

Dear Colleagues,

I am happy to take up the initiative introduced by the previous chairperson, Philip Shier, and to send you a quarterly update on behalf of the Board of the AAE.

Annual meeting

The 2016 annual meeting was held in Barcelona in conjunction with meetings of all committees. The event was hosted and very well organised by the Col.legi d'Actuaris de Catalunya, from 23-25 September. I was impressed and grateful for the hospitality shown to the AAE throughout the annual meeting and the social programme in connection with the meeting activities.

I had the privilege to participate in most of the committee meetings as well as the General Assembly and I enjoyed the many fruitful discussions.

The meeting agendas and the minutes are available on our [website](#)

Strategy task force

During the annual meeting, I was also happy to hear that the strategy review work conducted over the summer was well received and will continue in a new strategy task force to implement the ideas and initiatives suggested as part of the review.

Thomas Béhar will lead this new task force called ISRP ("Implementation Strategy Review Proposals"). The task force will report to the Standards, Freedoms and Professionalism committee, and I expect that, with the assistance from this committee, the AAE will be able to further clarify the strategic focus of our association.

The ambition is to present draft proposals for new strategic objectives as well as for the revised governance structure at the Standards, Freedoms and Professionalism Committee spring meeting in May, and to present the final proposals at the annual meeting in Copenhagen in September.

The spring meetings in 2017

The venue and the hosts of the spring meetings have now been confirmed. The Instituto de Actuarios Españoles has invited the Education Committee, the Investment and Financial Risk Committee and the Pensions Committee to Málaga to hold their spring meetings on Friday 7 April 2017. The Social Security Sub-committee will meet there on Thursday 6 April 2017. The Félag íslenskra tryggingastærðfræðinga (Iceland) has invited the Insurance Committee and the Standards, Freedoms and Professionalism Committee to Reykjavik for their spring meetings on 11-12 May 2017.

I am looking forward to the spring meetings, meeting the host associations and delegates from other associations, and visiting these two exciting venues.

IAA in Cape Town

As AAE Chairperson, I was invited by the IAA to attend their meetings in Cape Town in November.

I had the opportunity to meet many European (and non-European) actuaries who were attending the IAA meetings and I would encourage member associations to become involved, where possible, in the IAA as well as in the AAE.

Philip Shier has previously mentioned that there is an ongoing project looking at the development of a more formal relationship between the IAA and the AAE, with a key objective being to ensure that there is no duplication of work. Philip, Thomas Béhar and I had a very constructive dialogue on this issue with Malcolm Campbell and Tom Terry (President and President-Elect of the IAA), and we expect to finalise a more formal Memorandum of Understanding between the IAA and the AAE early in 2017.

Interaction with Member Associations

The Officers of the AAE have the ambition to maintain liaison with all member associations. To facilitate this in an efficient manner, the Officers have split the responsibility between them by appointing a liaison officer to each member association.

The list of liaison Officers can be found [here](#).

Of course, all member associations are most welcome to contact any of the Officers or the secretariat directly at any time, and I hope to get the opportunity to visit quite a number of member associations during the next year as well.

Meetings with EU institutions

AAE Officers have met Gabriel Bernardino and other EIOPA representatives in Frankfurt on 19 December. The agenda issues included review of Solvency II, supervisory handbook, global ICS, recovery and resolution, results from insurance stress test, UFR, negative interest rates, personal pensions, IORP stress test, and implementation of IORP 2.

AAE Officers have also met ECB representatives in Frankfurt on 19 December. The main topic of the meeting was the low interest rate environment.

Publications and responses to consultations

The AAE and its committees contribute to many European consultations. The member associations are closely involved in these consultations through their delegates in the various committees. An overview of these consultations can be found on our website.

In June this year the AAE published a paper on the Roles of Actuaries under Solvency II and in August a survey on the low interest environment.

Other Activities

- i. New website
The AAE plans to implement a completely new website during 2017. The current website is based on outdated technology and does not facilitate the required functionality. I know that the Secretariat is looking forward to present the new site at the General Assembly 2017 in Copenhagen
- ii. Seminar on ageing population
Unfortunately, the AAE had to cancel a planned seminar on pensions and the ageing population in November due to a clash of schedules. I hope there will be another opportunity to bring up this initiative at a later stage.

- iii. Enterprise Risk Management
During 2016, the AAE has facilitated a couple of round table meetings on Enterprise Risk Management. I appreciate the significant work put into these meetings, and as a result of the meetings, the Officers have decided that the AAE needs to be more active on ERM. In order to find the most efficient way to address the issue, the AAE is in the process of establishing a task force reporting directly to the Officers to develop suggestions on how to proceed. The task force will report during the spring meetings as well as at the annual meeting in 2017.
- iv. The ESAP 3 Standard is on its way
ESAP 3 concerns the activities of the actuarial function in relation to the ORSA process in an insurance company. The second exposure draft has recently been published for comments.
- v. Code of Conduct
The 5-yearly review of the Code of Conduct is under way. The Standard, Freedoms and Professionalism Committee will be responsible for this.
- vi. Mutual Recognition Agreement
The 5-yearly review of the Mutual Recognition Agreement is under way.
- vii. Market Consistency web portal
The AAE is in the process of establishing a Market Consistency web Portal. The portal will provide a discussion platform, contain financial and actuarial data, list best practices and an overview of relevant seminars and events. The Market Consistency Portal is an initiative of the Investment and Financial Risk Committee.

Staffing

By 31 December 2016, Secretary-General Michael Lucas will retire from the AAE after 15 years of loyal service. I know from all the warm expressions and speeches given at the Barcelona meeting that many of us will miss Michael and will look back at many memorable occasions together with him. The Officers and I wish Michael a fulfilling and well-deserved retirement.

Further, I will use the opportunity to welcome Monique Schuilenburg to the AAE as the new Executive Assistant. Monique has a strong background as a highly respected international coordinator at Het Koninklijk Actuarieel Genootschap (The Royal Dutch Actuarial Association). Monique has served as the Chairman's Assistant in the Education Committee from 2006 to 2012.

Finally, I would like to end this update by wishing you all a Merry Christmas and a Happy and Prosperous New Year,

Kristoffer Bork

Chairperson

December 2016