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## AAE Board Update on Consultations

Strategic Board Meeting, November 2024





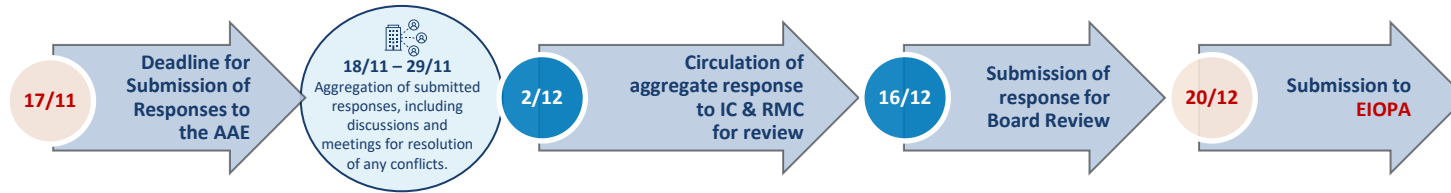
Consultations		Assessment		Status	Deadline
1. EIOPA Consultation on new SII proportionality regime (Solvency II)		Pursue		<i>Submitted</i> <i>Reviewers: Jette &amp; Matthias</i>	25 October 2024
2. European Commission Consultation on Scientific Panel Regulation		Pursue		<i>Submitted</i> <i>Reviewers: Inga &amp; Malcolm</i>	15 November 2024
3. European Commission Consultation on EU securitisation rules		<i>Do not pursue</i>		<i>N/A</i>	4 December 2024
4. EIOPA Consultation on supervising liquidity risk management of IORPs (IORP II)		Pursue		<i>Drafting in progress</i> <i>Reviewers: Hartwig &amp; Malcolm</i>	20 December 2024
5. EIOPA Consultation on liquidity risk management plans (Solvency II)		Pursue		<i>Awaiting submission of comments from volunteers.</i> 	2 January 2025
6. EIOPA Consultation on best-estimate valuations for life insurance obligations (SII)		Pursue			2 January 2025
7. EIOPA Consultation on the criteria for the identification of exceptional sector-wide shocks (Solvency II)		Pursue			2 January 2025
8. EIOPA Consultation on relevant insurance and reinsurance undertakings with respect to the host Member State's market (Solvency II)		<i>Do not pursue</i>		<i>N/A</i>	2 January 2025
9. EIOPA Consultation on undertakings under dominant/significant influence or managed on a unified basis (Solvency II)		<i>Do not pursue</i>		<i>N/A</i>	2 January 2025
10. EIOPA Consultation on the applicability criteria for macroprudential analysis in the ORSA and PPP (Solvency II)		<i>Do not pursue</i>		<i>N/A</i>	9 January 2025
11. EIOPA Consultation on capital requirements for investments in crypto assets (SII)		<i>Do not pursue</i>		<i>N/A</i>	16 January 2025
12. EIOPA Consultation on mass-lapse reinsurance and reinsurance termination clauses to enhance guidance on risk mitigation techniques (Solvency II)		Pursue		<i>FMA Invitation sent out</i>	7 February 2025

## Next Steps for the Board

- Assign board reviewers.
- Any comments with regards to the assessment regarding which consultations to pursue.

### Take note

- For the three SII Consultations with a deadline on 2 January, note that our target submission date and resulting work timeline have been shifted due to Christmas holidays, as shown below:



- Also note that an extension to the volunteers' deadline was provided up to 24/11 (one week extension).
- For other consultations, the timelines are shown in the next slides for information.

