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AAE Risk Management 2025 Follow up

Strategic Board Meeting
Brussels, 31 October 2025
Update after Paris Board meeting (25 September 2025)

Next steps: to be prepared for the reporting in September 2025

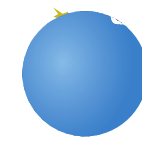
Risk	Name	Risk Owners (reference to AAE Board meeting: April 9, 2025)
1	The risk of losing Member Associations' trust, engagement and support.	Jette
2	Risks associated with Core syllabus, CPD, Code of Conduct and MRA.	Malcolm
3	The risk of losing attractiveness, competences and relevance as a profession.	Jette/ Philippe
4	The risk of lack of trust from external stakeholders.	Matthias/ Philippe
5	The risk of a lack of volunteers.	Lourdes/ Frank/ Philippe
6	Operational risks (key persons, cyber risks, IT issues, litigation, compliance with competition legislation, GDPR).	Matthias
7	Financial risk	Hartwig

Risk owners are requested to go through the mitigation actions and provide update (if necessary), liaise with CommChairs, report on an annual basis

Steps to be taken by Risk owners:

- Assess existing / proposed (new) mitigation actions
- Liaising with relevant AAE bodies and people to communicate and promote mitigating actions
- Allocate Responsible for the mitigation actions
- Monitoring, including assessment of efficiency of mitigation actions, and reporting on risks on **an annual basis**

Next **Reporting date** defined: AAE Board meeting September 24, 2025 (Paris, France)



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Appendix: Detailed insight material package

Discussed during AAE Board meeting Edinburgh, 9th April 2025

- 1 Background and introduction ...5
- 2 Identified risks and definitions ...6
- 3 Risk score based on existing risk register ..8
- 4 Analysis of risks with input from March 2025 Risk Survey ..10

The Board of Directors (“BoD”) has a mandate to review the overall strategy and governance of the AAE every three to five years. Risk management is an integral part of good governance for the AAE and, within the scope of this work, the BoD maintains an up-to-date risk register setting out the risks to which the AAE is exposed to, their assessment, and mitigating actions adopted in relation to each risk.

The purpose of this document is to assist the regular review of the AAE’s risk register, including:

- 1 **Identification of risks:** Reviewing the existing risk register to ensure the risks identified remain relevant. Updating the current list of risks to include additional risks, if required.
- 2 **Measurement of risks:** Updating the probability and severity associated with each risk, taking into consideration any mitigation actions. To support this exercise, a survey was circulated to the BoD and AAE Committee Chairs to quantify these metrics.
- 3 **Mitigation:** Reviewing the adequacy and appropriateness of existing mitigation actions and reviewing these, where required. Reviewing input from the survey in relation mitigation actions proposed in survey responses.
- 4 **Monitoring and ownership of risks:** Ensuring that each risk identified is assigned to a risk owner, who will have overall responsibility for the on-going monitoring and reporting on this risk.
- 5 **Revised risk register:** Providing and adopting an updated risk register, following the completion of the exercise.

The information presented is mainly a result of the input provided by survey participants. Further discussions and analysis are required to make conclusions in relation to the risks identified and the way forward.

Current Risk Register: Definitions & Proposed Description

The table below outlines the existing risks included in the risk register, along with a newly identified financial risk (#7) added during recent discussions. Given that the current definitions are rather high-level, more detailed and expanded descriptions are now provided:

Risk	Current Definition	Suggested expanded description
1	The risk of losing Member Associations' trust, engagement and support.	A decline in the trust or active engagement of Member Associations could undermine the AAE's legitimacy, influence, and ability to represent the European actuarial profession effectively. This may result from perceived lack of transparency, poor communication, misalignment of strategic priorities, or ineffective delivery of value. A disengaged membership base reduces the diversity and strength of input into consultations, weakens the AAE's standing with external stakeholders, and may ultimately threaten its cohesion and sustainability.
2	Risks associated with Core syllabus, CPD, Code of Conduct and MRA.	Inconsistencies or disputes around key professional standards — such as the Core Syllabus, Continuing Professional Development (CPD) requirements, the Code of Conduct, or the Mutual Recognition Agreement (MRAs) — could damage harmonisation efforts and mutual trust among Member Associations. Failure to maintain widely accepted, future-proof, and high-quality standards may erode the credibility of the AAE as a unifying professional body and limit actuaries' mobility across Europe, reducing the perceived value of the AAE's work.
3	The risk of losing attractiveness, competences and relevance as actuarial profession.	If the actuarial profession fails to stay competitive in the broader financial and data science landscape, or is perceived as lagging in emerging areas such as sustainability, AI, or broader risk management, it may lose relevance to employers, regulators, and students. This could lead to declining enrolment in actuarial education, difficulty in attracting top talent, and loss of influence in policy-making. The AAE has a key role in maintaining and promoting the reputation and evolution of the profession at European level.
4	The risk of lack of trust from external stakeholders.	Stakeholders such as EIOPA, the European Commission, and other policy and regulatory bodies must view the AAE as a credible, neutral, and technically robust source of expertise. A loss of this trust could stem from poorly evidenced positions, slow responses to consultations, inconsistent messaging, or perceived conflicts of interest. If external confidence erodes, the AAE may lose its seat at the table in key discussions affecting the profession.
5	The risk of a lack of volunteers.	The AAE relies heavily on volunteers from Member Associations to contribute to its workstreams, committees, consultations, and thought leadership. A shortage of engaged and suitably qualified volunteers can severely limit the AAE's capacity to respond to EU developments, maintain professional standards, or influence the regulatory agenda. Contributing factors may include excessive time demands, unclear value proposition, or lack of recognition for volunteers' efforts.
6	Operational risks (key persons, cyber risks, IT issues, litigation, compliance with competition legislation, GDPR).	As a small organisation with limited operational capacity, the AAE faces risks relating to over-dependence on key individuals, inadequate IT infrastructure or cybersecurity, and potential non-compliance with legal or regulatory requirements (e.g., GDPR, competition law). Any significant disruption or breach could affect the AAE's ability to function, lead to reputational damage, or expose it to fines and legal consequences.
7	Financial risk New	The AAE operates on a limited budget and is dependent on membership fees and potentially hard to control income sources. Unexpected increases in costs (e.g., due to inflation or changes in staffing needs), loss of members, or failure to attract new sources of funding could constrain its operations or strategic ambitions. Weak financial resilience may also limit the AAE's ability to invest in future initiatives, recruit staff, or respond effectively to emerging needs.

