

January 16, 2025

Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, Ontario M2N 6S6

To Whom It May Concern.

**Proposed Guidance: Own Risk and Solvency Assessment (ORSA) for Ontario-
incorporated Insurance Companies and Reciprocal Insurance Exchanges
No. PC0055APP**

We appreciate the opportunity to provide input on the above noted guidance. As the Ontario Mutual Insurance Association, we are providing feedback on behalf of our 34 member companies. Our members are property-casualty insurers organized as incorporated as mutuals under Ontario statute.

Our members underwrite farm, home, automobile, and commercial insurance policies. Each of our mutuals is over 100 years old, with the oldest having been established in the 1850s. Our companies are predominantly located in small towns and cities across the province. Each of our members' policyholders is a fully participating mutual member. The boards of directors of our mutuals are composed of policyholders and all policyholders are eligible to vote at annual general meetings and participate in any refunds granted from surplus.

Our member mutuals are small insurers in a rapidly consolidating property-casualty insurance sector and we have seen a consolidation trend among our members. Our mutuals, when premium volume is aggregated, write a significant volume of farm, home, and auto insurance in the province. When regionality is considered, many of our mutuals are a vital market in their region and provide essential capacity, availability, and choice for Ontario consumers.

We appreciate the opportunity to provide input on the above noted guidance ("ORSA Guidance"). As set out, we believe the guidance is well-founded and is appropriate for P&C insurers operating in Ontario.

We also note that the guidance continues to support the principle of proportionality and that "the quality, complexity, and frequency of an Insurer's ORSA is commensurate with its size, complexity, and risk profile." We support this approach to proportionality.

We also note that the guidance should be read in conjunction with other guidance including the 'MCT Guideline', as published by FSRA with an effective date of January 1, 2023. That guidance in turn references the 2023 OSFI MCT Guideline.

We acknowledge the necessity of looking at these other source guidelines, but might suggest some commentary or narrative within the proposed ORSA Guidance that more explicitly references the source guidance to understand the interrelatedness and context of terms such as "Capital Resources", "Supervisory Target", etc. This might include a more explicit reference to where these definitions may be found in other guidance. From a drafting standpoint it might be preferable to include this as an appendix on key terms that are defined by other guidance.

While we believe this may be a small point, we expect that the proposed guidance should be widely used and referenced by a range of readers, some of whom will not have the depth of experience with technical ORSA concepts, particularly in the early days. WE think this would strengthen the accessibility and usage of the proposed guidance.

In our experience FSRA has supported its published guidance with ongoing industry liaison and dialogue and we look forward to a continuation of that process as this guidance moves through consultation and adoption.

Thank you for the opportunity to provide comments.

Yours truly,

A handwritten signature in blue ink, appearing to read 'J L Taylor'.

John L. Taylor BBA, FCIP, FCLA, CHRL
President