## 4. Consultation on supervising the liquidity risk management of IORPs



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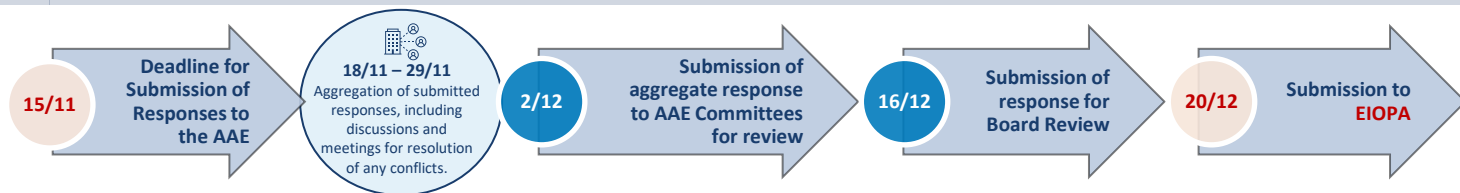
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<b>Background and purpose of the consultation</b>	<p>The consultation focuses on the supervision of liquidity risk management for Institutions for Occupational Retirement Provision (IORPs).</p> <p>It seeks feedback on EIOPA's draft opinion aimed at enhancing supervisory convergence to protect pension fund members and beneficiaries. The goal is to ensure IORPs can manage risks such as early withdrawals, collateral calls, and outgoing transfers while maintaining overall financial stability.</p>
<b>Issuing Authority</b>	EIOPA
<b>Identified AAE Groups</b>	Pensions Risk Management Working Group: Pensions and Risk Management Committees
<b>Board Reviewers</b>	<i>To be assigned</i>
<b>Submission of responses by</b>	<b>15 November 2024</b>

### Timeline




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<b>Background and purpose of the consultation</b>	<p>The consultation focuses on defining the regulatory technical standards for liquidity risk management plans under Solvency II</p> <p>The purpose of the consultation is to enhance insurers' preparedness to manage liquidity risks effectively, ensuring sufficient liquid assets are available in the face of adverse market conditions. It aims to create a harmonised framework across the EU that sets out the requirements and guidelines insurers must follow when designing and implementing their liquidity risk management plans.</p>
<b>Issuing Authority</b>	EIOPA
<b>Identified AAE Groups</b>	Solvency II Working Group: Insurance Committee and Risk Management Committee
<b>Relevance to the AAE</b>	The AAE should identify and comment on the actuarial and other relevant aspects of the consultation and provide its input to support EIOPA to fulfill its mandate to the European Commission.
<b>Board Reviewers</b>	<i>To be assigned</i>
<b>Submission of responses by</b>	<b>17 November 2024</b>
<b>Timeline</b>	<pre> graph LR     A((17/11)) --&gt; B[Deadline for Submission of Responses to the AAE]     B --&gt; C((18/11 – 29/11))     C --&gt; D[Aggregation of submitted responses, including discussions and meetings for resolution of any conflicts.]     D --&gt; E((2/12))     E --&gt; F[Submission of aggregate response to AAE Committees for review]     F --&gt; G((16/12))     G --&gt; H[Submission of response for Board Review]     H --&gt; I((20/12))     I --&gt; J[Submission to EIOPA]                     </pre> <p>The timeline consists of several steps:          <ul style="list-style-type: none"> <li><b>17/11</b>: Deadline for Submission of Responses to the AAE</li> <li><b>18/11 – 29/11</b>: Aggregation of submitted responses, including discussions and meetings for resolution of any conflicts.</li> <li><b>2/12</b>: Submission of aggregate response to AAE Committees for review</li> <li><b>16/12</b>: Submission of response for Board Review</li> <li><b>20/12</b>: Submission to EIOPA</li> </ul> </p>


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<b>Background and purpose of the consultation</b>	<p>This consultation seeks feedback on the methodology for defining scenarios to support prudent deterministic valuation under Solvency II.</p> <p>EIOPA is proposing specific implementing technical standards (ITS) that will provide a standardised approach to scenario generation for insurers, enabling more consistent assessments of future risks. The consultation aims to ensure that valuation scenarios are appropriately calibrated, facilitating a more accurate reflection of the financial risks faced by insurers.</p>
<b>Issuing Authority</b>	EIOPA
<b>Identified AAE Groups</b>	Solvency II Working Group: Insurance Committee and Risk Management Committee
<b>Relevance to the AAE</b>	The AAE should identify and comment on the actuarial and other relevant aspects of the consultation and provide its input to support EIOPA to fulfill its mandate to the European Commission.
<b>Board Reviewers</b>	<i>To be assigned</i>
<b>Submission of responses by</b>	<b>17 November 2024</b>
<b>Timeline</b>	<pre> graph LR     A((17/11)) --&gt; B[Deadline for Submission of Responses to the AAE]     B --&gt; C((18/11 – 29/11))     C --&gt; D[Aggregation of submitted responses, including discussions and meetings for resolution of any conflicts.]     D --&gt; E((2/12))     E --&gt; F[Submission of aggregate response to AAE Committees for review]     F --&gt; G((16/12))     G --&gt; H[Submission of response for Board Review]     H --&gt; I((20/12))     I --&gt; J[Submission to EIOPA]                     </pre> <p>The timeline consists of a sequence of steps connected by arrows. It starts with a date marker '17/11' in a red circle, followed by a blue arrow pointing to a box labeled 'Deadline for Submission of Responses to the AAE'. This is followed by another blue arrow pointing to a date range '18/11 – 29/11' in a blue circle, which is associated with a box describing the 'Aggregation of submitted responses, including discussions and meetings for resolution of any conflicts.'. This is followed by a blue arrow pointing to a date '2/12' in a blue circle, then a blue arrow pointing to a box labeled 'Submission of aggregate response to AAE Committees for review'. This is followed by a blue arrow pointing to a date '16/12' in a blue circle, then a blue arrow pointing to a box labeled 'Submission of response for Board Review'. Finally, a blue arrow points to a date '20/12' in a red circle, which is followed by a blue arrow pointing to a box labeled 'Submission to EIOPA'.</p>



