

## Appendix 2

### Comments on the Exposure Draft and Responses

The first exposure draft of proposed ASOP *Enterprise Risk Management* was issued in May 2023 with a comment deadline of September 15, 2023. Fifteen comment letters were received, some of which were submitted on behalf of multiple commentators, such as by firms or committees. For purposes of this appendix, the term “commentator” may refer to more than one person associated with a particular comment letter. The Enterprise Risk Management (ERM) Committee of the Actuarial Standards Board (ASB) carefully considered all comments received, and the ASB reviewed (and modified, where appropriate) the changes proposed by the ERM Committee.

Summarized below are the significant issues and questions contained in the comment letters and the responses. Minor wording or punctuation changes that are suggested but not significant are not reflected in the appendix, although they may have been adopted.

The term “reviewers” in appendix 2 includes the ERM Committee and the ASB. The section numbers and titles used in appendix 2 refer to those in the exposure draft, which are then cross referenced with those in the final standard.

<b>TRANSMITTAL MEMORANDUM</b>	
Comment	One commentator suggested including more examples of what has changed in the actuarial practice of ERM since ASOP Nos. 46, <i>Risk Evaluation in Enterprise Risk Management</i> , and 47, <i>Risk Treatment in Enterprise Risk Management</i> , were adopted.
Response	The reviewers disagree and made no change in response to this comment.
<b>Transmittal Memorandum Question 1: Does the proposed standard cover all parts of ERM that may be relevant to actuaries practicing in the field of ERM? If not, please provide examples and explain.</b>	
Comment	Two commentators said yes.
Comment	Two commentators said that the circular nature of ERM does not come through in the proposed ASOP.
Response	The reviewers agree and added a sentence in section 2.3 and language in section 3.9 to capture the circular nature of the ERM process.
Comment	One commentator expressed concern that guidance is not needed in some areas, such as risk identification and risk classification. The commentator thought the guidance on modeling was insufficient but acknowledged that modeling is covered in other ASOPs.
Response	The ASOP covers ERM framework from end to end, and the reviewers did not agree with the suggestion to exclude some part of the framework. The ASOP provides guidance to the actuary for each piece of the ERM framework as actuaries may be working on any piece. With regard to modeling, the reviewers believe that overall guidance related to modeling is appropriate when considering section 3.7 and 3.8 in combination with existing ASOP Nos. 55 and 56. Therefore, the reviewers made no change in response to this comment.

<b>Transmittal Memorandum Question 2: Is the guidance with the conditionality as described above—conditional on (a) and (b)—effective? If not, please propose an alternate approach.</b>	
Comment	Two commentators said the conditionality guidance is effective.
Comment	One commentator said that the guidance is generally effective but suggested adding a paragraph at the beginning of section 3 stating that not all actuarial participation constitutes actuarial services and that it depends on the context of the work and the actuary’s training and level of participation in specific ERM tasks.
Response	The reviewers disagree with the commentator’s proposition that an actuary working in ERM (or in a component of the ERM framework) could partition his or her work into actuarial services and non-actuarial services. Therefore, the reviewers did not add the suggested paragraph. The reviewers clarified which actuarial services do not fall within the scope of this standard.
Comment	One commentator suggested adding a documentation requirement for the actuary to note exactly what work constituted actuarial services and what did not.
Response	The reviewers note that ASOPs apply only to actuaries when performing actuarial services and made no change in response to this comment.
Comment	One commentator suggested that the draft was a hybrid between an ASOP and a practice note, observing that some topics included may typically have less actuarial involvement.
Response	The reviewers disagree and note that the ASOP provides guidance to actuaries providing actuarial services in all components of the ERM framework.
<b>Transmittal Memorandum Question 3: Subject to the conditionality in question 2 above: a. Is the proposed guidance appropriate and sufficient? If not, please explain and suggest language. b. Does the proposed standard contain any guidance that might be impractical to apply in practice? If so, please provide examples and explain.</b>	
Comment	One commentator observed that the ASOP will lead to ERM actuaries being held to standards, while other ERM professionals may not be held to standards.
Response	The reviewers acknowledge this to be the case and note that actuaries are already held to ASOP Nos. 46, 47, and 55. This will always be the case as long as standards for actuaries working in ERM exist.
Comment	One commentator said that the proposed conditionality guidance is appropriate and sufficient.
<b>GENERAL</b>	
Comment	One commentator suggested changing the title to ERM Framework.
Response	The reviewers disagree and made no change.
Comment	One commentator expressed concern that the standard provides insufficient emphasis on the management of risk, including aggregation of risks and interactions among risks.
Response	The reviewers believe aggregation and interactions are sufficiently addressed in the new ASOP in combination with ASOP No. 55 and that the standard provides appropriate guidance to the actuary performing actuarial services in relation to all elements of enterprise risk management. Therefore the reviewers made no change in response to this comment.
Comment	One commentator interpreted the draft standard as “to only have standards for duties that exclusively belong to actuaries.”
Response	The reviewers believe the standard, provides guidance to the actuary when (but only when) an actuary is providing services in part or all of the ERM framework. The standard covers ERM from end-to-end without regard to whether actuaries are more or less commonly involved in a particular component.

