

28 March 2022

Our Ref: INS/TEC/6/20/6 Subfile IV

By **email** only

To: Chief Executives of Authorized Insurers to which GL21 applies

Dear Sirs,

Key Observations from the First ORSA Reports

Thank you for your support in the development of the Risk-based Capital (“RBC”) Regime. We received a total of 120 Own Risk and Solvency Assessment (“ORSA”) Reports prepared for the first time under the Guideline on Enterprise Risk Management (“GL21”).

We would like to share with you our observations on key areas in ORSA Reports prepared by insurers with a view to enhancing the quality of risk management and ORSA processes. We consider that insurers generally made a good advancement in implementing their risk management governance and ORSA processes. It is vital that insurers should continue to embed and integrate the enterprise risk management and ORSA framework into their corporate risk culture, instead of viewing it as a compliance exercise. Our observations are by no means exhaustive but as a reference of best practices for insurers to improve the quality in the ORSA processes and reporting in forthcoming years. Insurers are expected to assess on their own circumstances as appropriate when considering to incorporate certain suggestions into their framework.

Details of key observations can be found in the **Annex**.

For enquiries about the contents of this circular, please contact rbc@ia.org.hk or your case officers.

Yours faithfully,

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