pillar 1, the strength of such an approach is that it does not require to build an endless set of hypothetical scenarios that would act as double counting with the 99.5 VAR calibration of all identified risk drivers. Indeed, the unique combination of risks that COVID 19 has come up with has been encapsulated in the solvency ratios produced since the crisis started.</p> <p>Under pillar 2, and starting from reference dates already encapsulating COVID 19 impacts (on both sides of the balance sheet), central and adverse pathways are extrapolated with the adequate proportionate and entity specific determination.</p> | |
| <p>Par. 6. The IRSG finds that this requirement set out is already foreseen in the Solvency II framework. For example, there is an ORSA guideline from EIOPA that describes the role of AMSB. Guideline 2 "The AMSB should take an active part in the ORSA, including steering, how the assessment is to be performed and challenging the results". The specific Covid-19 theme makes no exception to this.</p> | <p>Agree. EIOPA has deleted Par. 6 as it is considered already covered in Solvency II framework.</p> |
| <p>Par. 7. We find that contract terms is a highly important matter and a review of the policy terms and conditions is needed as per IRSG's advise issued last October entitled " Shared Resilience Solutions" where it was pointed out how important that there should be clear communication and policy wording. Anyway we highlight that a review of contracts' terms and conditions is relevant only to the extent the ORSA identifies risks associated with contract coverage. This applies in respect of COVID-19 or non COVID-19 impacts.</p> | <p>Agree. EIOPA has taken the approach of adding further clarification at the end of paragraph referring to the cases where risks are identified with contract coverage within the ORSA.</p> |
| <p>Par. 8. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process.</p> | <p>Noted. EIOPA considers important to include reference to the requirement under the Solvency II Regulation with regards to the timing of the regular and ad-hoc ORSA in the context of this Supervisory Statement. The aim is to highlight the need to reflect the impact of Covid 19 pandemic (if material) in the process on time so the strategic decisions of the undertaking can be influenced by the results of the assessment.</p> |
| <p>Par. 9. We find that considering examples given, it is important to specify that only material changes in the undertaking's market or credit risk exposure could generate an ad-hoc ORSA.</p> | <p>Agree. EIOPA has added a reference to 'material' changes of market and credit risk exposures to be considered for generating ad-hoc/non-regular ORSA.</p> |
| <p>Par. 10. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process.</p> | <p>Agree. This paragraph has been deleted.</p> |
| <p>Par. 11. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process.</p> | <p>Agree. Paragraph 11 has been deleted, seen as a repetition of messages introduced earlier in the text, part of the message 'Furthermore in the course</p> |

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| | of the evaluation of the need to perform an ad-hoc ORSA, undertakings might engage in a supervisory dialogue with their supervisory authority.' has been moved in a paragraph before. |
| Par. 12. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process. | Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in ad-hoc/ non-regular ORSA (where needed, considering proportionality) in case of material impact on the undertaking. |
| <p>Par. 13. We find that the risks identified should be considered only to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile, having regard to Article 45 of the directive. Similarly the assessment of the soundness of the business model should only be relevant in this context where Covid-19 jeopardizes the business model and this has implications for the insurer's assessment of overall solvency needs.</p> <p>This statement seems too prescriptive; undertaking should keep their ability to identify the relevant scenarios depending on their risk profile.</p> | Noted. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that all conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile. |
| Par. 14. The IRSG is of the opinion that again the risks identified should be considered only to the extent that they are material and relevant for the overall solvency needs taking into account the undertaking specific risk profile, having regard to Article 45 of the directive. As an example, future litigations with regards to coverage provided might arise differently which should get more attention on risks identified. | Noted. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that All conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile. |
| Par. 16. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process. | <p>Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in case of material impact on the undertaking.</p> <p>Furthermore based on number of comments received EIOPA has added a clarification in this paragraph that any material exposure to certain risks should be reflected not only in the decision but also in the design of scenarios used and documented in the ORSA process.</p> |
| Par. 17. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process. | <p>Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in case of material impact on the undertaking.</p> <p>Furthermore based on number of comments received EIOPA has added a clarification in this paragraph that ORSA should consider only the material</p> |

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| | impact of the new or amended product portfolio on the overall solvency needs as well as on the regulatory solvency. |
| Par. 18. We see that the statement should not be prescriptive with regards the time horizon of the scenario analysis and recognize that it is important to leave undertakings the flexibility to employ different approaches to capturing potential short term and long term impacts to the extent that they reflect the long term risks faced and are appropriate for its risk profile. Beyond the short term, qualitative approaches may be appropriate and proportionate having regard to the risk profile of the undertaking and the range of uncertainties faced. | Partially agree. EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures. |
| Par. 19. The IRSG find that the phrase "in the short and long term" at the end of the sentence is unnecessary and confusing. It is sufficient to state that requirements should be complied with on a continuous basis. | Agree. EIOPA has deleted this paragraph as using 'compliance on continuous basis' instead of the previous drafting would have mean repetition of Solvency II Regulation which in this case is not helping in the reading of the Supervisory Statement. |
| Par. 20. We don't find appropriate to refer to "internally set solvency limits" in this statement as this concept has no foundation in regulation. The reference to solvency ratio "coming under pressure or falling below the lower solvency limits" sets a supervisory expectation for action based on triggers which have no foundation in the regulation and the reference here should be to the solvency ratio falling below the SCR. | Noted. EIOPA has slightly redrafted the paragraph. |