Comment	One commentator noted that, in contrast to the draft, ASOP No. 55 defines a group as an affiliated group of individual companies, <b>of which at least one is an insurer</b> (emphasis added). The commentator suggested adding “if applicable” to the ASOP No. 55 reference in section 3.8.3 if the new ASOP is intended to apply to a larger set of organizations or groups.
Response	The reviewers made no change to section 3.8.3 but deleted the definition of “group” from section 2.
Comment	One commentator suggested adding “material” or “materiality” in several places for clarification.
Response	The reviewers added “material” in several places.
Comment	One commentator said the draft was an improvement over the current ASOP Nos. 46 and 47.
Comment	One commentator said the ASOP should include considerations for the effect of risks on liquidity and earnings profiles as well as on capital.
Response	The reviewers believe that the language sufficiently covers earnings, liquidity, and capital and therefore made no change in response to this comment.
<b>SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE</b>	
<b>Section 1.1, Purpose</b>	
Comment	One commentator suggested adding “monitoring.”
Response	The reviewers added monitoring to the definition of ERM framework in section 2.3.
<b>Section 1.2, Scope</b>	
Comment	One commentator suggested adding “an ORSA report” to the reviewing paragraph.
Response	The reviewers believe that because an ORSA report is part of an ERM framework, the review of an ORSA report already falls within the scope of the standard and made no change.
Comment	One commentator suggested expanding the reviewing language to include review of another actuary’s contribution to the ERM work product.
Response	The reviewers disagree and made no change in response to this comment.
Comment	One commentator suggested adding “liquidity” to item (g).
Response	The reviewers disagree and made no change.
Comment	One commentator suggested adding guidance for conflicts with other ASOPs.
Response	The reviewers agree and added language.
Comment	One commentator suggested defining all the terms listed in scope.
Response	The reviewers added a definition of risk classification but believe the other terms do not need to be defined.
Comment	One commentator asked for clarification to help the actuary understand when their actuarial services fall within the scope of the standard.
Response	The reviewers clarified the guidance by expanding it and including examples of actuarial services that do not fall within the scope of this standard.
Comment	One commentator observed that the scopes of ASOP Nos. 46 and 47 excluded actuarial services that are outside the ERM framework and requested clarification of the scope in this standard.
Response	The reviewers added a paragraph clarifying the actuarial services that fall outside the scope similar to the limitations in ASOP Nos. 46 and 47.

