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The Need to Transform the Target Operating Model (TOM) for AAE

with the aim to support the sustainable achievement of AAE's strategic objectives

*Material provided for AAE GA
September 26, 2025*



Need to revise the current AAE operating model to support the sustainable achievement of AAE's Strategic objectives

Presented by AAE Board and Committee
Chairs at the 2024 General Assembly in
Budapest

Recent achievements of AAE

Strengthened relationship with EU stakeholders
(implemented regularity of the meetings)

Identified new relevant EU stakeholders (DG
FISMA, DG CLIMA and others) and relationship
started

**Initiatives in the new areas for actuarial
profession** (AI, Sustainability)

**Hard work on focused internal/ external
communication**, resulting in reaching target of
8000 followers in LinkedIn

.. and much more

→ **Leading to an increasing workload**



Identified by AAE TOM TF in 2024/ 2025

- Collaboration with EU stakeholders is **showing positive outcomes**, but **there is a room for improvement** in maintaining and further developing these relationships.
- The AAE Board is experiencing **resource constraints due to the current AAE organizational structure**; as result, the AAE Board is engaged in administrative and coordination tasks rather than concentrating on the strategic matters.
- Despite efforts to improve the efficiency of AAE work, the AAE secretariat's workload has shown a long-term and increasing trend of overtime, indicating the need to strengthen the AAE Support team.

Continuity

**Focus on EU
stakeholders**

**Efficiency:
Finance and
Activities**

Assessment outcome regarding areas for improvement identified by TOM TF to support the achievement of AAE Strategic goals

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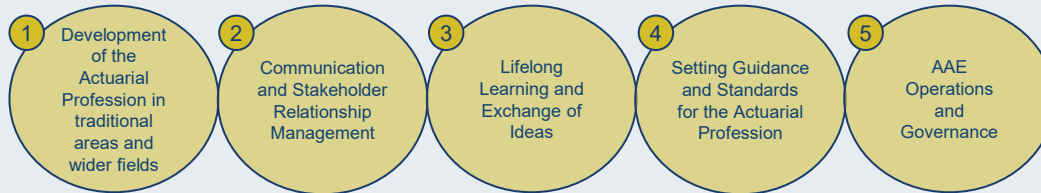
Strategic Objectives

- 1 Enhance Relations with European Institutions
- 2 Promote Professionalism
- 3 Promote a European Community of Actuaries

Vision statement

The vision of the AAE is for actuaries throughout Europe to be recognised as the leading quantitative professional advisers in financial services, risk management and social protection, contributing to the well-being of society, and for European institutions to recognise the valuable role that the AAE plays as a leading source of advice on actuarial and related issues.

Key Pillars



Current operating model – the AAE is working well, and the TOM will make the AAE even more impactful in delivering the SO1-SO3



Example: engage more with EU stakeholder groups on AI act, actuaries in banking and finance, actuaries and data science. Promote fit and proper status of actuaries.



Example: ensure regular meetings with joint agenda and topics with EU stakeholders on major legislation. Ensure continuity in stakeholder management from AAE and counterpart.



Example: leverage more the contribution of volunteers by providing coordination and project management support to motivate experienced volunteers to contribute.



Example: leverage more the contribution of volunteers by providing coordination and project management support.



Example: some AAE staff have very high workload, and overall efficiency can be improved.