AMICE

| Response to the public consultation question | EIOPA's comments |
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| <p data-bbox="143 1098 1115 1217">Par. 1. We welcome EIOPA's efforts on promoting a common supervisory approach. In our view the convergence of supervisory practices should be focused on supervisory actions and avoid requiring equal outcomes to all undertakings.</p> <p data-bbox="143 1257 1115 1366">As a preliminary comment we want to specify that, with reference to ORSA, the promotion of common supervisory approaches should be centered around the supervision of the internal processes of the (re)insurance undertakings required for delivering a good quality ORSA. Supervisors should control the risk</p> | <p data-bbox="1124 1098 2092 1217">Noted. The objective of the Supervisory Statement is to clearly set up supervisory expectations about the assessments, approach and use of ORSA by insurance/reinsurance undertakings, while keeping the ORSA as an 'own', undertaking-related, exercise.</p> <p data-bbox="1124 1257 2092 1366">EIOPA has included in the text a reference in Par.2 to emphasise the objective and the addressee of this supervisory statement: Notwithstanding the fact that specific points of this Supervisory Statement describe supervisory expectations for insurance and reinsurance undertakings, they are required to comply with</p> |

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| <p>management framework and its ability to identify and monitor risks, avoiding to steer undertakings own governance or forcing the risk appetite and the management of the insurer's risks.</p> <p>Yet, common supervisory approaches should not be confounded with a goal of application identical methodologies and results. Differences in markets, products, insurers and finally business models yield to different risk profiles that are indeed best captured and reflected under entity proportionate approaches and risk management. The specificities of each (re)insurance undertaking are uniquely addressed under the ORSA which has been designed for the purpose of being the undertaking's own risk management tool and this is very much welcomed.</p> <p>The expectations under the ORSA are very comprehensive, AMICE does not see a need to extend them but rather to make sure that the ORSA produced by each (re)insurance undertaking is meeting the expectations set in article 45 of Directive 2009/138/EC and usefully complement the Pillar 1 outcome in a proportionate manner.</p> | <p>the regulatory and supervisory framework applied by their competent authority based on Union or national law.</p> <p>EIOPA has furthermore amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused also on the supervision of the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> <p>EIOPA doesn't consider imposing additional requirements to undertakings besides the ones set in the Solvency II Regulation, rather than clarifying how to reflect any material impact of the Covid-19 pandemic in the undertaking's ORSA. The clarification includes guidance how to meet the expectations set in Article 45 of Directive 2009/138/EC (Solvency II) translated in Covid-19 (or any similar) context.</p> |
| <p>Par. 2. As EIOPA states, the Supervisory Statement is addressed to national supervisory authorities (NSAs). Therefore, we suggest to change the wording of the Supervisory Statement in order to avoid specific requirements for undertakings and, instead, highlight EIOPA's expectations regarding NSAs' actions. All the Supervisory statement should be reviewed within this perspective.</p> | <p>Noted. EIOPA has included in the text a reference in Par.2 to emphasise the objective and the addressee of this supervisory statement: Notwithstanding the fact that specific points of this Supervisory Statement describe supervisory expectations for insurance and reinsurance undertakings, they are required to comply with the regulatory and supervisory framework applied by their competent authority based on Union or national law.</p> |
| <p>Par. 3. Solvency II has proved its efficiency, relevance and adequacy through the COVID 19 crisis, with insurers generally maintaining a strong solvency position. Insurance industry is already monitoring the consequences of COVID-19 financial stress and we want to underline that the standard formula already requires insurers to monitor and evaluate pandemics as a health catastrophe sub-module. Notwithstanding, we believe that the current COVID-19 crisis should not be identified as a single or "new" risk. The current pandemic is the manifestation of an existing risk which firms will already have identified within their risk frameworks where this risk is relevant for the firm's risk profile.</p> <p>In our view the global aspect of the pandemic would have to be monitored through the EIOPA's Stress Tests. ORSA process provides a risk management</p> | <p>Partially Agree. EIOPA believes the Supervisory Statement should foster supervisory convergence by addressing the reflection of the impact of Covid-19 pandemic in the ORSA. Given that COVID-19 has affected undertakings since at least March 2020, EIOPA is acknowledging that undertakings should have already captured such a scenario in their ORSA. Some supervisory authorities have also issued guidance in view of addressing the COVID-19 pandemic in the ORSA. This Supervisory Statement is clarifying supervisory expectations to allow for supervisory convergence, also considering the future ORSAs.</p> |

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| <p>framework dedicated to identify all the risks that the (re)insurance undertaking is or will be facing. Art. 45.5 of Solvency II Directive states that "Insurance and reinsurance undertakings shall perform the assessment... regularly and without any delay following any significant change in their risk profile." In this perspective, our view is that the current ORSA framework already requires to monitor the effects of pandemics, which should be identified within the Risk Appetite Framework of each undertaking when their effects are relevant for the firm's risk profile.</p> | |
| <p>Par. 5. The object of the ORSA is the own risk and solvency assessment that companies are requested to provide based on their specific risk profile. Economic and health emergency due to COVID-19 is still unfolded, therefore undertakings, whenever relevant, are already including in the ORSA stress tests and scenario analysis valuation of possible impacts of COVID related scenarios. In case COVID related stress scenarios would not be adequate to the expectations of NSAs any follow up could be part of the ORSA supervisory review. In our opinion no particular convergence in guiding undertakings in their ORSA practices is required, as insurers already have all the processes, tools and key risk indicators to assess the impacts of the Covid-19 pandemic.</p> | <p>Partially Agree. EIOPA acknowledges that undertakings have the processes and tools required in Solvency II regulation in place. EIOPA has furthermore amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused also on the supervision of the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> |
| <p>Par. 6. The ORSA is a fundamental tool in risk management within the wider strategic decision-making process of the undertaking, including also, but not only, the strategic and commercial planning. Consequently, it is one of the available tools to assess the impact of the COVID-19 pandemic.</p> <p>The modular approach of the Solvency II standard formula as well as the required identification of all the risks drivers under a business model profile are instrumental features that allow to capture whatever type of combination of shocks that might occur on the asset and the liability side of the insurer's economic balance sheet at a point in time as well as on a prospective basis.</p> <p>The strength of such an approach is that it does not require to build an endless set of hypothetical scenarios in Pillar 1 that would act as double counting with the 99.5 VAR calibration of all identified risk drivers. Indeed, the unique combination of risks that COVID-19 has come up with has been encapsulated in the solvency ratios produced since the crisis started.</p> <p>Under Pillar 2, and starting from reference dates already encapsulating COVID-19 impacts (on both sides of the balance sheet), central and adverse pathways</p> | <p>Agree. EIOPA has deleted Par. 6 as it is considered already covered in Solvency II framework.</p> |