Comment	One commentator questioned whether the ASOP would apply to an actuary making final decisions over a risk framework, for example, a chief risk officer (CRO).
Response	The reviewers note that the ASOP applies both to actuaries with partial involvement and to those with a more comprehensive role such as the CRO. The reviewers believe it unnecessary to differentiate by decision-making authority within this ASOP and therefore made no change.
<b>SECTION 2. DEFINITIONS</b>	
<b>Section 2.1, Available Capital</b>	
Comment	One commentator suggested deleting the definition of available capital, because it is used only twice.
Response	The reviewers believe the definition is necessary and made no change.
<b>Section 2.2, Emerging Risk</b>	
Comment	One commentator suggested replacing “impact” with “magnitude.”
Response	The reviewers agree and made the change.
<b>Section 2.3, Enterprise Risk Management (ERM) Framework</b>	
Comment	One commentator suggested adding “(including governance)” after collection of processes.
Response	The reviewers disagree and made no change.
Comment	One commentator suggested adding “monitoring” to the collection of processes.
Response	The reviewers agree and made the change.
Comment	One commentator suggested replacing “finances (with capital)” with “manages.”
Response	The reviewers agree and made the change.
Comment	One commentator asked for clarification of “with capital.”
Response	The reviewers replaced “finances (with capital)” with “manages” in response to another comment.
<b>Section 2.4, Governance</b>	
Comment	One commentator suggested adding “review,” “referral,” and “notification” and deleting “escalation.”
Response	The reviewers agree with the proposed additions and made changes accordingly, but did not delete “escalation.”
Comment	One commentator suggested changing “and escalation” to “and maintain accountability and escalation,” to draw the connection between the processes and accountability in the section.
Response	The reviewers disagree and made no change in response to this comment.
<b>Section 2.6, Internal Capital Assessment (now Section 2.5)</b>	
Comment	Two commentators suggested deleting “deterministic proxies” because it suggests stochastic methods are preferred.
Response	The reviewers deleted stochastic methods and deterministic proxies to avoid implication of preference.

<b>Section 2.8, Own Risk and Solvency Assessment (ORSA) (now Section 2.7)</b>	
Comment	One commentator suggested splitting the definition of ORSA between the generic and regulatory types.
Response	The reviewers disagree and made no change.
Comment	One commentator suggested adding “or a risk self-assessment similar to ORSA.”
Response	The reviewers disagree and made no change in response to this comment.
<b>Section 2.9, ORSA Report (now Section 2.8)</b>	
Comment	One commentator recommended the following: “A report produced with the following objectives: a. To provide information on the organization’s material and relevant risks; and b. To provide a group-level perspective on risk and capital.”
Response	The reviewers disagree and made no change in response to this comment.
Comment	One commentator drew distinctions between regulatory and generic ORSA reports.
Response	The reviewers believe there is no need to distinguish between required and optional ORSA reports in the definition and made no change in response to this comment.
Comment	One commentator suggested adding “where appropriate” to items (b) and (c) as they are not always required.
Response	The reviewers simplified the definition and made no change in response to this comment.
<b>Section 2.10, Required Capital (now Section 2.9)</b>	
Comment	One commentator suggested revising the language because required capital can vary based on the context of its determination.
Response	The reviewers agree and modified the language accordingly.
Comment	One commentator suggested including a statement about how the accounting basis is likely to vary depending on the purpose of the ORSA report and the organization writing it.
Response	The reviewers agree with the observation but believe such a statement is unnecessary. Therefore, the reviewers made no change in response to this comment.
<b>Section 2.11, Risk Appetite (now Section 2.10)</b>	
Comment	One commentator suggested adding that risks may be estimable and that risk appetite may change based on current or future market conditions.
Response	The reviewers added the “estimable” but not the sentence on risk appetite, as risk appetite may change for a variety of reasons, not just market conditions.
<b>Section 2.12, Risk Appetite Framework (now Section 2.11)</b>	
Comment	One commentator suggested moving “The risk appetite framework may include quantitative or qualitative components” from section 3.4 to section 2.12.
Response	The reviewers disagree and made no change in response to this comment.
<b>Section 2.13, Risk Appetite Limit (now Section 2.12)</b>	
Comment	One commentator suggested using “the organization’s risk appetite” instead of “risk measure.”
Response	The reviewers believe the language is appropriate and made no change in response to this comment.