Background: Following a request from the Board, the AI-DS WG reviewed the potential inclusion of a standalone AI-related risk in the AAE Risk Register.

Conclusion: Following discussion, it was proposed that AI-related risk does not warrant a separate entry in the register at this stage. Instead, it is more appropriately treated as a cross-sectional risk already embedded within several existing risks.

Key AI-related concerns discussed and their alignment with existing risks:

AI-related concern	Addressed under:
Reputational risk due to improper or misunderstood use of AI (e.g., hallucinations, misuse)	Risk 6 – Operational Risks (e.g., IT and governance-related risks). Also, not a big risk for the AAE, more so for actuaries in the industry.
Risk of the AAE failing to contribute meaningfully to EU-level discussions on AI (EIOPA, EC, AI Office)	Risk 4 – Loss of trust from external stakeholders
Erosion of the profession’s relevance without AI integration	Risk 3 – Losing attractiveness, competences and relevance
Need for strong AI presence in education, learning, and professional standards	Risk 2 – Syllabus, CPD, Code of Conduct, MRA
Risk of members identifying more with external AI bodies if AAE is not active in this space	Risk 1 & 5 – Loss of Member Associations' engagement and lack of volunteers

Existing mitigations:


- 1) Active AI-DS Working Group,
- 2) Responses to consultations, community building, and publications,
- 3) Educational reform efforts through the Education Committee,
- 4) Outreach to relevant external stakeholders on AI matters

Additional Notes: The internal efficiency risk from AI use was assessed as minimal as AI is already employed by the AAE, e.g., for producing meeting notes.

Existing Risk Scores from February 2022: Before and After Mitigation

The table below sets out the total risk score (probability x severity) for each of the risks identified during the preparation of the previous AAE Risk Register in 2022. The scoring guide provides an indicative illustration of each risk's potential categorization or ranking.

Risk	Name	Risk Score before Mitigation	Risk Score after Mitigation
1	The risk of losing Member Associations' trust, engagement and support.	4.5	3.0
2	Risks associated with Core syllabus, CPD, Code of Conduct and MRA.	7.5	6.0
3	The risk of losing attractiveness, competences and relevance as a profession.	3.0	2.0
4	The risk of lack of trust from external stakeholders.	3.0	1.2
5	The risk of a lack of volunteers.	6.0	4.0
6	Operational risks (key persons, cyber risks, IT issues, litigation, compliance with competition legislation, GDPR).	6.0	6.0
7	Financial risk New	n/a	n/a

Severity	High	3	3	6	9
	Moderate	2	2	4	6
	Low	1	1	2	3
Scoring guide 		1	2	3	
		Improbable	Possible	Likely	
		Probability			

Key information requested:

The list below sets out the information requested via the survey, issued to Directors of the Board and AAE Committee chairs.

1. For each of the risks identified (1 to 7) **probability and severity** on a scale of 1 to 3 was requested, **before and after** any mitigation actions are applied.
2. Participants were asked to indicate mitigation actions/solutions, including those the AAE currently applies.

Participants:


The table below lists the survey participants:

Name of participant	Capacity	Response (yes/no)
Frank Schiller	Board Member	Yes
Hartwig Sorger	Board Member	No
Inga Helmane	Board Member	Yes
Jette Lunding Sandqvist	Board Member	Yes
Lourdes Afonso	Board Member	Yes
Lutz Wilhelmy	Board Member	Yes
Malcolm Kemp	Board Member	Yes
Matthias Pillaudin	Board Member	Yes
Philippe Demol	Board Member	No
Birgit Kaiser	Committee Chair	Yes
Bogdan Tautan	Committee Chair	Yes
Lauri Saraste	Committee Chair	Yes
Rafael Moreno Ruiz	Committee Chair	Yes
Tatiana Bitunska	Committee Chair	Yes

Risk scores based on March 2025 survey responses: Before and After Mitigation

The table below sets out the total risk score (probability x severity) for each of the risks identified, based on the responses submitted by the survey participants in February and March 2025.