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| <p>are extrapolated with the adequate proportionate and entity specific determination.</p> | |
| <p>Par. 7. Please see the comments on paragraph 6. We believe that the review of contracts' terms and conditions is relevant only to the extent that ORSA identifies the risks associated with contract coverage. This applies in respect of both COVID-19 and non-COVID-19 impacts.</p> | <p>Agree. EIOPA has further clarified at the end of paragraph referring to the cases where risks are identified with contract coverage within the ORSA.</p> |
| <p>Par. 8. Based on the current regulation, an update of the ORSA report is requested every time an event that could materially impact the undertaking's risk profile occurs. Therefore, any particular outcome of the pandemic situation different from scenarios already included in the ORSA report that could materially impact undertaking's risk profile would require an ORSA update. Ad-hoc ORSA report updates are therefore already requested by the in-force regulation.</p> | <p>Partially agree. EIOPA is highlighting that this Supervisory Statement doesn't refer to ad-hoc/ non-regular ORSA report in any case. Undertakings should be able to assess the impact of Covid-19 on their business and in case it is considered material, this should be a trigger for ad-hoc/non-regular ORSA.</p> |
| <p>Par. 9. We believe that introducing an ad-hoc ORSA could generate confusion among the objectives of regular ORSA process.</p> <p>As stated by the Solvency II Directive, the ORSA Report should reflect all the material risks that affects the undertakings and their overall solvency needs, taking into account the undertaking's specific risk profile, approved risk tolerance limits and business strategy. We do not quite understand which are the main reasons for an ad-hoc ORSA; the strategic planning process should already take into account the economic and financial context, with a forward-looking approach, included a scenario characterized by Covid-19 provided the firm is affected. Furthermore, as specified in our response to question 8, ad-hoc ORSA report updates are already requested by in force regulation.</p> <p>The supervision of the risk management practices of the insurance industry in the COVID-19 context should be part of the regular ORSA process and the continuous dialogue between national competent authorities (NSAs) and undertakings. Promoting common supervisory approaches on different types of ORSA reports would be a difficult task that would prevent reflecting the entity specific management of each firm.</p> <p>To sum-up, we believe that an ad-hoc ORSA Report weakens the overall ORSA process and diverts NSAs from the main objective of achieving consistency in the supervisory practices on the ORSA process among EU Member States.</p> | <p>Noted. Please see the comment above.</p> |

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| Par. 10. Please see comments on paragraphs 8 and 9. Moreover, the regular ORSA should evaluate, through Covid-19 stress scenarios, the impact on the solvency position of the worsening financial and economic conditions stemming from the COVID-19 spread. | Agree. This paragraph has been deleted. |
| Par. 11. Please see comments on paragraphs 6, 8, 9 and 10. We believe that a material impact on the risk profile should be included in the regular ORSA, and not sent earlier in an ad-hoc document. All the impacts on undertakings 'risk profile should be reflected in the Risk Appetite Framework and in a forward-looking scenario analysis considering all the other risks. In the case of material change in the risk profile (due to COVID-19 if the case), according to current regulation, the undertaking is compelled to promptly elaborate and submit to NSA an update of the ORSA. | Agree. Paragraph 11 has been deleted, seen as a repetition of messages introduced earlier in the text, part of the message 'Furthermore in the course of the evaluation of the need to perform an ad-hoc ORSA, undertakings might engage in a supervisory dialogue with their supervisory authority.' has been moved in a paragraph before. |
| Par. 12. Please see comments on paragraphs 6, 8, 9, 10 and 11. We recall comments to paragraph 9 to stress that regular ORSA should not be fragmented or weakened. We believe that ORSA process should be simplified in order to avoid overburdening the insurance undertakings; that being said, the integrity of the process should be preserved. | Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in ad-hoc/ non-regular ORSA (where needed, considering proportionality) in case of material impact on the undertaking. |
| Par. 13. We believe that risks should be considered only to the extent that they are relevant for the overall solvency needs, taking into account the undertaking specific risk profile, pursuant to Article 45 of the Directive. Similarly, the assessment of the soundness of the business model should only be relevant in this context where COVID-19 jeopardizes the business model impacting the insurer's assessment of overall solvency needs. For the reason given above, this kind of analysis should not be relegated to an ad-hoc document. | Agree. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that all conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile. |
| Par. 14. Again the risks identified should be considered only to the extent that they are material and relevant for the overall solvency needs taking into account the undertaking specific risk profile, having regard to Article 45 of the directive. We believe that these requirements could be considered within stress test scenario design. | Agree. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that all conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile. |
| Par. 15. The aspects identified should be considered only to the extent that they are material. | Agree. EIOPA has redrafted the text accordingly. |
| Par. 16. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process. In any case, proportionality should be taken into account. | Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in case of material impact on the undertaking. |

