

ANNEX 1 to the ORSA Regulation

Policy for the own risk and solvency assessment – minimum content.

Without prejudice to the preliminary aspects that any policy approved by the administrative body must clearly define (in accordance with the implementing provisions adopted by IVASS):

- the goals pursued by the policy;
- the tasks to be performed and the person responsible for them;
- the processes and reporting procedures to be applied;
- the obligation of the relevant organisational units to inform the risk management, actuarial, compliance and internal audit functions, each for the aspects falling within their province, of any facts relevant for the performance of their duties,

the policy for the ORSA shall include at least:

- a) a description of the processes and procedures to conduct the ORSA, including the criteria followed by the undertaking when defining a “material risk”;
- b) explanation of the link between the risk profile, the approved risk tolerance limits and the overall solvency needs also in a medium and long-term perspective;
- c) description of the methods used, including information on:
 - i) how and how often quantitative analyses (including stress tests, sensitivity analyses, reverse stress tests or other relevant analyses) are performed;
 - ii) data quality standards;
 - iii) the adequacy of the frequency of the ORSA taking into account the undertaking’s risk profile and the volatility of its overall solvency needs relative to its capital position;
 - iv) the timing for the performance of the ORSA and the circumstances which would trigger the need for a new ORSA (non-regular ORSA).