Comment	One commentator suggested edits to clarify that different levels may have different limits.
Response	The reviewers agree and modified the language accordingly.
Comment	One commentator suggested replacing “risk appetite limit” with “risk tolerance.”
Response	The reviewers disagree and made no change. The reviewers acknowledge that practitioners and organizations use terms differently and interchangeably.
<b>Section 2.15, Risk Inventory</b>	
Comment	One commentator suggested using “updated list” instead of “updated register,” as “risk register” is used in the next sentence.
Response	The reviewers agree and made the change.
<b>Section 2.16, Risk Taxonomy</b>	
Comment	One commentator suggested that the existing language implied a top-down approach.
Response	The reviewers agree and modified the language.
<b>Section 2.17, Scenario Analysis</b>	
Comment	One commentator differentiated between “narrative description” and “narrative scenarios.”
Response	The reviewers believe the language is appropriate and made no change.
<b>Section 2.18, Stress Testing</b>	
Comment	One commentator suggested a more complex and narrower definition to encompass adverse and positive impacts inside a single organization. The commentator also suggested distinguishing the adverse assumptions and adverse output or result.
Response	The reviewers prefer to keep a simpler definition and did not make the change.
<b>Section 2.19, Three Lines of Defense (now Three Lines)</b>	
Comment	One commentator suggested adding compliance as one of the auditor’s responsibilities.
Response	The reviewers disagree but modified the language in response to another comment.
Comment	One commentator suggested that the second line also identifies where there is effective challenge of risk-taking activities.
Response	The reviewers disagree and made no change.
Comment	One commentator suggested revising the end of the last sentence to “reviewing the effectiveness of the implemented ERM framework.”
Response	The reviewers modified the language.
Comment	Several commentators suggested changing “three lines of defense” to “three lines.”
Response	The reviewers agree and made the change.
Comment	One commentator suggested adding that the responsibility of the first line is to own and manage risk.
Response	The reviewers agree and made the change.
<b>New Section 2.15, Risk Classification</b>	
Comment	One commentator suggested adding a definition of risk classification.
Response	The reviewers added a definition of risk classification.

Comment	One commentator said that, if the intent is for risk classification to include risk assessment, then the definition in section 2 should reflect this.
Response	The reviewers agree and added a definition of risk classification.
<b>Section 2.X, Proposed new definitions</b>	
Comment	Two commentators suggested adding a definition of “risk metric.”
Response	The reviewers note that risk metric is used throughout the ASOP but believe it is commonly understood and does not need to be defined.
Comment	One commentator suggested adding a section on “Form F: Enterprise Risk Report (ERR).”
Response	The reviewers disagree and made no change.
Comment	One commentator suggested adding a definition of “risk.”
Response	The reviewers disagree and made no change.
Comment	Two commentators suggested adding definitions of “inherent risk” and “residual risk.”
Response	The reviewers believe these definitions are unnecessary and made no change.
<b>SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES</b>	
<b>Section 3.1, Governance</b>	
Comment	One commentator suggested clarifying that that actuaries might be performing risk management in any of the three lines and deleting the last sentence.
Response	The reviewers agree and modified the language.
Comment	One commentator suggested adding “actuaries working for an audit firm may work in the third line.”
Response	The reviewers modified the language in response to other comments but did not specify the role of an auditor.
Comment	One commentator suggested deleting the last two sentences.
Response	The reviewers agree and made the change.
Comment	One commentator suggested adding “of the” between “governance” and “framework.”
Response	The reviewers disagree but clarified the language.
<b>Section 3.2, Risk Identification</b>	
Comment	One commentator suggested revisions to (a) and (d).
Response	The reviewers agree and modified the language.
Comment	One commentator suggested adding “and opportunities for” to the last sentence.
Response	The reviewers agree and made the change.
Comment	One commentator suggested deleting “understand” in (b).
Response	The reviewers agree and made the change.
Comment	One commentator suggested adding language on interactions between identified risks, or between emerging and identified risks.
Response	The reviewers agree and modified the language accordingly.