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| | Furthermore based on number of comments received EIOPA has added a clarification in this paragraph that any material exposure to certain risks should be reflected not only in the decision but also in the design of scenarios used and documented in the ORSA process. |
| Par. 17. This statement is redundant and repeats requirements already existing in the regulation for the ORSA process. | Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in case of material impact on the undertaking. Furthermore based on number of comments received EIOPA has added a clarification in this paragraph that ORSA should consider only the material impact of the new or amended product portfolio on the overall solvency needs as well as on the regulatory solvency. |
| Par. 18. The statement should not be prescriptive with regards the time horizon of the scenario analysis and recognize that it is important to leave undertakings the flexibility to employ different approaches to capturing potential short term and long-term impacts to the extent that they reflect the long-term risks faced and are appropriate for its risk profile. In any case and given the uncertainty about the impact and the duration of the pandemic in relation to market, economic and insurance risk factors, we deem worthless or little reliable to evaluate the long-term impacts of COVID-19. | Partially agree. EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures. |
| Par. 19. The EIOPA guidelines on ORSA require the actuarial function of the undertaking to provide input as to whether the undertaking would comply continuously with the requirements regarding the calculation of technical provisions and to identify potential risks arising from the uncertainties connected to this calculation. | Agree. EIOPA has taken the decision to delete this paragraph as using 'compliance on continuous basis' instead of the previous drafting would have mean repetition of Solvency II Regulation which in this case is not helping in the reading of the Supervisory Statement. |
| Par. 20. We do not see the need to include this as it already exists in the regulation for the ORSA process. | Noted. EIOPA considers important to keep this paragraph in order to clarify expectations towards stakeholders with regards to follow up of the analysis done in the context of Covid-19 and the results revealed for the undertaking. |

Unipol Group S.p.A.

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| <p>Par. 1. Unipol Group welcomes EIOPA's efforts on promoting a common supervisory approach. In our view the convergence of supervisory practices should be focused on supervisory actions and avoid requiring equal outcomes to all undertakings.</p> <p>As a preliminary comment we want to specify that, with reference to ORSA, the promotion of common supervisory approaches should be centered around the supervision of the internal processes of the (re)insurance undertakings required for delivering a good quality ORSA. Supervisors should control the risk management framework and its ability to identify and monitor risks, avoiding to steer undertakings own governance or forcing the risk appetite and the management of the insurer's risks.</p> | <p>Noted. The objective of the Supervisory Statement is to clearly set up supervisory expectations about the assessments, approach and use of ORSA by insurance/reinsurance undertakings, while keeping the ORSA as an 'own', undertaking-related, exercise.</p> <p>EIOPA has included in the text a reference in Par.2 to emphasise the objective and the addressee of this supervisory statement: Notwithstanding the fact that specific points of this Supervisory Statement describe supervisory expectations for insurance and reinsurance undertakings, they are required to comply with the regulatory and supervisory framework applied by their competent authority based on Union or national law.</p> <p>EIOPA has furthermore amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused also on the supervision of the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> |
| <p>Par. 2. As EIOPA states, the Supervisory Statement is addressed to national supervisory authorities (NSAs). Therefore, Unipol Group suggests to change the wording of the Supervisory Statement in order to avoid specific targets for undertakings and, instead, highlight EIOPA's expectations regarding NSAs' actions. All the Supervisory statement should be reviewed within this perspective.</p> | <p>Noted. EIOPA has included in the text a reference in Par.2 to emphasise the objective and the addressee of this supervisory statement: Notwithstanding the fact that specific points of this Supervisory Statement describe supervisory expectations for insurance and reinsurance undertakings, they are required to comply with the regulatory and supervisory framework applied by their competent authority based on Union or national law.</p> |
| <p>Par. 3. Solvency II has proved its efficiency, relevance and adequacy through the COVID 19 crisis, with insurers generally maintaining a strong solvency position. Insurance industry is already monitoring the consequences of COVID-19 financial stress and Unipol Group wants to underline that the standard formula already requires insurers to monitor and evaluate pandemics as a health catastrophe sub-module. Notwithstanding, we believe that the current COVID-19 crisis should not be identified as a single or "new" risk.</p> | <p>Partially Agree. EIOPA believes the Supervisory statement should foster supervisory convergence by reminding all stakeholders to reflect the impact of Covid-19 pandemic in the ORSA. Given that COVID-19 has affected undertakings since at least March 2020, EIOPA is acknowledging that undertakings should have already captured such a scenario in their ORSA. Some supervisory authorities have also issued guidance in view of addressing the COVID-19 pandemic in the ORSA. This Supervisory Statement is clarifying supervisory expectations to allow for supervisory convergence, also considering the future ORSAs.</p> |
| <p>Par. 5. Object of the ORSA is the own risk and solvency assessment that companies are requested to provide based on their specific risk profile. Economic and health emergency due to COVID-19 is still unfolded, therefore undertakings are already including in the ORSA stress tests and scenario</p> | <p>Partially Agree. EIOPA acknowledges that undertakings have the processes and tools required in Solvency II regulation in place. EIOPA has furthermore amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused also on the supervision of</p> |

