



May 30, 2025

Mike Yanacheak, William Arfanis, Jack Broccoli  
Co-Chairs, Own Risk and Solvency Assessment (ORSA) Implementation (E) Subgroup  
National Association of Insurance Commissioners

Re: [NAIC ORSA Guidance Manual](#) (*Proposed 2025 Edition*)

Dear Co-Chairs Yanacheak, Arfanis, and Broccoli:

On behalf of the Enterprise Risk Management/Own Risk and Solvency Assessment (ERM/ORSA) Committee (the Committee) of the American Academy of Actuaries,<sup>1</sup> I appreciate the opportunity to provide input to the Own Risk and Solvency Assessment (ORSA) Implementation (E) Subgroup on the proposed 2025 edition of the NAIC ORSA Guidance Manual (the Manual).

### **Attestation**

The Committee notes that an Attestation is filed in conjunction with an ORSA Summary Report, yet there is no mention of it in the proposed version of the Manual. The Committee suggests including in the Manual any standardized Attestation language for the Attestation itself and any necessary description of circumstances in which the Attestation is required to be filed. Lack of information regarding Attestation requirements has caught ORSA filers unaware of the requirement in the past, and inclusion of this information could reduce technical noncompliance.

### **ASOP References**

The Committee is aware that two ASOPs are especially relevant for the preparation of an ORSA Summary Report: **ASOP No. 55 Capital Adequacy Assessment** (relevant for Sections 2 and 3) and **ASOP No. 58 Enterprise Risk Management** (relevant for Section 1). While ORSA filers frequently add references to these ASOPs asserting compliance, the Manual doesn't mention them. The Committee suggests including reference to ASOPs Nos. 55 and 58 after the "Appendix – Glossary" section of the Manual, or as additions to that section as entries in terms and definitions. The Committee defers to the Subgroup to decide how strongly to encourage mention of these ASOPs or how prominently the ORSA filer might make any assertions related to these ASOPs.

### **Debt Service**

The Committee notes the only reference to debt in any form at the holding company level is in Section 3.A. where the Manual states: "*The approach and assessment of group-wide capital adequacy should also consider the following: (among other items) the level of leverage, if any, resulting from holding company debt.*"

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<sup>1</sup> The American Academy of Actuaries is a 20,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For 60 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.

The level of leverage is important; however, in this context, shareowner dividends or payments required from operating entities to make payments on holding company debt is much more important. In addition, there is not currently any disclosure required related to the nature and progression of holding company debt over time as it is not directly on the operating entities on which actuarial models are based.

What can be exceptionally risky to the group is holding company debt assumed to never have its principal reduced and always renewed under the same terms. While the Manual can't be prescriptive about exactly what an ORSA filer should say about holding company debt, the Committee advises that it is important to evaluate the ability of the group to service existing debt. To that end, the Committee suggests including some instruction about holding company debt. The Committee defers to the Subgroup regarding how much an ORSA filer might discuss holding company debt.

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If you have any questions or would like to discuss further, please contact Will Behnke, the Academy's Risk Management and Financial Reporting policy project manager, at [behnke@actuary.org](mailto:behnke@actuary.org).

Sincerely,

Charlie Ford MAAA, FSA, CFA  
Chairperson, ERM/ORSA Committee  
American Academy of Actuaries