<b>Section 3.3, Risk Classification</b>	
Comment	One commentator suggested replacing “management’s assessment of risk” with “the actuary’s assessment of risk.”
Response	The reviewers disagree and made no change in response to this comment.
Comment	One commentator suggested reordering the two points and deleting “management.”
Response	The reviewers disagree and made no change in response to this comment.
Comment	One commentator suggested adding guidance for situations when the organization has not established a risk taxonomy.
Response	The reviewers agree and added a sentence.
Comment	One commentator suggested changing “for any given risk” to “for each risk being evaluated.”
Response	The reviewers agree and modified the language.
Comment	One commentator suggested replacing “risk neutral” with “risk accepting” and using “risk minimizing” for risks that cannot be avoided but are expected to be materially mitigated within risk appetite in section 3.3(a).
Response	The reviewers agree and modified the language.
Comment	One commentator suggested adding “potential” before “impact” in sections 3.3(b) and (c).
Response	The reviewers agree and made the change.
Comment	One commentator suggested moving language on prioritization of risk in section 3.3 to section 3.4.
Response	The reviewers disagree and made no change but note that the new definition of risk classification includes a prioritization aspect.
<b>Section 3.4, Risk Appetite Framework</b>	
Comment	The separation of qualitative and quantitative sections in 3.4.1 and 3.4.2 generated a number of comments, several of which proposed changes to or expansion of the guidance related to the qualitative aspect.
Response	The reviewers simplified the bulleted items and combined sections 3.4.1 and 3.4.2 into section 3.4.
<b>Section 3.4.1, Quantitative Components of Risk Appetite Framework (now Section 3.4)</b>	
Comment	One commentator suggested including a definition of risk metric that includes materiality.
Response	The reviewers did not include a definition of risk metric but added “material” in section 3.4.
Comment	One commentator suggested clarifying that it is “the amount” that is constrained, rather than the risk itself.
Response	The reviewers simplified the language in section 3.4(c).
Comment	One commentator suggested modifying the language explaining triggers.
Response	The reviewers simplified the language in section 3.4(d).
<b>Section 3.4.1(a) (now Section 3.4)</b>	
Comment	One commentator suggested that risk metrics were needed for risks in the risk inventory rather than the risk appetite.
Response	The reviewers agree and simplified the language in section 3.4(b).



Comment	One commentator suggested clarifying that risk appetite items with material risk need risk metrics.
Response	The reviewers agree and clarified the language.
<b>Section 3.4.1(b) and (c) (now Section 3.4)</b>	
Comment	One commentator suggested combining the two risk appetite limit requirements and expanding them to include liquidity and earnings profile along with capital.
Response	The reviewers simplified the language in sections 3.4(b) and (c) but did not expand the wording for liquidity and earnings profile and deleted the reference to capital.
<b>Section 3.4.1(c) (now Section 3.4)</b>	
Comment	One commentator suggested changing “available capital” to “required capital.”
Response	The reviewers simplified the language in section 3.4(c) and deleted the reference to capital.
<b>Section 3.4.1(d) (now Section 3.4)</b>	
Comment	One commentator suggested deleting “respective” as it was confusing.
Response	The reviewers agree and made the change.
Comment	One commentator said the language about authority levels was confusing.
Response	The reviewers agree and deleted the language on authority levels.
<b>Section 3.4.1 and 3.4.2, Quantitative Components of Risk Appetite Framework (now Section 3.4)</b>	
Comment	One commentator suggested softening “should recommend” to “should consider” in the last sentence.
Response	The reviewers disagree and made no change in response to this comment.
<b>Section 3.4.2, Quantitative Components of Risk Appetite Framework (now Section 3.4)</b>	
Comment	One commentator disagreed with the example and suggested applying one of the quantitative requirements to the qualitative section.
Response	The reviewers revised section 3.4 in response to other comments, removed all the examples, and combined the qualitative and quantitative sections.
Comment	One commentator suggested expanding the list of examples of qualitative risks.
Response	The reviewers revised section 3.4 in response to other comments, removed all the examples, and combined the qualitative and quantitative sections.
<b>Section 3.4.2(a) (now Section 3.4)</b>	
Comment	One commentator suggested rewording the example.
Response	The reviewers revised section 3.4 in response to other comments, removed all the examples, and combined the qualitative and quantitative sections.
<b>Section 3.5, Risk Mitigation</b>	
Comment	One commentator suggested eliminating the term “mitigation program.”
Response	The reviewers agree and modified the language.
Comment	One commentator suggested acknowledging that mitigating one risk may increase another risk or create one that did not exist prior to the mitigation.
Response	The reviewers agree and modified the language in (b).