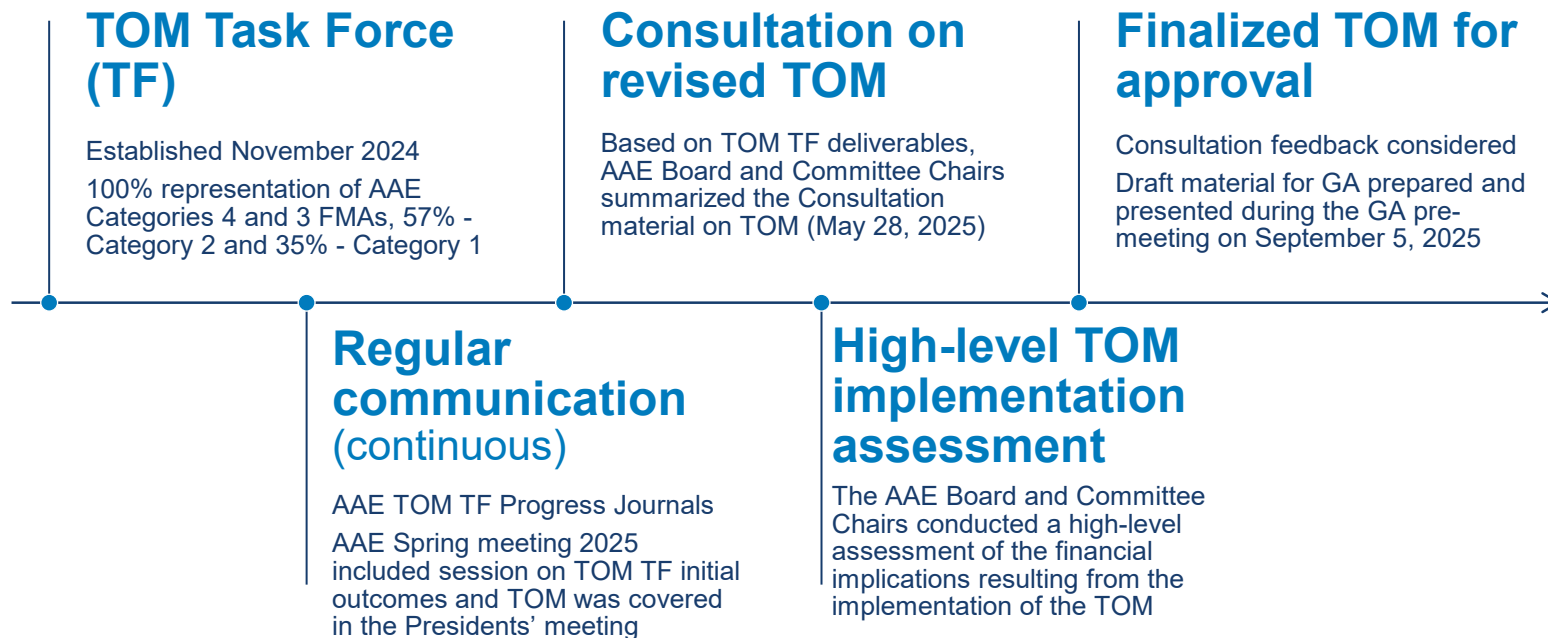


Target operating model



Current set up

Actions undertaken by the AAE Board to engage FMAs in the development of a revised target operating model proposal



High-level assessment of reasonableness of implementation of TOM

According to the Consultation material on TOM, CE is designated as responsible for the TOM Transition plan and its implementation.

However, from June to August 2025, the AAE Board and Committee Chairs carried out an independent, high-level review of the implementation of the revised TOM with the aim to ensure supporting of the sustainable achievement of AAE's strategic objectives. This review focused on (i) finance and (ii) scope of activities and was conducted in addition to the TOM TF perspective provided in its deliverables.

FINANCE

The year 2026, together with the following two to three years required to implement the TOM, is anticipated to result in higher expenditures. This is due to the completion of existing agreements as per their respective terms and conditions, as well as the simultaneous recruitment of new positions during this period.

