



AMERICAN ACADEMY of ACTUARIES

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September 5, 2018

Commissioner Todd Kiser
Chair, Financial Regulation Standards and Accreditation (F) Committee
National Association of Insurance Commissioners
Via email to: bmeyer@naic.org

Re: *ORSA Review Timelines*

Dear Commissioner Kiser:

On behalf of the Enterprise Risk Management and Own Risk and Solvency Assessment (ERM/ORSA) Committee of the American Academy of Actuaries,¹ I appreciate the opportunity to provide comments on the *ORSA Analysis Timing Guidelines* exposed by the National Association of Insurance Commissioners' Financial Regulation Standards and Accreditation (F) Committee.

We appreciate the challenges of balancing the needs of regulators in their review of ORSA Summary Reports. They need sufficient time to complete review of ORSA Summary Reports, which at times may be quite lengthy; regulators also may be faced with many reports being submitted all at once, near the end of the year. On the other hand there is the need for the lead state to share relevant information regarding a company with other involved regulators when an ORSA Summary Report is submitted on a group level, as well as the need to provide regulator feedback to the companies within a reasonable timeframe. We believe that a four-month timeframe to complete analysis on Summary Reports may present a challenge for some states, in particular if they have a large number of ORSA filers, receive most or all of the reports around the same time, and face resource constraints.

Therefore we recommend that the committee consider extending the timeframe somewhat to account for such circumstances. We understand, however, that due to the pressure such a timeframe may put on non-lead states, you may decide that an extension is not feasible.

¹The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

Thank you for this opportunity to provide our views on the Financial Regulation Standards and Accreditation (F) Committee's *ORSA Analysis Timing Guidelines* exposure. If you have any questions or would like to discuss this letter in more detail, please contact Nikhail Nigam, the Academy's policy analyst for risk management and financial reporting issues, at 202-223-8196 or nigam@actuary.org.

Sincerely,

Seong-Min Eom, MAAA, FSA, ASA
Chairperson, ERM/ORSA Committee
Risk Management and Financial Reporting Council
American Academy of Actuaries