Comment	One commentator said that there are ways to test the proposed risk mitigation activities other than scenario analysis and that the language was too prescriptive.
Response	The reviewers agree and modified the language.
Comment	One commentator said the language on modeling could be interpreted as requiring a quantitative approach.
Response	The reviewers agree and modified the language.
Comment	One commentator suggested changing the wording to reflect the fact that scenario analysis cannot provide certainty.
Response	The reviewers agree and modified the language.
<b>Section 3.6, Risk Metrics</b>	
Comment	One commentator suggested section 3.6 should refer to section 3.4(e).
Response	The reviewers believe a reference is unnecessary and made no change.
<b>Section 3.6(b) (now Section 3.6[a])</b>	
Comment	One commentator suggested defining “risk driver.”
Response	The reviewers modified the language in this section and changed “risk drivers” to “risk factors” in section 3.8.2(c).
<b>Section 3.6(c) (now Section 3.6[b])</b>	
Comment	Two commentators suggested modifying the language, as it is not always practical or feasible to measure the level of risk exposure before and after risk mitigation.
Response	The reviewers agree and modified the language.
<b>Section 3.6(e) (now Section 3.6[d])</b>	
Comment	One commentator suggested adding “where possible.”
Response	The reviewers disagree and made no change in response to this comment.
<b>Section 3.6, Risk Metrics, and 3.6.1, Developing or Modifying Risk Metrics</b>	
Comment	One commentator suggested combining sections 3.6 and 3.6.1.
Response	The reviewers disagree and believe there is justification for two separate lists. Section 3.6 lists goals related to risk metrics in the context and nature of the business and alignment with risk appetite. The list in section 3.6.1 is conditional on the actuary being asked to develop and modify risk metrics and is more concerned with the practical mechanics of metrics.
<b>Section 3.6.1, Developing or Modifying Risk Metrics</b>	
Comment	One commentator suggested adding “coincident.”
Response	The reviewers agree and made the change.
Comment	One commentator suggested adding a new item, “effectiveness of the risk metric.”
Response	The reviewers believe the draft provides objectives in section 3.6 and effectiveness would be judged against each of these criteria. The reviewers believe a general comment about effectiveness is unnecessary and made no change in response to this comment.
Comment	One commentator suggested section 3.6.1 become section 3.7.
Response	The reviewers disagree and made no change.