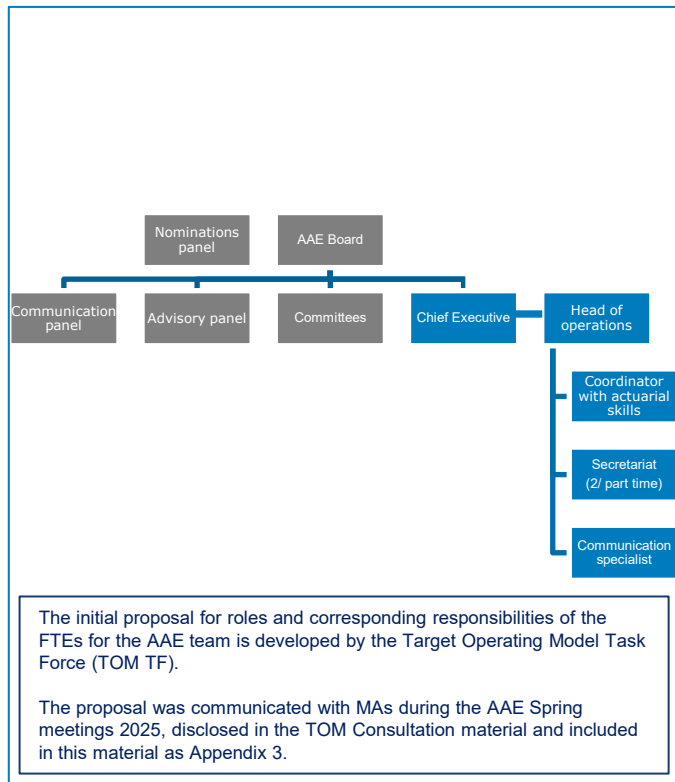
Following the assessment conducted, the AAE Board and Committee Chairs **have reached a consistent conclusion with the AAE TOM Task Force regarding possibilities of decreasing the expenditures for the revised AAE Support team** after transition.

SCOPE OF ACTIVITIES

Following the assessment conducted, the AAE Board and Committee Chairs **have reached a consistent conclusion with the AAE TOM Task Force** that the revised AAE Support team, along with support from MAs, **will be able expand the scope of activities for achievement of the AAE's strategic objectives in a sustainable manner.**

Ongoing efficiency monitoring is crucial for successful TOM implementation. Examples of efficiency initiatives implemented include the utilisation of AI tools for administrative tasks, such as generating meeting minutes, and enhanced efficiency in planning and organising both internal and external meetings.

Target Operating Model aligned with AAE Strategic Objectives and to be scheduled by AAE Board for the implementation in 2 to 3 years period



Organizational chart:

- CE will support the AAE Board in implementing the AAE Strategy and will establish/ maintain relationships with European stakeholders. Chief executive will be nominated and approved by the Board (as outlined in the revised Statutes); to maintain a transparent process for CE recruitment, the AAE Nomination Panel will participate in the selection procedure and AAE General Assembly (GA) will ratify the candidate to ensure MAs' involvement.
- Head of operations reports to CE and supports with internal operational matters.
- The Communication Specialist will support and improve the initiatives implemented by the AAE Communication Panel and the AAE Board.

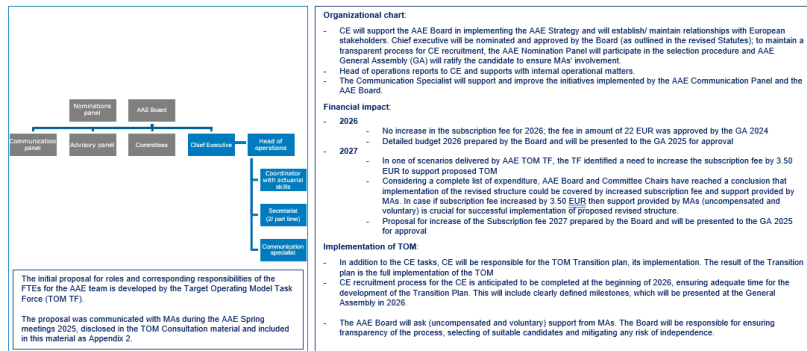
Financial impact:

- **2026**
 - No increase in the subscription fee for 2026; the fee in amount of 22 EUR was approved by the GA 2024
 - Detailed budget 2026 prepared by the Board and will be presented to the GA 2025 for approval
- **2027**
 - In one of scenarios delivered by AAE TOM TF, the TF identified a need to increase the subscription fee by 3.50 EUR to support proposed TOM
 - Considering a complete list of expenditure, AAE Board and Committee Chairs have reached a conclusion that implementation of the revised structure could be covered by increased subscription fee and support provided by MAs. In case if subscription fee increased by 3.50 EUR then support provided by MAs (uncompensated and voluntary) is crucial for successful implementation of proposed revised structure.
 - Proposal for increase of the Subscription fee 2027 prepared by the Board and will be presented to the GA 2025 for approval

