

## RISK MANAGEMENT COMMITTEE

### TERMS OF REFERENCE – version 2017

The Committee will consider, from the point of view of the actuarial profession, matters relating to risk management in the widest sense, report to the AAE General Assembly and make proposals on actions required.

In particular the Committee will:

1. present through the Actuarial Association of Europe (AAE) the views of the actuarial profession in the European Union (EU) on matters of concern to the Risk Management Function and other formal roles as defined by European legislation and regulation at least in the insurance and pensions areas;
2. present through the AAE the views of the actuarial profession in the EU on matters of concern to the profession in any fields of risk management to the EU Institutions, particularly the European Commission and the European Parliament and, where appropriate, to other organizations;
3. where appropriate, collaborate with other Committees of the AAE in considering issues of joint concern, to ensure a co-ordinated approach in particular when making submissions to the Commission and other external organizations;
4. develop position papers on risk management issues for submission to the European Commission and other interested organizations, including and in particular the European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA), and the European Banking Authority (EBA);
5. promote and encourage the development of actuarial skills in risk management within the actuarial profession in Europe, having regard to the AAE's Core Syllabus for Actuarial Training in Europe, and make recommendations, wherever appropriate, to the AAE's Education Committee on subjects related to risk management;
6. provide a meeting and discussion platform for actuaries working in the indicated areas;
7. to liaise with the appropriate Committee(s) of the International Actuarial Association (especially the Enterprise and Financial Risk Management Committee) and develop and maintain contact with AFIR/ERM (the Financial Risk/Enterprise Risk Management Section of the International Actuarial Association).
8. to liaise with other appropriate professional and technical organisations on risk management;
9. proactively identify new opportunities and relevant areas of interest.

## Initial thoughts which will help in reshaping the ToR / RMC vision

- Updating the ToR will be dependent on how the mission of the committee is being formulated. This needs to be aligned with current needs and topics that are relevant for the European stakeholders and European actuaries.
- Overlap between other similar committees needs to be addressed, specifically with Insurance and Pensions. These technical committees cover important topics such as SII, IORP, which include risk management aspects. Distinguishing well which activities/responsibilities fall under which committee is important.
- We need to seek a way to position our committee in a way that we will not have to discuss second order matters.
- Consider the strategic objectives of the AAE.
- Clarification of the role of the actuary in connection with the mission of the RMC
- Where topics overlap with others committees, try extending joint committee meetings and discuss those collectively.
- Find ways to help other committees on the risk management related topics.
- Assess in a smart way how actuaries are involved and influence the European scene when it comes to risk management practices. Challenge the 'place' of risk management practices within the actuarial environment.
- Assess and align with other institutions, especially those that have already adopted specific risk management practices.
- Assess the need and urgency of emerging risks, with an overview from other sectors than the more common ones, such as insurance.
- Create awareness of international activities and products, such as the ones developed by the International Actuarial Association.
- Ensure RMC representation within member associations.

## Route to identity and purpose

Interview and collect risk management practices from Member Associations. The following questions can help form an idea of what is important, and what is relevant.

- How do you deal with RM topics within the association?
- Do you have any specific committee or working group?
- If yes, what are the goals and objectives?
- How do they interact with their insurance and pension committee? Or any other related activities.
- How do you deal with stakeholders, which are the relevant?
- What are the most relevant agenda items that you are considering and facing?