Risk	Name	Avg Risk Score before Mitigation	Avg Risk Score after Mitigation
1	The risk of losing Member Associations' trust, engagement and support.	5.2	3.0
2	Risks associated with Core syllabus, CPD, Code of Conduct and MRA.	4.3	2.6
3	The risk of losing attractiveness, competences and relevance as a profession.	4.9	3.0
4	The risk of lack of trust from external stakeholders.	3.3	2.2
5	The risk of a lack of volunteers.	5.7	4.0
6	Operational risks (key persons, cyber risks, IT issues, litigation, compliance with competition legislation, GDPR).	4.3	2.9
7	Financial risk	4.2	2.8

Severity	High	3	3	6	9
	Moderate	2	2	4	6
	Low	1	1	2	3
Scoring guide 		1	2	3	
		Improbable	Possible	Likely	
		Probability			

Initial Insights February 2022 vs Survey March 2025

The table illustrates the total risk score **after** mitigation (probability x severity) for each risk, providing a comparison between current scores and those implied by the responses to the March 2025 survey. For the survey calculations, the average is calculated based on the *total risk score* submitted by each responder:

Risk	Name	Risk Score after Mitigation 2022 Exercise	Avg Score after Mitigation Survey 2025	Observations
1	The risk of losing Member Associations' trust, engagement and support.	3.0	3.0	<i>Unchanged</i>
2	Risks associated with Core syllabus, CPD, Code of Conduct and MRA.	6.0	2.6	Significant Reduction ↓
3	The risk of losing attractiveness, competences and relevance as a profession.	2.0	3.0	<i>Increase</i>
4	The risk of lack of trust from external stakeholders.	1.2	2.2	Increase
5	The risk of a lack of volunteers.	4.0	4.0	<i>Unchanged</i>
6	Operational risks (key persons, cyber risks, IT issues, litigation, compliance with competition legislation, GDPR).	6.0	2.9	Significant Reduction ↓
7	Financial risk	n/a	2.8	n/a

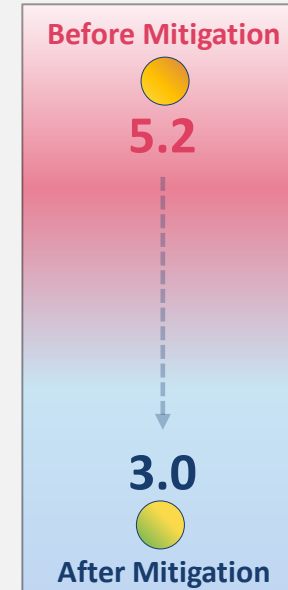
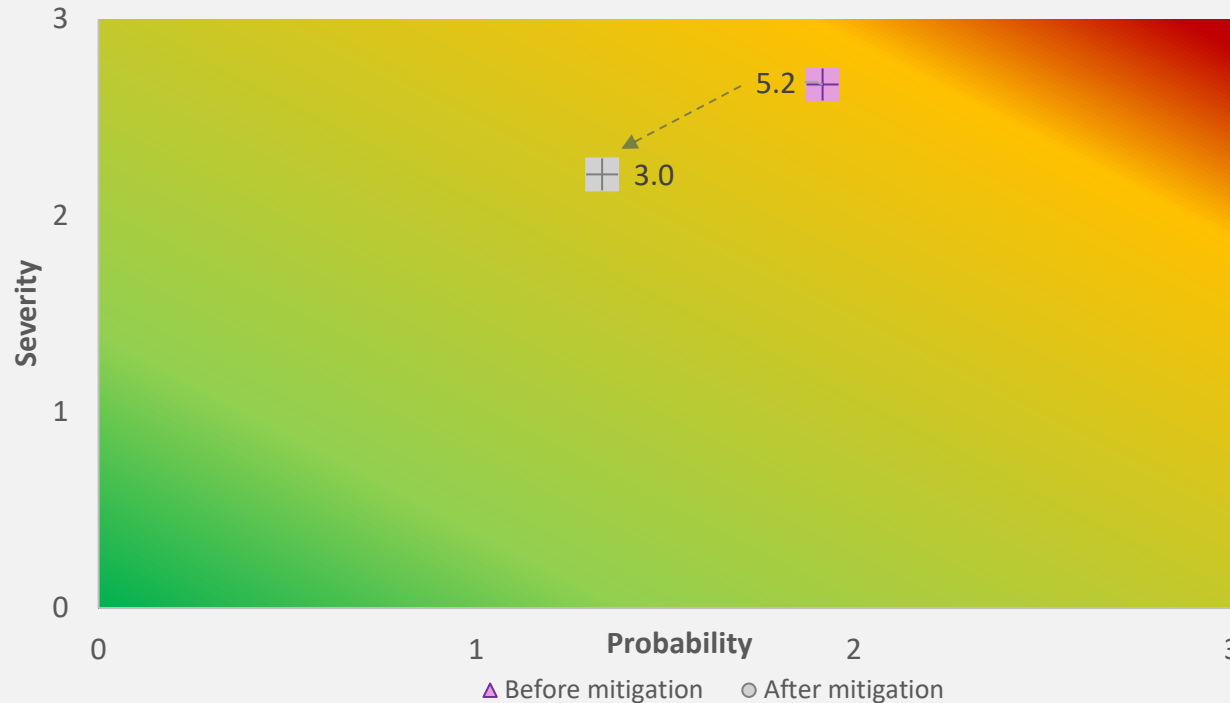
Severity	High	3	3	6	9
	Moderate	2	2	4	6
	Low	1	1	2	3
Scoring guide 		1	2	3	
		Improbable	Possible	Likely	
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Risk #1: The risk of losing Member Associations' trust, engagement and support