Implementation of TOM:

- In addition to the CE tasks, CE will be responsible for the TOM Transition plan, its implementation. The result of the Transition plan is the full implementation of the TOM
- CE recruitment process for the CE is anticipated to be completed at the beginning of 2026, ensuring adequate time for the development of the Transition Plan. This will include clearly defined milestones, which will be presented at the General Assembly in 2026.
- The AAE Board will ask (uncompensated and voluntary) support from MAs. The Board will be responsible for ensuring transparency of the process, selecting of suitable candidates and mitigating any risk of independence.

Target Operating Model aligned with AAE Strategic Objectives and to be scheduled by AAE Board for the implementation in 2 to 3 years period



Voting statement

AAE Target Operating Model (as disclosed on the previous slide), which aligns with the AAE Strategic Objectives, is to be approved and scheduled by the AAE Board for implementation within a 2-to-3-year period.



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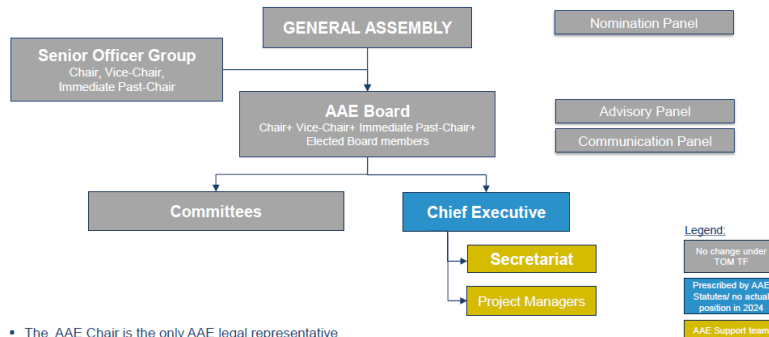
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Appendixes

Deliverables prepared by AAE TOM TF

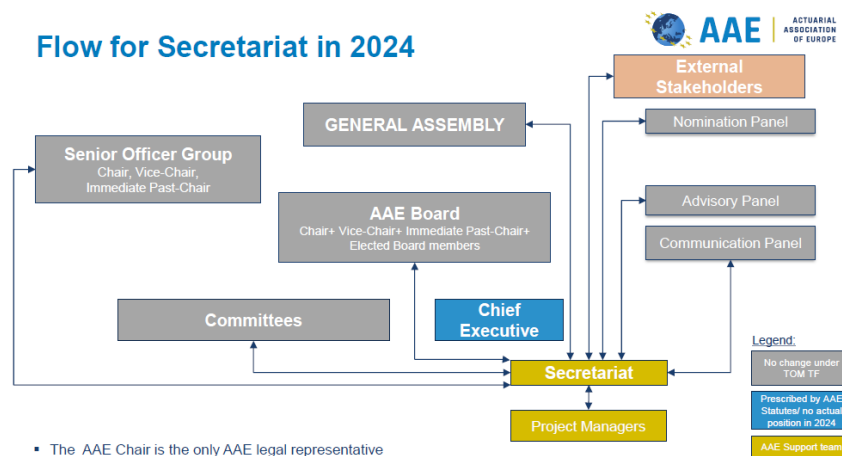
Appendix 1: Input material provided to TOM TF supporting discussions on a need to re-establish CE as prescribed in the AAE Statutes

Structure 2024



ADVISING • ACHIEVING • ENGAGING

Flow for Secretariat in 2024



ADVISING • ACHIEVING • ENGAGING

AAE Statutes disclose “.. The Secretariat shall be managed by a Chief Executive, who shall be appointed by the Board of Directors on terms and conditions agreed by the Board”. AAE had a CE from 2013 to 2020 (Ad Kok served as CE from 2013 to 2019, followed by Cecilia Thorn from 2019 to 2020). **Since 2020, the CE position has remained vacant.**