<b>Section 3.6.1(a)</b>	
Comment	One commentator suggested replacing “the frequency and severity of the risk” with “the likelihood and severity of the risk.”
Response	The reviewers disagree and made no change.
<b>Section 3.6.1(b)</b>	
Comment	One commentator suggested adding “or a combination.”
Response	The reviewers disagree and made no change.
<b>Section 3.6.1(d)</b>	
Comment	One commentator suggested changing “confidence level” to “statistical confidence level.”
Response	The reviewers disagree and made no change.
<b>Section 3.6.1(f)</b>	
Comment	One commentator suggested adding “current and” before “future trends.”
Response	The reviewers agree and made the change.
<b>Section 3.6.1(g)</b>	
Comment	One commentator said that the last sentence of (g) applies to all of section 3.6.1.
Response	The reviewers deleted the sentence and simplified the language.
Comment	One commentator said it was unclear whether “they” referred to regulatory constraints or risk metrics.
Response	The reviewers agree and simplified the language.
<b>Section 3.7, Internal Capital Assessment</b>	
<b>Section 3.7(c)</b>	
Comment	One commentator suggested adding “where appropriate.”
Response	The reviewers agree and made the change.
<b>Section 3.7(d)</b>	
Comment	One commentator suggested deleting “available capital” and adding “transferable to other parts of the organization” and “limitations.”
Response	The reviewers disagree with deleting “available capital,” but made other changes in response to this comment.
<b>Section 3.7(e)</b>	
Comment	One commentator suggested deleting “the quality of available assets” and adding “or terms” after “conditionality.”
Response	The reviewers disagree with the proposed changes but simplified the language to focus on the “quality of available assets.”
Comment	One commentator asked for the meaning of “quality” to be clarified.
Response	The reviewers believe the quality of assets is well understood by practitioners and therefore made no change.

Comment	One commentator suggested the ASOP discuss concentration of risks.
Response	The reviewers believe that concentration of risk would be reflected in calculations of diversification credit, covered in section 3.7(c).
<b>Section 3.8.3, Testing Target Levels for Capital or Liquidity</b>	
Comment	One commentator suggested adding “or document rationale for deviating from prescribed stress(es).”
Response	The reviewers disagree as stresses prescribed by rating agencies and regulators need to be followed. Therefore, the reviewers made no change.
Comment	One commentator suggested deleting the section because it does not seem applicable within the scope of the ASOP, which is performing actuarial services with respect to developing, maintaining, or reviewing an ERM framework.
Response	The reviewers disagree. Testing capital and liquidity to ensure they remain within target levels and above minimum levels required by rating agencies and regulators is one of the key ERM activities.
<b>Section 3.9, Own Risk and Solvency Assessment (ORSA)</b>	
Comment	One commentator suggested changing “general risk management” to “enterprise risk management.”
Response	The reviewers expanded the wording to include the basic components of the organization’s risk and business objectives, and deleted the reference to “general risk management.”
Comment	One commentator suggested adding language related to the misrepresentation of the risk management framework.
Response	The reviewers modified the language in this section but do not believe it is necessary to provide guidance to the signatory on misrepresentation.
Comment	One commentator suggested the requirements for a signatory to an ORSA report were inappropriate.
Response	The reviewers disagree and made no change in response to this comment.
<b>SECTION 4. COMMUNICATIONS AND DISCLOSURES</b>	
<b>Section 4.1, Required Disclosures in an Actuarial Report</b>	
Comment	One commentator suggested moving the first sentence to later in the section.
Response	The reviewers deleted the sentence.
<b>Section 4.1(a)</b>	
Comment	One commentator suggested adding “if applicable.”
Response	The reviewers note that “if applicable” is included in the stem and made no change.
Comment	One commentator suggested deleting “of defense.”
Response	The reviewers agree and made the change.
<b>Section 4.1(f) and (g)</b>	
Comment	One commentator suggested deleting 4.1(f) and (g) because they are out of scope.
Response	The reviewers disagree, believe the items are in scope, and made no change.

<b>Section 4.1(h)</b>	
Comment	One commentator suggested deleting “as applicable.”
Response	The reviewers agree and made the change.
<b>APPENDIX, BACKGROUND AND CURRENT PRACTICES (now Appendix 1)</b>	
Comment	One commentator suggested adding a sentence explaining the risk control cycle.
Response	The reviewers agree and made the change.
Comment	One commentator suggested using “occur” rather than “taken” when referring to risks.
Response	The reviewers agree and made the change.