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High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide		1	2	3
<ul style="list-style-type: none"> Acceptable (1-2) Undesirable (3-4) Unacceptable (6) Catastrophic (9) 		Improbable	Possible	Likely
		Probability		

Mitigating actions inspired by results:

- Align AAE goals with Full Member Associations (FMAs) by understanding and addressing their evolving priorities.
- Flag low delegate engagement to the respective FMAs and encourage follow-up.
- Strengthen relationships through structured touchpoints, such as regular virtual meetings, updates, and feedback loops.
- Ensure that AAE work is relevant and visible to FMAs — highlight outputs with practical impact and communicate clearly.
- Promote knowledge sharing and mutual support among FMAs through regular exchange of information and know-how.

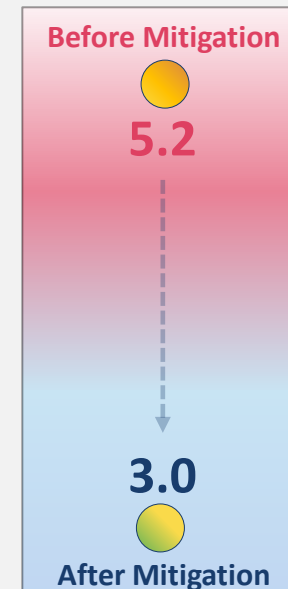
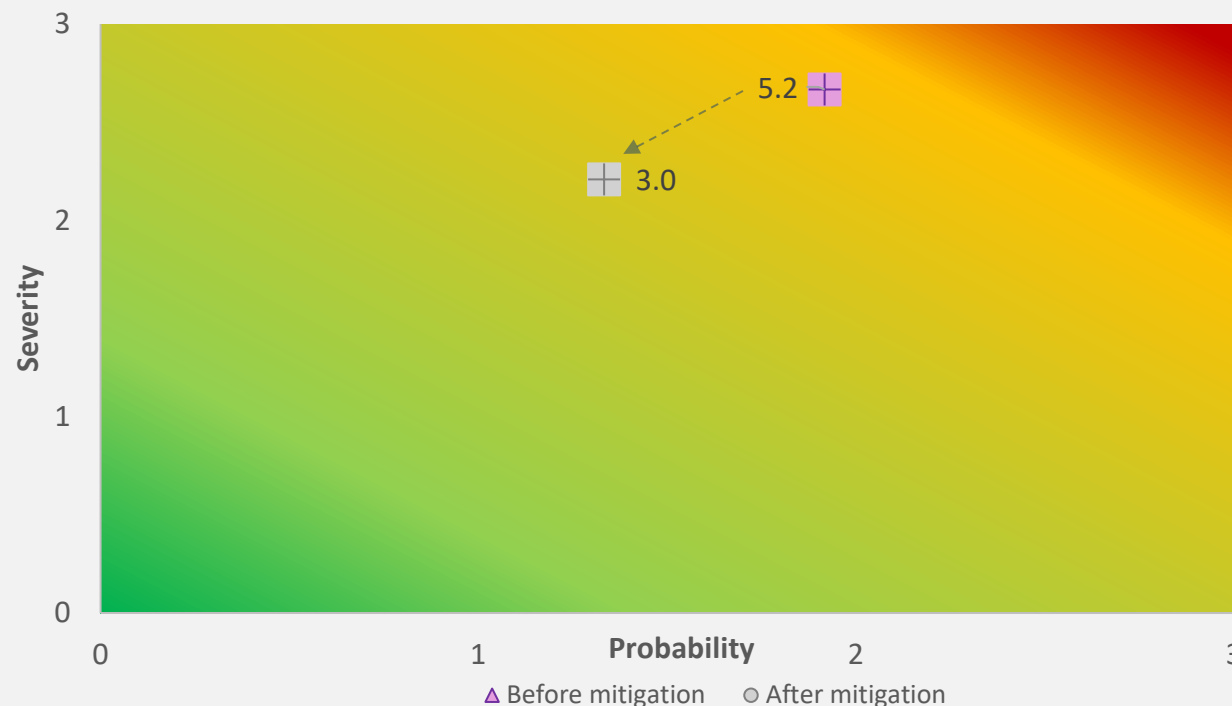
- Enhance FMA engagement via the Presidents' Forum, field visits, and proactive communication strategies.
- Respect the diversity of Member Associations by tailoring approaches and recognising national differences.
- Successfully conclude Target Operating Model (TOM) discussions and maintain transparent reporting on progress.
- Clarify AAE's strategic objectives and ensure consistent communication via board liaisons and in-person exchanges.
- Co-ordinate closely with other risk areas (e.g., Risk #5 on volunteers and Risk #6 on operational capacity) to manage interdependencies.

