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WWW.ACTUARY.EU**VIRTUAL MEETING OF THE RISK MANAGEMENT COMMITTEE
ON MONDAY 23 JUNE 2025 FROM 17.00-18.30 CEST****MINUTES**

1.	17:00	OPENING OF MEETING <ul style="list-style-type: none">- Adoption of agenda, any other topics to be addressed
2.	17:05	GENERAL
	5'	MINUTES <ul style="list-style-type: none">• To confirm the Minutes of the meeting held on 10 April 2025 (further copy at Annex 2). <p>To receive any declarations of conflicts of interest and to consider any matters arising not covered elsewhere as substantive items on the agenda.</p>
3.	17:10	EMERGING RISKS SURVEY
	15'	<ul style="list-style-type: none">- to discuss the survey outcomes as submitted in Edinburgh – <i>Bogdan, Frank</i>, all- update on latest developments at the CRO Forum - <i>Frank</i>- decision on which risks to focus on – call for Volunteers
4.	17:25	WORKING GROUPS UPDATES
	10'	<ul style="list-style-type: none">- Pensions Risk Management - <i>Martin</i>- Sustainability and Climate Related Risks - <i>Frank</i>
5	17:35	MODEL RISK
	10'	<ul style="list-style-type: none">- An update from <i>Martin</i> on the follow-up and the forming the group working on the topic.- Call for volunteers
6.	17:45	DISCRIMINATION AND RISKS ASSOCIATED WITH AI
6.1	15'	<ul style="list-style-type: none">- An update from the AI-DS working group activities by <i>Esko</i>, discussing a possible cross-committee work on the topic of discrimination
8.	18:00	CONSULTATIONS

	10'	- <i>Stephanos</i> to provide an update on the ongoing consultations, emphasizing the RMC relevant ones
9.	18:10	PARIS PREPARATIONS
	5'	Preparing a list of activities to work on before Paris, and to address in Paris. Some examples: Terms of Reference, Cross committee work, IRRD risk management requirements, Liquidity, Conduct, etc.
10.	18:15	ANY OTHER BUSINESS <ul style="list-style-type: none"> • Unaddressed topics
DATE OF NEXT IN-PERSON MEETING 25 September 2025 (tbc) in conjunction with the AAE Annual Meeting in Paris, France, hosted by the Institute des Actuares.		

MEETING NOTES:

- **Meeting Agenda and Scheduling:** Bogdan and Stephanos discussed the meeting agenda and scheduling, including the need to accommodate time differences and the order of topics to be covered. They agreed to start with consultations and discrimination in AI, followed by other matters related to working groups and emerging risks.
 - **Agenda Adjustment:** Bogdan and Stephanos discussed adjusting the agenda to accommodate time differences for participants, particularly for Esko and Stephanos, who had scheduling constraints. They agreed to start with consultations and discrimination in AI, followed by other matters related to working groups and emerging risks.
 - **Consultation Order:** It was decided to begin the meeting with consultations and discrimination in AI to ensure that key participants could contribute effectively. This adjustment was made to accommodate the availability of Frank, who could only join later in the meeting.
 - **Working Groups:** The agenda was structured to address consultations and discrimination in AI first, followed by discussions on working groups and emerging risks. This sequence was intended to ensure a smooth flow of topics and accommodate the availability of key participants.
- **Consultations Update:** Stephanos provided an update on recent and upcoming consultations, including those related to artificial intelligence, solvency II, and the review of the IRRD. He highlighted the importance of these consultations and the need for contributions from the committee members.

- **AI Consultations:** Stephanos discussed recent consultations on artificial intelligence, including AI governance and risk management, and the European Commission's AI strategy. He emphasized the importance of these consultations and the need for committee members to review and provide feedback.
 - **Solvency II:** Stephanos mentioned the submission of a consultation response to EIOPA on the dynamic volatility adjustment under Solvency II. He highlighted the relevance of this consultation for the actuarial profession and encouraged members to review the response available on the AAE website.
 - **IRR D Consultations:** Stephanos provided an update on the IRR D consultations, noting that six consultations were issued, with two being highly relevant to the actuarial profession. He mentioned that contributions were received from several associations and encouraged further input from committee members.
 - **Upcoming Consultations:** Stephanos informed the committee about upcoming consultations, including those related to high-risk AI systems and the review of Solvency II implementation standards. He stressed the tight timelines and the need for timely contributions from the committee.
- **AI and Discrimination:** Esko discussed the topic of discrimination in insurance, particularly in relation to artificial intelligence and data usage. He emphasized the need for a European approach to address this issue and the importance of cooperation among committees within the AAE.
 - **Discrimination Definition:** Esko explained the concept of discrimination in insurance, highlighting the difference between direct and indirect discrimination. He noted that direct discrimination involves disadvantaging individuals based on protected attributes, while indirect discrimination occurs when neutral practices disproportionately affect certain groups.
 - **AI and Data Usage:** Esko discussed the impact of artificial intelligence and data usage on discrimination in insurance. He emphasized that AI can introduce new forms of discrimination, making it crucial to address these issues through proper governance and risk management practices.
 - **European Approach:** Esko stressed the importance of a European approach to tackling discrimination in insurance, given the unique regulatory and cultural context. He mentioned ongoing discussions within the AAE and the need for collaboration among various committees to develop effective strategies.
 - **Board Discussion:** Esko mentioned that the topic of discrimination would be discussed at the upcoming AAE board meeting. He and Lutz are preparing to present ideas on how the AAE should handle this issue, emphasizing the need for a coordinated effort across committees.
 - **Emerging Risks:** Frank provided an update on the CRO Forum's recent workshop on emerging risks, highlighting changes to the list of risks and the addition of new topics. The committee discussed the relevance of these risks and the need to focus on European-specific topics.