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| <p>analysis valuation of possible impacts of COVID related scenarios. In case COVID related stress scenarios would not be adequate to the expectations of NSA any follow up could be part of the ORSA supervisory review. In our opinion no particular convergence in guiding undertakings in their ORSA practices is required.</p> | <p>the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> |
| <p>Par. 6. Unipol Group deems the ORSA is a fundamental tool in risk management within the wider strategic decision making process of the undertaking, including also, but not only, strategic and commercial planning. Consequently it is also, but not only, a tool to assess the impact of the COVID-19.with the adequate proportionate and entity specific determination.</p> | <p>Agree. EIOPA has deleted Par. 6 as it is considered already covered in Solvency II framework.</p> |
| <p>Par. 7. Please see comment on paragraph 6. Unipol Group believes that the review of contracts' terms and conditions is relevant only to the extent that ORSA identifies the risks associated with contract coverage. This applies in respect of both COVID-19 and non-COVID-19 impacts.</p> | <p>Agree. EIOPA has taken further clarified at the end of paragraph referring to the cases where risks are identified with contract coverage within the ORSA.</p> |
| <p>Par. 8. Based on current regulation, update of the ORSA report is requested every time an event that could materially impact the undertakings risk profile occurs. Therefore any particular outcome of the pandemic situation different from scenarios already included in the ORSA report that could materially impact undertaking's risk profile would require an ORSA update. Ad-hoc ORSA report updates are therefore already requested by the in force regulation.</p> | <p>Partially agree. EIOPA is highlighting that this Supervisory Statement doesn't refer to ad-hoc/ non-regular ORSA report in any case. Undertakings should be able to assess the impact of Covid-19 on their business and in case it is considered material, this should be a trigger for ad-hoc/non-regular ORSA.</p> |
| <p>Par. 9. Unipol Group believes that introducing an ad-hoc ORSA could ingenerate confusion among the objectives of regular ORSA process.</p> <p>As stated by Solvency II Directive, ORSA Report should reflect all the material risks that affects the undertakings and their overall solvency needs, taking into account the undertaking's specific risk profile, approved risk tolerance limits and business strategy. We do not understand properly the basic reasons for an ad-hoc ORSA: we deem that a strategic planning process should already take into account the economic and financial context, with a forward-looking approach, included a scenario characterized by Covid-19. Furthermore, as specified in response to question 8, ad-hoc ORSA report updates are already requested by in force regulation.</p> <p>If Authorities want to strengthen the supervision on the risk management practices of insurance industry in the COVID-19 context, this should be implemented within the regular ORSA process engaging a continuous dialogue</p> | <p>Noted. Please see the comment above.</p> |

| Response to the public consultation question | EIOPA's comments |
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| <p>between Competent Authorities and undertakings. Harmonizing the supervisory practices on the regular ORSA should be easier than promoting common supervisory approaches on different kind of ORSA Reports reflecting the entity specific management of each firm.</p> <p>To sum-up, Unipol Group believes that ad-hoc ORSA report weakens the overall ORSA process and diverts the Authorities from the main objective of harmonizing the supervisory practices on the ORSA process among EU member states.</p> | |
| <p>Par. 10. Please see comments on paragraphs 8 and 9. Moreover, we deem that the regular ORSA should evaluate, according to a stress test approach, COVID-19 stress scenarios, in order to verify the impact on perspective solvency position due to worse financial and economic conditions stemming from COVID-19 diffusion.</p> | <p>Agree. This paragraph has been deleted.</p> |
| <p>Par. 11. Please see comments on paragraphs 6, 8, 9 and 10. Unipol Group believes that material impact on the risk profile should be included in the regular ORSA, and not sent earlier in an ad-hoc document. All the impacts on risk profile should be reflected in the Risk Appetite Framework and in a forward-looking scenario analysis considering all the other risks. In the case of material change in the risk profile (due to COVID-19 if the case), according to current Regulation, the undertaking is compelled to promptly elaborate and submit to NSA an update of the ORSA..</p> | <p>Agree. Paragraph 11 has been deleted, seen as a repetition of messages introduced earlier in the text, part of the message 'Furthermore in the course of the evaluation of the need to perform an ad-hoc ORSA, undertakings might engage in a supervisory dialogue with their supervisory authority.' has been moved in a paragraph before.</p> |
| <p>Par. 12. Please see comments on paragraphs 6, 8, 9, 10 and 11. We recall comments to paragraph 9 to stress that regular ORSA should not be fragmented or weakened. Unipol Group believes that ORSA process should be simplified in order to avoid overburdening the insurance undertakings; that being said, the integrity of the process should be preserved.</p> | <p>Noted. The aim of this supervisory statement is to address the importance of reflecting the effect of Covid-19 pandemic in ad-hoc/ non-regular ORSA (where needed, considering proportionality) in case of material impact on the undertaking.</p> |
| <p>Par. 13. Unipol Group believes that risks should be considered only to the extent that they are relevant for the overall solvency needs, taking into account the undertaking specific risk profile, pursuant to Article 45 of the Directive. Similarly, the assessment of the soundness of the business model should only be relevant in this context where COVID-19 jeopardizes the business model impacting the insurer's assessment of overall solvency needs. For the reason given above, this kind of analysis should not be relegated to an ad-hoc document.</p> | <p>Agree. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that all conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile.</p> |

| Response to the public consultation question | EIOPA's comments |
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| Par. 14. Unipol Group believes that these requirements could be considered within stress test scenario design. | Noted. |
| Par. 18. Given the uncertainty about the impact and the duration of the pandemic context, in relation to market, economic and insurance risk factors, we deem worthless or little reliable to evaluate the COVID-19 impacts on long term. | Partially agree. EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures. |