Risk #1: The risk of losing Member Associations' trust, engagement and support



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High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide				
<div> <div>Acceptable (1-2)</div> <div>Undesirable (3-4)</div> <div>Unacceptable (6)</div> <div>Catastrophic (9)</div> </div>				
		1	2	3
		Improbable	Possible	Likely
Probability				

Update 25 September 2025 Board meeting:

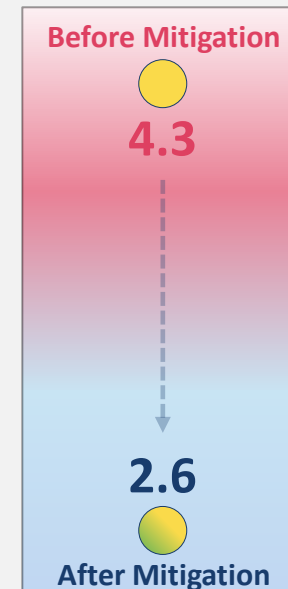
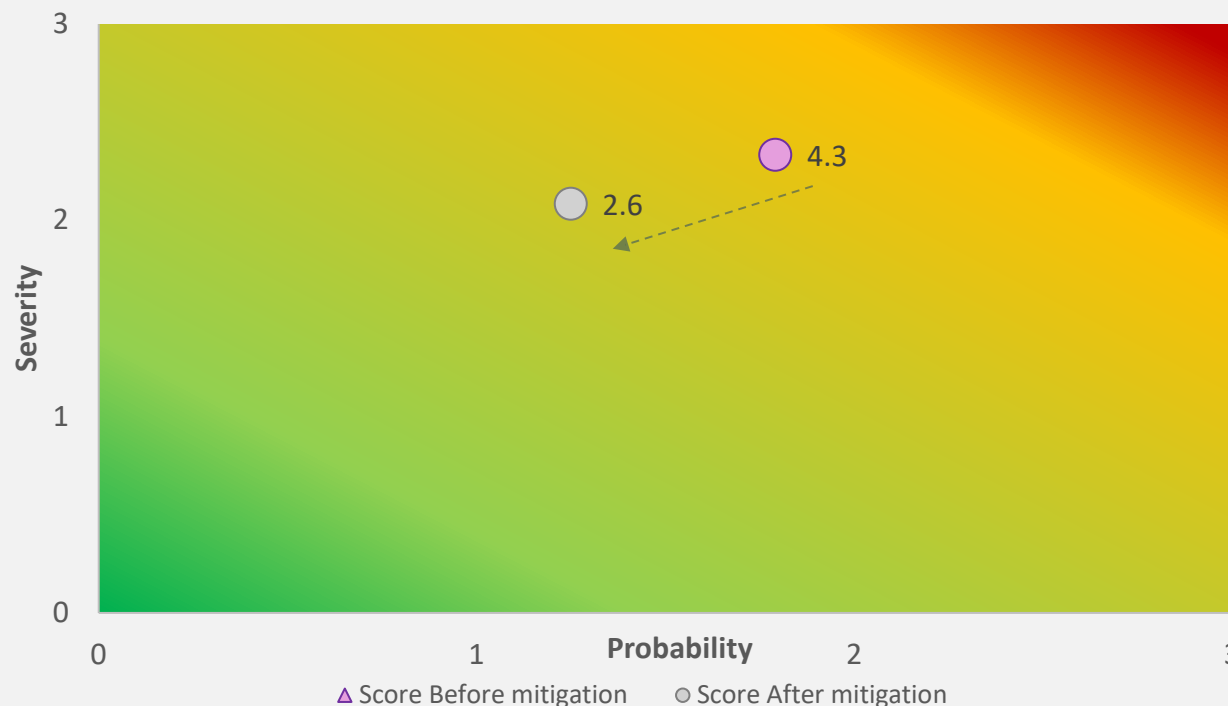
- We learned from TOM that some MAs were not very cooperative– much conflict
- Onboarding package available
- Implemented Pre-GA meetings
- Board liaison approach less effective; perhaps too ambitious.
- Need to better explain “why” to MAs.
- MP: did TOM discussions help closeness? JLS: more conflict since Edinburgh, needs exchange.
- HS: info bottleneck at MA level; volunteers = bottleneck.
- LW: next Board should work on relationship.
- MK: need marketing/promo material.
- LS: Presidents’ meeting could help awareness.

Risk #2: Risks associated with Core syllabus, CPD, Code of Conduct and MRA



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High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide <div> <div>Acceptable (1-2)</div> <div>Undesirable (3-4)</div> <div>Unacceptable (6)</div> <div>Catastrophic (9)</div> </div>				
	1	2	3	
	Improbable	Possible	Likely	
	Probability			

Mitigating actions inspired by results:

- Conduct regular tests and reviews of the Code of Conduct and CPD requirements to ensure their relevance and applicability across Member Associations.
- Assess how the Mutual Recognition Agreement (MRA) is being applied across Europe and monitor its effectiveness, using a dedicated Task Force. Ensure the MRA remains relevant and accepted – successful reintroduction of the UK.
- Support professional standards through robust governance, reinforcing professionalism as a core value of the AAE.
- Provide regular updates on the Core Syllabus and develop practical tools to help smaller MAs implement changes.
- Continue efforts to keep all components (Syllabus, CPD, CoPC, MRA) current and relevant in the evolving professional and regulatory environment. Identify implementation gaps in the syllabus, CPD, and CoPC across MAs and coordinate responsive actions.

