

Actuarial Association of Europe
Insurance Committee meeting – Teams meeting
8 September 2025 11-12 am CET

Minutes

1. General topics

The chairperson opened the meeting and told that agenda point 4 would not be covered as Valery was not able to join the meeting. Also, agenda point 5 would only be from IRRD and Solvency II general observation as Siegbert was also absent. Agenda point 2 would be at the end of the meeting as Sam was not able to participate until on the second half.

He told that AAE will be having two meetings with DG FISMA (both Tilman Lueders and Didier Millerot's teams) and also IE on the 30th October. During the Paris IC meetings it should be discussed what topics should be covered during these meetings. He told also about the busy times AAE board is having preparing the 'target operating model' and possible changes. The outcome will impact also IC but this should be discussed after to work has finalized.

On Sustainability and Climate-Related Risks Working Group Update, Daphné De Leval provided a comprehensive update on the Sustainability and Climate-Related Risks Working Group, outlining the multi-year working plan, key focus areas such as climate change, social sustainability, and sustainability reporting, and highlighted ongoing collaborations and upcoming discussions in Paris.

- **Working Plan Overview:** She explained that the working group discussed a two-to-three-year plan focusing on climate change and natural risks, social sustainability, and sustainability reporting, aligning with AAE objectives and emphasizing the development of position papers, responses to EIOPA consultations, and sharing of trainings and standards.
- **Climate Change Initiatives:** The group is prioritizing the protection gap topic, with initiatives involving the European Commission and EIOPA, and is exploring how to leverage AI and financial data access to improve risk assessment and address the protection gap, considering collaboration with the AI Data Science Working Group and the Insurance Committee.
- **Green Saving Contracts and Parametric Reinsurance:** The group aims to develop proposals for green saving contracts in collaboration with the Insurance Committee and to examine how parametric reinsurance risk covers can help close the protection gap, particularly in relation to Solvency II.
- **Social Sustainability and Reporting:** The group plans to work with both Insurance and Pension Committees to address the gap between health span and lifespan for retirees, and is also focusing on translating CSRD standards for the insurance sector, including claims management and social aspects of sustainability.

On Consultations and Regulatory Submissions Update, Stephanos Hadjistyllis summarized recent consultation activities, including submissions on IRRD, high-risk AI systems, supplementary pensions, and the Solvency II delegated regulation, and discussed ongoing work on ESG factors in stress testing, with input from various member associations and volunteers.

- Recent Consultation Submissions: The committee submitted responses to five consultations over the summer: two on IRRD, one on high-risk AI systems, one on supplementary pensions, and one on the Solvency II delegated regulation, with the latter two being particularly significant for the pensions and insurance sectors.
- Challenges in Consultation Process: Stephanos noted that the European Commission provided only seven weeks for the Solvency II consultation during a holiday period, making it challenging to gather input, but responses were received from several national associations and volunteers.
- Ongoing ESG Stress Testing Consultation: There is current work on a consultation regarding the incorporation of ESG factors into stress testing, issued by the ESAs (EBA, ESMA, and EIOPA), and plans to circulate a draft for review by both the Risk Management and Insurance Committees.
- Collaboration and Follow-Up: Stephanos invited direct contact for clarification on specific consultation topics and committed to sharing the final submission documents with the Insurance Committee for transparency and further input.

2. Non-life working group update

Non-Life Working Group and Protection Gap Initiatives: Christoph provided an update on the Non-Life Working Group's survey efforts on weather data and agricultural insurance, discussed challenges in data collection, and outlined plans to collaborate with the Sustainability Working Group on the protection gap and parametric insurance topics.