Insurance Europe

| Response to the public consultation question | EIOPA's comments |
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| <p>Par. 1. After reading the statement, it is unclear which aspects are new. While some of the examples of what to take into account in the ORSA are appreciated, as they provide some insight into the supervisory view, Insurance Europe does not feel that they require a separate supervisory statement. The requirements set out in this part of the statement are already in the Solvency II Regulation (and in many cases the statement simply reiterates and refers back to the Regulation) and it is therefore Insurance Europe's view that issuing a supervisory statement in the case of a specific risk or scenario such as the COVID-19 pandemic is unnecessary. This is a general comment that applies to the whole statement and not only this paragraph.</p> | <p>Noted. The objective of the Supervisory Statement is to clearly set up supervisory expectations about the assessments, approach and use of ORSA by insurance/reinsurance undertakings, while keeping the ORSA as an 'own', undertaking-related, exercise.</p> <p>EIOPA has included in the text a reference in Par.2 to emphasise the objective and the addressee of this supervisory statement: Notwithstanding the fact that specific points of this Supervisory Statement describe supervisory expectations for insurance and reinsurance undertakings, they are required to comply with the regulatory and supervisory framework applied by their competent authority based on Union or national law.</p> <p>EIOPA has furthermore amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused also on the supervision of the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> <p>EIOPA doesn't consider imposing new requirements to undertakings besides the ones set in the Solvency II Regulation, rather than clarifying how to reflect any material impact of the Covid-19 pandemic in the undertaking's ORSA. The clarification includes guidance how to meet the expectations set in Article 45 of Directive 2009/138/EC (Solvency II) translated in Covid-19 (or any similar) context.</p> |

| Response to the public consultation question | EIOPA's comments |
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| <p>Par. 3. The industry fully agrees that the COVID-19 pandemic has had serious effects on economies and societies and that insurance undertakings should assess their solvency positions in light of the pandemic. However, the pandemic is not a new risk in itself. Rather, the pandemic affects the various risks that insurance undertakings are exposed to, such as equity risk. Consequently, insurance undertakings should assess the impact on existing risks and/or identify and assess any additional risk that they have become exposed to due to the COVID-19 pandemic.</p> <p>- In addition, while it is true that the COVID-19 pandemic triggered a need for insurance undertakings to assess the impact from a forward-looking perspective, it is not necessarily true that the pandemic is a new risk or cause. This view of the risk also depends on the undertaking's risk profile, business model, strategy, etc. What the COVID-19 pandemic has provided — so far — is an insight into what implications a pandemic could have on various measures and it therefore serves as a good example of how to define a scenario for an insurance undertaking's ORSA.</p> <p>- Given that COVID-19 has affected insurance undertakings since at least March 2020, most should already have captured such a scenario in their regular annual ORSA. If due consideration of the pandemic is felt to be lacking in the ORSA, then supervisory authorities could always, as part of their ongoing dialogue with undertakings under their supervision, provide such feedback.</p> | <p>Partially Agree. EIOPA believes the Supervisory Statement should foster supervisory convergence by reminding all stakeholders to reflect the impact of Covid-19 pandemic in the ORSA. Given that COVID-19 has affected undertakings since at least March 2020, EIOPA is acknowledging that undertakings should have already captured such a scenario in their ORSA. Some supervisory authorities have also issued guidance in view of addressing the COVID-19 pandemic in the ORSA. This Supervisory Statement is clarifying supervisory expectations to allow for supervisory convergence, also considering the future ORSAs.</p> <p>EIOPA has slightly redrafted the paragraph by referring to the fact that the current pandemic's impact on existing risks should be assessed together with identification of any additional risks that undertakings may have become exposed to.</p> |
| <p>Par. 4. Given that COVID-19 has affected insurance undertakings since at least March 2020 most undertakings should already have captured such a scenario already their regular annual ORSA. If due consideration of the pandemic is felt to be lacking in the ORSA, then supervisory authorities could always, as part of their ongoing dialogue with undertakings under their supervision, provide such feedback.</p> | <p>Noted. Please see the comment above.</p> |
| <p>Par. 6. - Insurance Europe is of the opinion that this supervisory statement provides little or no additional value in relation to what insurance undertakings already considered in their ORSA before COVID-19. Indeed, this statement may have the opposite effect insofar as "convergence" of supervisory guidance may lead to the ORSAs not taking into account an undertaking's specific risk profile, as the focus would be to comply with supervisory guidance. The effect would be a changed focus, away from</p> | <p>Agree. EIOPA has deleted Par. 6 as it is considered already covered in Solvency II framework.</p> |