Risks associated with Core Syllabus, CPD, Code of Conduct, MRA (1)

	Risk Score before Mitigation 2022	Risk Score after Mitigation 2022	Risk Score before Mitigation 2025	Risk Score after Mitigation 2025
Score ascribed to risk (in brackets vs other high-level risks)	7.5 (highest)	6 (equal highest)	4.3 (middle)	2.6 (near lowest)

- **Beneficial change from 2022 to 2025 reflects various developments**, e.g.
 - **Code of conduct**: 5-yearly review recently carried out by ProfC, greater “policing” of AAE officeholders and others representing AAE to external stakeholders
 - **Mutual Recognition Agreement**: IFoA brought back into MRA, MRA Monitoring TF set up under ProfC
 - **Core Syllabus**: updated, more robust review of FMA adherence
 - **Continuing Professional Development**: updated. Broader competency framework being explored
 - **Ownership of risks**: Committee ownership generally clear, mostly within remit of ProfC (or EducC), and risks already subject to pattern of regular reviews
- **Question: are we missing any (bigger picture) issues and therefore being too optimistic?**

Risks associated with Core Syllabus, CPD, Code of Conduct, MRA (2)

	Risk Score before Mitigation 2022	Risk Score after Mitigation 2022	Risk Score before Mitigation 2025	Risk Score after Mitigation 2025
Score ascribed to risk (in brackets vs other high-level risks)	7.5 (highest)	6 (equal highest)	4.3 (middle)	2.6 (near lowest)

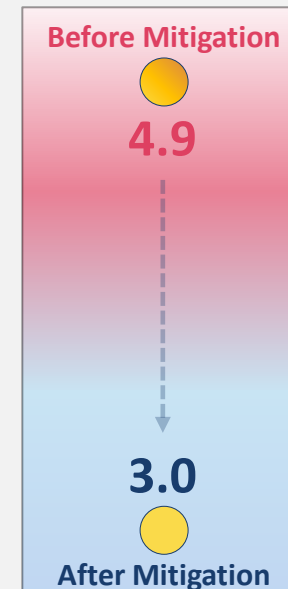
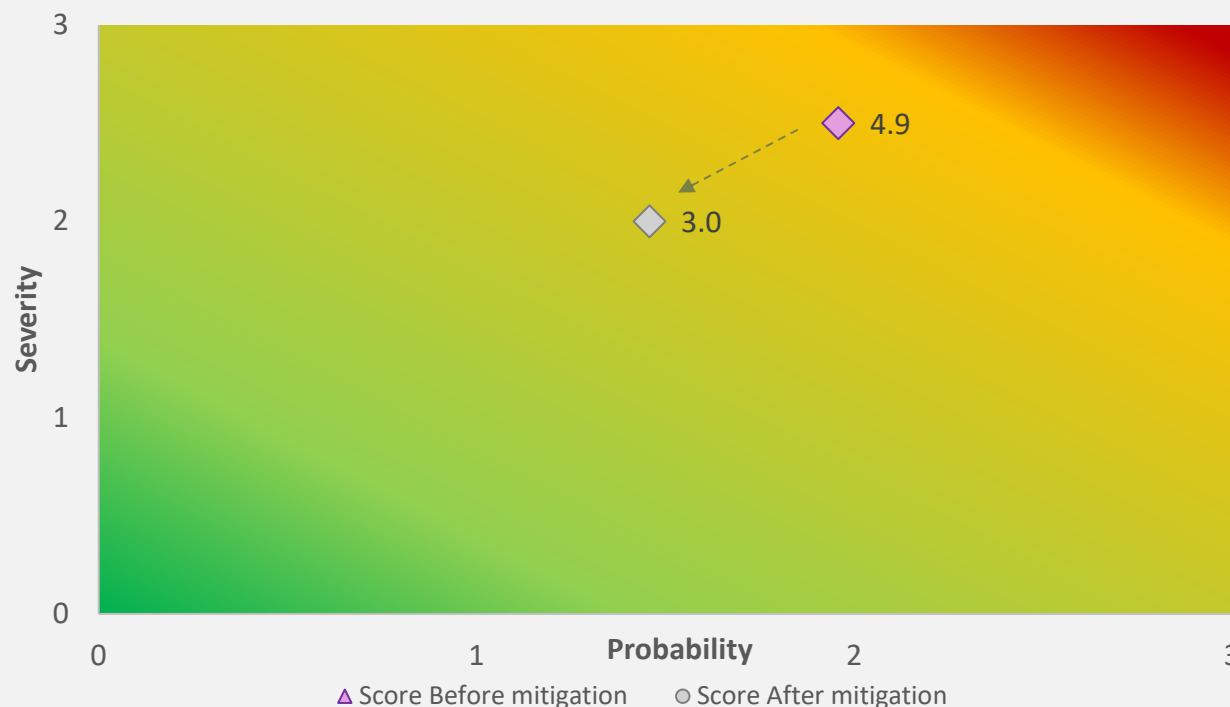
- **E.g.**
 - **AAE (necessarily) relies on FMAs for most monitoring of individual actuary adherence to these protocols**
 - How robust is *their* monitoring? Is AAE exposed if a process failure occurs at an FMA despite principle of subsidiarity? (FMAs may face potential conflicts of interest such as incentives to paint themselves in a favourable light)
 - **We might have an inflated view of the perceived relevance of these protocols**
 - Maintaining these protocols is time consuming. Likely will only stay well maintained if users and other stakeholders consider them relevant. How much value do FMAs and other stakeholders ascribe to these protocols? Might review cycles be too slow to keep up with a rapidly changing world?
 - **ESAPS / EANs. As these involve model standards, are there understated risks if:**
 - Ignored by FMAs or conversely adopted without taking due account of local legislation?
 - Adapted by FMAs in ways that deviate too far from the intentions of the AAE?