## 7. Consultation on the criteria for the identification of exceptional sector-wide shocks (SII Review)



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<b>Background and purpose of the consultation</b>	<p>EIOPA has opened this consultation to establish regulatory technical standards regarding the criteria for identifying and assessing exceptional sector-wide shocks under Solvency II.</p> <p>The goal is to create a clear and consistent methodology for determining when such shocks occur and how insurers should respond. This consultation is part of the broader framework aimed at enhancing the resilience of the insurance sector in the event of significant, widespread market disruptions.</p>
<b>Issuing Authority</b>	EIOPA
<b>Identified AAE Groups</b>	Solvency II Working Group: Insurance Committee and Risk Management Committee
<b>Relevance to the AAE</b>	The AAE should identify and comment on the actuarial and other relevant aspects of the consultation and provide its input to support EIOPA to fulfill its mandate to the European Commission.
<b>Board Reviewers</b>	<i>To be assigned</i>
<b>Submission of responses by</b>	<b>17 November 2024</b>
<b>Timeline</b>	<p>The timeline consists of five main stages connected by arrows:</p> <ul style="list-style-type: none"><li><b>17/11</b>: Deadline for Submission of Responses to the AAE</li><li><b>18/11 – 29/11</b>: Aggregation of submitted responses, including discussions and meetings for resolution of any conflicts. (This stage is represented by a circle with a building icon).</li><li><b>2/12</b>: Submission of aggregate response to AAE Committees for review</li><li><b>16/12</b>: Submission of response for Board Review</li><li><b>20/12</b>: Submission to EIOPA</li></ul>


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<b>Background and purpose of the consultation</b>	<p>The consultation focuses on mass-lapse reinsurance and termination clauses in reinsurance agreements. This consultation serves as an extension of EIOPA's 2021 Opinion on risk mitigation techniques, providing specific guidance to ensure effective risk transfer. Mass-lapse reinsurance, mainly relevant to life insurance, addresses scenarios where large groups of policyholders discontinue policies, posing financial risks.</p> <p>The consultation also discusses reinsurance termination clauses, especially those impacting SCR calculations, to ensure they reflect genuine risk mitigation. The consultation seeks stakeholder input on the adequacy of this guidance, particularly regarding the application of these techniques within the Solvency II framework.</p>
<b>Issuing Authority</b>	EIOPA
<b>Identified AAE Groups</b>	Solvency II Working Group: Insurance Committee and Risk Management Committee
<b>Relevance to the AAE</b>	The AAE should identify and comment on the actuarial and other relevant aspects of the consultation and provide its input to support EIOPA to fulfill its mandate to the European Commission.
<b>Board Reviewers</b>	<i>To be assigned</i>
<b>Submission of responses by</b>	<b>12 January 2025</b>
<b>Timeline</b>	<pre> graph LR     A((12/1)) --&gt; B[Deadline for Submission of Responses to the AAE]     B --&gt; C((13/1 – 24/1))     C --&gt; D[Aggregation of submitted responses, including discussions and meetings for resolution of any conflicts.]     D --&gt; E((27/1))     E --&gt; F[Submission of aggregate response to AAE Committees for review]     F --&gt; G((3/2))     G --&gt; H[Submission of response for Board Review]     H --&gt; I((7/2))     I --&gt; J[Submission to EIOPA]                     </pre>





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