| Response to the public consultation question | EIOPA's comments |
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| <p>other significant risks specific to the undertaking.</p> <p>- Further more, the ORSA is a company's own risk and solvency assessment. The decision on the content and methods used, as well as on the level of detail in the presentation in ORSA reports is the sole responsibility of the companies. General requirements from EIOPA counteract this individual character of the ORSA and should be viewed very critically.</p> | |
| <p>Par. 9. The industry recognises the need to assess whether an ad-hoc ORSA is needed based on material changes in the risk profile. Material changes are, however, generally not seen as a result of moderate changes in an undertaking's market or credit risk exposures. Therefore, the wording in the first bullet should be amended so that "material" is inserted before "changes" (ie, the wording should be "material changes in the undertaking's market or credit risk ...").</p> | <p>Agree. EIOPA has added a reference to 'material' changes of market and credit risk exposures to be considered for generating ad-hoc/non-regular ORSA.</p> |
| <p>Par. 13. Insurance Europe strongly opposes the prescription by EIOPA of the scenarios in the ORSA; these scenarios must be decided by the insurance undertakings. In addition, the results of an undertaking's ORSA are, in fact, an assessment of the soundness of the business model from a forward-looking perspective. Therefore, adding an assessment of the assessment appears to have limited value.</p> | <p>Agree. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that all conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile.</p> |
| <p>Par. 14. The calculation method of the overall solvency need should not be subject to ad hoc adjustments based on current events, and the risks identified should be considered only to the extent tht they are material and relevant for the overall solvency needs, taking into account the undertaking's specific risk profile, having regard to Article 45 of the Directive. Materiality/proportionality considerations have to be taken into account.</p> | <p>Agree. EIOPA has introduced a footnote associated with the part of the Supervisory Statement dedicated to the scenarios used in the ORSA referring to the fact that All conditions and impacts are to be considered to the extent that they are relevant for the overall solvency needs taking into account the undertaking specific risk profile.</p> |
| <p>Par. 15. Materiality/proportionality considerations have to be taken into account. The method of assessment and treatment of uncertainties should be left to the undertakings.</p> | <p>Agree. EIOPA has redrafted the text accordingly with regards to materiality principle, general reference to proportionality has been added in the Supervisory statement</p> |
| <p>Par. 16. Materiality/proportionality considerations have to be taken into account, in particular with regard to the selection/design of scenarios.</p> | <p>Noted. Materiality is already reflected in the text, a general reference to proportionality has been added in the Supervisory statement.</p> |

| Response to the public consultation question | EIOPA's comments |
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| Par. 17. Materiality/proportionality considerations have to be taken into account. | Agree. EIOPA has redrafted the text accordingly with regards to materiality principle, general reference to proportionality has been added in the Supervisory statement |
| <p>Par. 18. - The statement should not be prescriptive with regards to the time horizon of the scenario analysis and it should recognise that it is important to allow undertakings the flexibility to use different approaches to capture potential short-term and long-term impacts to the extent that they reflect the long-term risks faced and are appropriate for its risk profile. Beyond the short term, qualitative approaches may be appropriate and proportionate for the undertaking's risk profile and the range of uncertainties faced.</p> <p>- Materiality/proportionality considerations have to be taken into account. For life insurance, interpreting the above wording literally would mean that the effect of the pandemic would have to be considered for the overall period of its risk exposure (50+ years).</p> | Partially agree. EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures. |
| Par. 19. The phrase "in the short and long term" at the end of the sentence is unnecessary and confusing. It is sufficient to state that requirements should be complied with on a continuous basis. | Agree. EIOPA has deleted this paragraph as using 'compliance on continuous basis' instead of the previous drafting would have mean repetition of Solvency II Regulation which in this case is not helping in the reading of the Supervisory Statement. |
| Par. 20. It is not appropriate to refer to "internally set solvency limits" in this statement, as this concept has no foundation in the regulation. The reference to the solvency ratio "coming under pressure or falling below the lower solvency limits" sets a supervisory expectation for action based on triggers that have no foundation in the regulation and the reference here should be to the solvency ratio falling below the SCR. | Noted. EIOPA has slightly redrafted the paragraph. |

FERMA: Federation of European Risk Management Associations

| Response to the public consultation question | EIOPA's comments |
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| Par. 3. We would recommend a precision/clarification. The risk of a pandemic per se is not necessarily a new risk. What's new is the unprecedented interlinkage between the pandemic, public health and | Noted. EIOPA has slightly redrafted the paragraph by referring to the fact that the current pandemic's impact on existing risks should be assessed together with identification of any additional risks that undertakings may have become exposed to. |

| Response to the public consultation question | EIOPA's comments |
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| government measures such as lockdowns, travel bans and remote working recommendations. | |
| Par. 8. It is important that the principle of proportionality is applied to the need to run this pandemic in the ORSA. Enforcing standardized scenarios upon undertakings does not make due consideration of the nature, scale and complexity of those undertakings' activities. | Noted. EIOPA is highlighting that this Supervisory Statement doesn't refer to ad-hoc/ non-regular ORSA report in any case. Undertakings should be able to assess the impact of Covid-19 on their business and in case it is considered material, this should be a trigger for ad-hoc/non-regular ORSA. |
| Par. 10. Any work in this area must be based on the Principle of Proportionality (PoP). Enforcing standardized scenarios upon undertakings must make due consideration of the nature, scale and complexity of those undertakings' activities. | Agree. This paragraph has been deleted. |
| Par. 11. Principle of proportionality must be applied. | Agree. Paragraph 11 has been deleted, seen as a repetition of messages introduced earlier in the text, part of the message 'Furthermore in the course of the evaluation of the need to perform an ad-hoc ORSA, undertakings might engage in a supervisory dialogue with their supervisory authority.' has been moved in a paragraph before. |
| Par. 13. Any work in this area must be based on the Principle of Proportionality (PoP). Enforcing standardized scenarios upon undertakings must make due consideration of the nature, scale and complexity of those undertakings' activities. | Agree. EIOPA has introduced a footnote at the beginning of the document stating that this Supervisory Statement considers the application of the principle of proportionality in accordance with Solvency II. |
| Par. 18. Any work in this area must be based on the Principle of Proportionality (PoP). Enforcing standardized scenarios upon undertakings must make due consideration of the nature, scale and complexity of those undertakings' activities. This being said, we are very much in favour of promoting risk management good practices. A forward-looking risk Enterprise Risk Management (ERM) approach would benefit organisations helping to identify risks, which means work can be done on mitigate and transferring the risks. | Noted. EIOPA has introduced a foot note at the beginning of the document stating that this Supervisory Statement assumes the principle of proportionality is duly applied in accordance with Solvency II. Furthermore EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures. |