Risk #3: Losing attractiveness, competences and relevance as a profession



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High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide				
<div> <div></div> Acceptable (1-2) <div></div> Undesirable (3-4) </div>				
<div> <div></div> Unacceptable (6) <div></div> Catastrophic (9) </div>				
	1	2	3	
	Improbable	Possible	Likely	

Probability

Mitigating actions inspired by results:

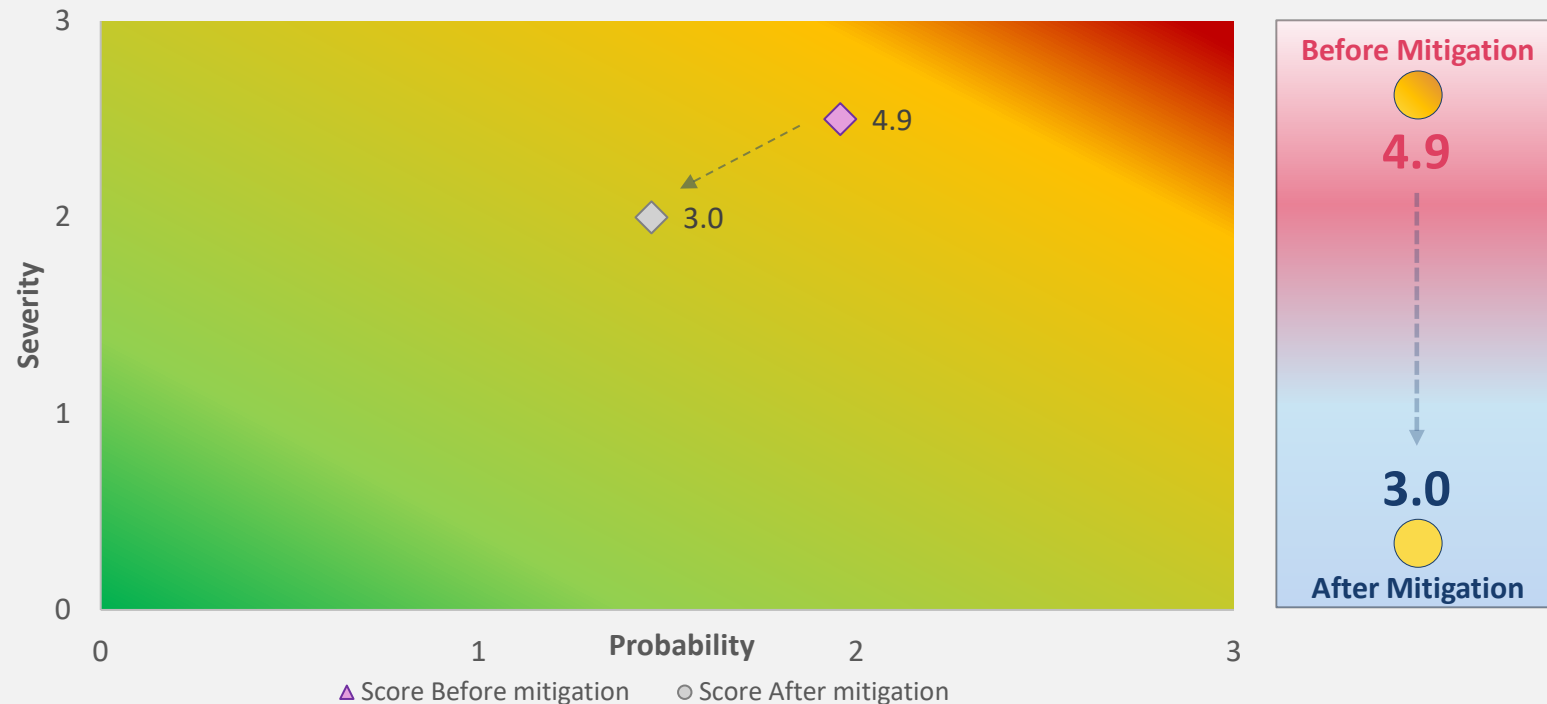
- Expand the profession's scope and maintain relevance by promoting actuarial expertise in non-traditional fields (e.g. sustainability, AI, risk beyond insurance).
- Review and implement the AAE's vision and mission, ensuring they are aligned with future trends.
- Support flexibility and innovation while preserving the core strengths of the actuarial profession.
- Strengthen the profession through education, including the development of the Core Syllabus, Competency Framework, and promotion of CPD opportunities.
- Offer practical engagement opportunities, such as training, webinars, and community events to explore new topics.
- Encourage sharing of experience across FMAs, especially on evolving areas like Data Science and AI.
- Support Member Associations (MAs) in addressing this risk at the national level; mitigation is largely local, but the AAE can enable and facilitate.
- Build on existing initiatives such as the Young Actuaries in Europe (YAI) cooperation and explore further targeted outreach.
- Align this risk closely with Risk #2, ensuring consistency across professional development and relevance strategies.