Appendix 2: Deliverable by TOM

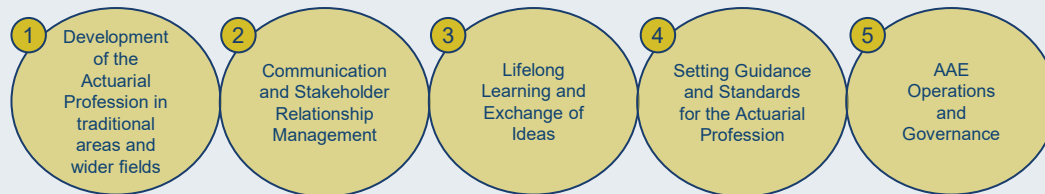


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High level summary of the tangibles from new structure

Key Pillars



Current operating model – the AAE is working well, and the TOM will make the AAE even more impactful in delivering the SO1-SO3



Target operating model



Current set up

Proposed operating model



Target operating model



Current set up

Increased engagement with EU stakeholder groups on EU AI act, actuaries in banking and finance, actuaries and data science.

Promote fit and proper status of actuaries.

Regular meetings with joint agenda and topics with EU stakeholders on major legislation. Continuity in stakeholder management from AAE and counterpart.

Leverage more the contribution of volunteers by providing coordination and project management support to motivate experienced volunteers to contribute.

Leverage more the contribution of volunteers by providing coordination and project management support.

Increase of efficiency and provided clear split of roles/ responsibilities

Appendix 3: Deliverable by TOM TF:

What we will do more and what we will start doing



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Areas	What	Board	CE	Head of Operations	Coordinator with actuarial
Strategy					
	Vision + governance (long term)	X	X		
	Strategic plan (mid term – 3 to 5 years)	X	X		
	Business plan (short term – 1 year)	X	X		
Execution					
	Supervision of the activities of the Committees and other bodies appointed by the Board	X	X		X
	Supervision and execution of the Strategic and Business Plans	X	X	X	
	Reporting on Strategic Plan	X	X	X	
	Ensures continuity in business and strategic plan		X		
Finance					
	Presentation of financial statements	X			
	Bookkeeping, handling invoices/reimbursements, VAT, Tax, Annual fees	X		X	
	Preparation for yearly Audit and budget, multi-year forecast	X		X	
Operations					
	Application of membership	X	X		
	Governance of the nominations process	X	X		
	Organisation of General Assembly, Spring meetings, President's meeting, ECA, EAD, webinar	X		X	
	Manage staff and accommodation/office matters as well as IT, website etc.	X	X	X	
	Coordination among AAE Committees and to provide operational support as needed		X	X	X
	Presenting proposals to the Board, preparing agendas, acting as the secretary for the Board meetings, also for Presidents' Meeting, NP and GA			X	
	Responsible for general management tasks related to legal affairs, tax, legislation relating to Verein etc.			X	
Relationship management					
	External relations policies to be approved by the GA	X	X	X	
	Relationship between AAE and key European Institutions	X	X		
	Promotion strong relationship between AAE and Member Associations	X	X	X	
	Implementation of stakeholder management framework		X	X	
	IAA stakeholder management coordination across FMAs to have one Europe voice		X	X	
	To prepare responses to European consultations				X
Information					
	Publication, website, issuance and press releases	X		X	X
	Promotion	X		X	
	Coordination of consultations and surveys to MAs	X		X	X
	Manage and maintain AAE's Communication channels: Website, MailChimp (Board report to Mas, Newsletters, etc), Social Media, YouTube			X	

AAE Board of Directors TR
([AAE-Board-of-Directors_ToR_2017_FINAL.pdf](#)) used as basis

Proposal by TOM TF
(supported by AAE Board
and Committee Chairs):

in green, what will be done
more with additional
resources;

in yellow, what we will start
doing with additional
resources

The finalized split of
tasks will be a part of the
Transition plan