Actuarial Association of Europe

| Response to the public consultation question | EIOPA's comments |
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| Par. 1. In our view, the suggestions in the consultation paper are in line with the current Solvency II requirements. We would note a number of | Noted. |

| Response to the public consultation question | EIOPA's comments |
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| <p>items specific to the Irish market as follows:</p> <p>1. the Domestic Actuarial Regime imposes additional requirements on undertakings regulated in Ireland, including the requirement for an opinion from the Head of Actuarial Function on the ORSA. This means that undertakings have less flexibility in the detail and content of their ORSA process, working against the aim of supervisory convergence.</p> <p>2. in November, the Central Bank of Ireland conducted a thematic assessment on the impact of COVID on certain lines of business. Within this assessment, the CBI asked for details of any stress and scenario testing conducted by each entity surveyed, including results and reports produced, and how the results were being used. As such, the CBI has indicated that it expects entities to have begun to think about the impacts of the pandemic on its reserving, underwriting and capital management.</p> <p>It should also be noted that the Belgian supervisor asked all undertakings to perform a specific ORSA before EOY20: the scenarios should reflect sufficient uncertainty and assess the solvency, financial but also liquidity positions together with their operational resilience.</p> <p>In France, the supervisor granted additional time for the submission of the ORSA report in particular to highlight the consequences related to COVID-19.</p> <p>An efficient risk management and appropriate ORSA can help to identify risky situation early.</p> | |
| <p>Par. 7. A review of insurance coverage (compulsory extension following court cases or reduction) is under consideration by most insurers and should be, in line with proportionality, part of the ORSA process. The related reinsurance coverage should also be assessed.</p> | <p>Agree. EIOPA has taken the approach of adding further clarification at the end of paragraph referring to the cases where risks are identified with contract coverage within the ORSA.</p> |
| <p>Par. 10. We would recommend clarifying how to assess whether the regular ORSA could not anticipate COVID-19 impacts. An undertaking has to perform an ad-hoc ORSA in case of a material change of its risk profile (due to COVID-19 pandemic or other event)</p> | <p>Agree. This paragraph has been deleted.</p> |

| Response to the public consultation question | EIOPA's comments |
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| <p>Par. 12. We welcome proportionality and a clear focus.</p> | <p>Noted. The aim of this supervisory statement is to remind to stakeholders the role of the ORSA as an extremely important tool for risk management defined within Solvency II Regulation as well as to highlight the importance of reflecting the effect of Covid-19 pandemic in ad-hoc/ non-regular ORSA (where needed, considering proportionality) in case of material impact on the undertaking.</p> |
| <p>Par. 13. In general, some guidance would be welcome on how to define appropriate stresses in an already stressed situation to avoid any "overstressed" projection depending on the recovery scenarios (e.g. how to calibrate spread shocks on already very high spreads observed in March).</p> <p>While ORSA provides insight to the management and supervisors under "what-if" scenarios according to some confidence level, a too significant ST applied to the starting position might not be realistic.</p> <p>Some specific comments to above list include</p> <ul style="list-style-type: none"> • Impact on lapses (e.g. liquidity needs) and new business • Impact on reinsurance coverage and rating • Adding a specific scenario in case State support would be withdrawn | <p>Noted. EIOPA has introduced a footnote at the beginning of the document stating that this Supervisory Statement considers the application of the principle of proportionality in accordance with Solvency II. Furthermore EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures.</p> <p>The suggestions for extending the list were not taken onboard because the major one - the state support impact has been already mentioned in the Supervisory statement (next paragraph).</p> |
| <p>Par. 14. We would recommend clarifying whether the capital support in a group structure includes conglomerate (or any other general structure) or should be limited to insurance groups.</p> | <p>Agree. Reference to conglomerates added in the text.</p> |
| <p>Par. 15. We would recommend clarifying the documentation w.r.t. uncertainty: some sensitivity tests could be performed to identify the sources of uncertainty and their relationship (e.g. what would be the impact of deferred health care, more health costs and invalidity in the future, change in mortality patterns,...). This would allow to infer some lower and upper bound and support the narrative.</p> | <p>Partially agree. EIOPA is expecting undertakings to ensure adequate risk management and foresee the impact of the Covid-19 pandemic or any similar situation in a short and long term depending on their business model and exposures. In this context uncertainty should be defined from the perspective of the particular undertaking.</p> |
| <p>Par. 20. We agree that an undertaking should put in light the possible solvency consequences of the covid-19 pandemic, but we should consider that the crisis is not over yet with potential significant technical and credit</p> | <p>Noted. EIOPA has amended the text in Par. 5 by considering the fact that the promotion of common supervisory approaches should be focused on the supervision</p> |

| Response to the public consultation question | EIOPA's comments |
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| <p>losses. We need constant vigilance and monitoring without fully questioning the risk management systems in place that usually work well under normal circumstances and have mostly proven their resilience up to date. We would therefore recommend focusing on the necessary adjustments (action plan and tools) to enrich the framework with the lessons learned from the pandemic.</p> | <p>of the internal processes of the undertaking which are prerequisites to deliver a good quality ORSA.</p> |