- Survey Results and Challenges: The group received modest responses to surveys on agricultural insurance (15 responses) and weather data (14 responses), with difficulties attributed to the lack of designated committees in some associations to handle these topics.
- Next Steps for Survey Analysis: A meeting is planned to discuss how to present the survey results at the Insurance Committee, and there is consideration of reopening the survey after the committee meeting to gather additional input.
- Collaboration on Protection Gap: Christoph plans to coordinate with the Sustainability Working Group to address the protection gap, particularly in relation to parametric insurance and reinsurance, and plans to present findings at the Paris meeting.
- National Initiatives: Christoph is involved in a German working group on the introduction of obligatory natural catastrophe insurance for private buildings and is also participating in a similar group in Austria, aiming to integrate these perspectives into the Non-Life Working Group's work.

3. Consumer protection working group

Was not covered in the meeting as Valery was not present.

Daphné De Leval suggested that the ongoing EIOPA survey on cost and performance, could be a topic for discussion in Paris. The EIOPA survey collects data on cost and performance, which is used in annual reports and value-for-money assessments, with data sourced differently from Solvency II reporting and other sources. The committee agreed to come back to this topic at the Paris meeting, pending input from Valerie.

4. Update on Solvency II and IRRD

Insurance Recovery and Resolution Directive (IRRD) and Insurance Guarantee Schemes (IGS): Lauri Saraste and Mike Claffey led a discussion on the IRRD, emphasizing the need for volunteer engagement, the complexity of minimum harmonization, and the importance of understanding national implementations and the role of insurance guarantee schemes, with several participants expressing interest in contributing.

- Volunteer Recruitment and Activities: Mike Claffey called for volunteers to join the IRRD working party, highlighting the need for expertise in recovery, resolution, and insurance guarantee schemes, and outlined possible activities such as contributing to consultations, educational sharing, and data collection.
- Complexity of Minimum Harmonization: The IRRD introduces minimum harmonization, which allows for national variations across 27 countries, making the regulatory landscape complex and necessitating coordinated actuarial input.
- Distinction from Banking Resolution: Participants discussed the differences between banking and insurance resolution frameworks and emphasized the need for actuarial involvement to address these differences.
- Upcoming European Commission Work: Saraste reported that the European Commission is gathering information on IGS across Europe, with a view to possible legislative action by January 2027, and encouraged the committee to remain engaged and provide input.

Solvency II Review and Interest Rate Stress Calibration: The committee discussed recent submissions and ongoing work related to the Solvency II review and interest rate stress calibration especially.

- Recent Submissions and Feedback: The committee submitted feedback on the Solvency II delegated regulation, with several member associations and volunteers contributing, and noted concerns about the short consultation period.
- Interest Rate Stress Calibration: A smaller working group is forming to address concerns about the calibration of interest rate stress in Solvency II, with Germany and France already involved, and others invited to join ahead of a briefing with the Commission or EIOPA.
- Future Work and Meetings: The committee will continue to monitor and respond to further documents from EIOPA and the European Commission, with plans to discuss these topics in more detail at the Paris meeting.

5. Economics & Finance working group

Sam provided a brief update on the Economics and Finance Working Group, noting ongoing work on liquidity risk and plans to develop proposals for future projects, with an invitation for further input and collaboration ahead of the Paris meeting.

Liquidity Risk Focus: The group is prioritizing work on liquidity risk, aiming to clarify objectives and gather input from interested members to advance the topic, with connections to IRRD and broader regulatory developments.

Future Project Planning: Sam outlined plans to develop descriptions of potential projects for committee consideration, seeking buy-in before proceeding, and intends to present these at the Paris meeting.

6. IC agenda topics - Annual meeting in Paris September 2025

Lauri told that in the IC Paris meeting IC ToR will be discussed and promised to send this to the members. He also welcomed anyone to join the drafting if there was an interests. He also told that a webinar should be planned for Q4/2025 or Q1/2026, this should also be decided during the Paris meeting.

7. Any other business

Model Risk Paper Initiative: Christoph announced an initiative within the Risk Management Committee to write a paper on model risk, inviting volunteers from the Insurance Committee to contribute to theoretical, practical, and regulatory aspects of the topic. The paper could cover the theory of model risk, practical occurrences during the modelling process, and the role of actuaries in regulation. Christoph was happy to get any additional contributors from the committee.