



Office of the Superintendent of
Financial Institutions Canada

Bureau du surintendant des
institutions financières Canada

Own Risk and Solvency Assessment (ORSA) OSFI Guideline E-19

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OSFI
BSIF

Canada 

OSFI's Approach to ORSA

1. Guideline E-19 (effective January 1st, 2014) outlines OSFI's expectations of an insurer's:
 - Own assessment of risks
 - Own capital needs and solvency position
 - Setting of its own Internal Target(s)
2. An insurer's ORSA is also a supervisory tool
 - Enhances OSFI's understanding of interrelationships between an insurer's risk profile and its capital needs
 - Promotes dialogue between OSFI and insurers i.e. allows OSFI to question and (perhaps) constructively criticize an insurer's ORSA
 - The ORSA report written for the Board provides a window on governance

However, OSFI does not approve an ORSA



OSFI's Approach to ORSA

3. Key Metrics Report (KMR)

- KMR is a structured report to be completed by each insurer and submitted at least annually to OSFI
- KMR provides an overview of the results of the insurer's ORSA process for determining own capital needs and internal targets as well as a comparison with the regulatory required capital

4. Group/insurer level ORSA?

- Cover the consolidated operations of an insurer
- Consider the risks of its domestic and foreign operations as well as group risks (e.g. inter-company guarantees and dependencies)
- Insurer led group must prepare a group ORSA with sufficient KMR info (and internal capital targets) for each insurer in the group