- **Workshop Overview:** Frank summarized the recent CRO Forum workshop on emerging risks, noting that the list of risks is updated annually. He mentioned that some risks were removed, such as metabolic syndrome, while new topics like the deterioration of public healthcare were added.
 - **Risk Impact Changes:** Frank highlighted changes in the impact levels of certain risks. For example, the impact of economic trade conflicts was increased to high, while the impact of substance abuse was decreased to small. These adjustments reflect the evolving risk landscape.
 - **European Focus:** The committee discussed the importance of focusing on European-specific topics when addressing emerging risks. Frank emphasized that while some risks are global, the AAE should concentrate on those with particular relevance to Europe.
 - **Future Discussions:** Frank suggested preparing for future discussions by identifying potential blind spots and inviting experts to provide insights on specific risks. This approach would help the committee develop a deeper understanding of emerging risks and their implications for the actuarial profession.
- **Pension Risk Management:** Martin and Karel provided an update on the Pension Risk Management Working Group's activities, including their work on quantitative risk management for pensions and the upcoming European Commission consultation on the IORP II directive.
 - **Quantitative Risk Management:** Martin and Karel discussed the working group's focus on quantitative risk management for pensions, particularly within the context of the IORP II directive. They are working on a project to develop a matrix for different types of IORPs and conducting a gap analysis to identify existing literature and regulatory frameworks.
 - **Upcoming Consultation:** Martin mentioned the upcoming European Commission consultation on the IORP II directive and the Pan-European Pension Product (PEPP) regulation. The working group will need to address this consultation, which may temporarily sideline their ongoing project.
- **Sustainability Working Group:** Frank discussed the challenges faced by the Sustainability Working Group, including the need for more volunteers. He proposed reaching out to member associations to find interested individuals and emphasized the importance of focusing on specific topics for the next three years.
 - **Volunteer Shortage:** Frank highlighted the challenge of finding enough volunteers to work on sustainability topics. He proposed reaching out to member associations to identify individuals interested in contributing to the working group's efforts.
 - **Focus Areas:** The working group has identified three key areas to focus on over the next three years. Frank plans to discuss these areas within the group before presenting them to the Risk Management Committee for approval and feedback.

- **Model Risk:** Martin provided an update on the Model Risk initiative, including the upcoming discovery call to discuss the relevance of model risk and potential next steps. He invited committee members to join the call and contribute to the discussion.
 - **Discovery Call:** Martin announced an upcoming discovery call to discuss the relevance of model risk and potential next steps. He invited committee members to join the call and contribute their insights on the topic.
 - **Volunteer Participation:** Martin mentioned that a volunteer from the Danish Risk and Insurance Committee has joined the initiative. He encouraged other committee members to participate in the discovery call and help shape the direction of the model risk initiative.

Follow-up tasks:

- **Consultation Responses:** Send any additional comments on the IRRD consultations to Stephanos by the end of the week. (All Members)
- **Geopolitical Risk Discussion:** Prepare a brainstorming exercise or a session on geopolitical risks for the next meeting in Paris, including identifying potential blind spots and relevant experts to invite. (Annina, and other members)
- **Geopolitical Risk Discussion:** Create a simple excel sheet to structure the discussion on emerging risks, including columns for who is affected, who is responsible, and the type of risk. (Christoph)
- **Terms of Reference Review:** Plan a call with the volunteers to review and potentially improve the terms of reference for the Risk Management Committee. (Bogdan, Annina, Marcus, Karel)
- **Model Risk Working Group:** Participate in the discovery call on model risk to discuss its relevance and potential next steps. (Zach, Martin, Christoph, Sophie)