Risk #3: Losing attractiveness, competences and relevance as a profession



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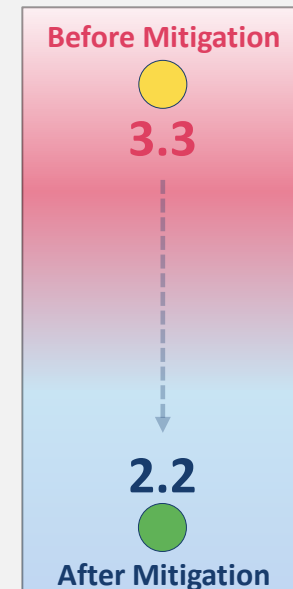
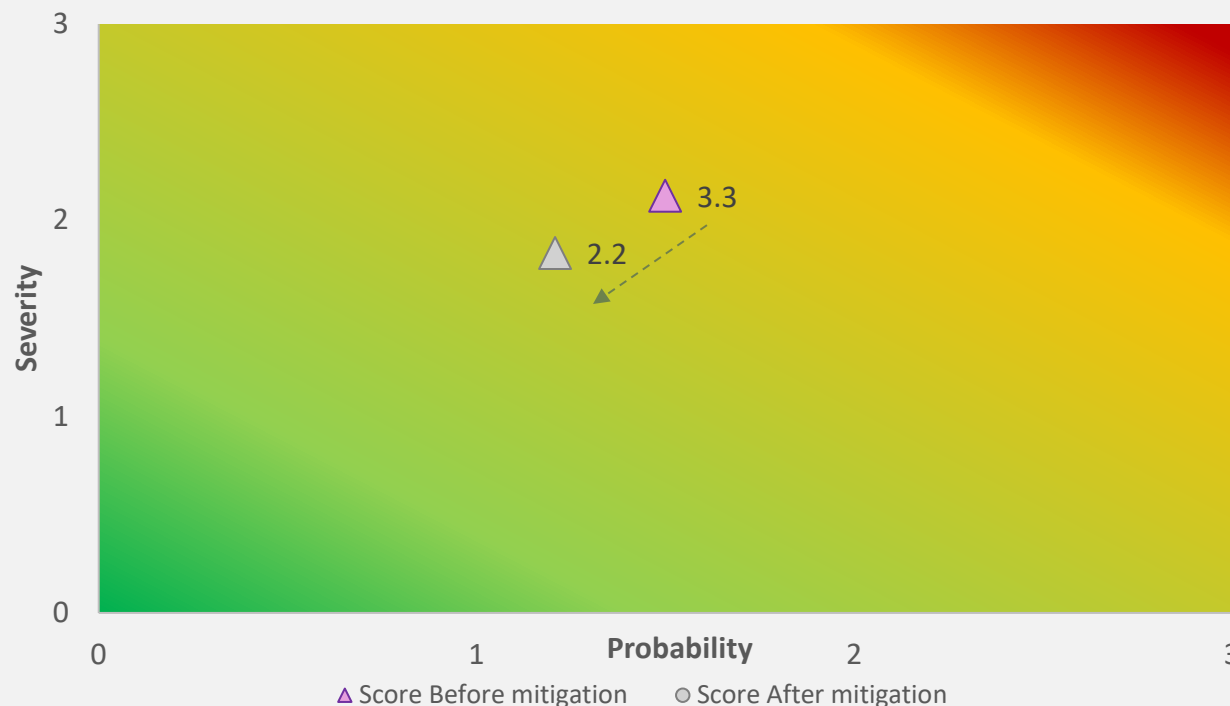
	High	3	3	6	9
Moderate	2	2	4	6	
Low	1	1	2	3	
Scoring guide <ul style="list-style-type: none"> Acceptable (1-2) Undesirable (3-4) Unacceptable (6) Catastrophic (9) 					
	1	2	3		
	Improbable	Possible	Likely		
	Probability				

Update 25 September 2025 Board meeting:

Risk 3 – Losing attractiveness – JLS

- Higher risk vs 2022.
- Link with YAI; push modern tools (podcasts).
- Reputation/marketing material crucial.

Risk #4: Lack of trust from external stakeholders



Severity

High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide <div> <div>Acceptable (1-2)</div> <div>Undesirable (3-4)</div> <div>Unacceptable (6)</div> <div>Catastrophic (9)</div> </div>				
		1	2	3
		Improbable	Possible	Likely
		Probability		

Mitigating actions inspired by results:

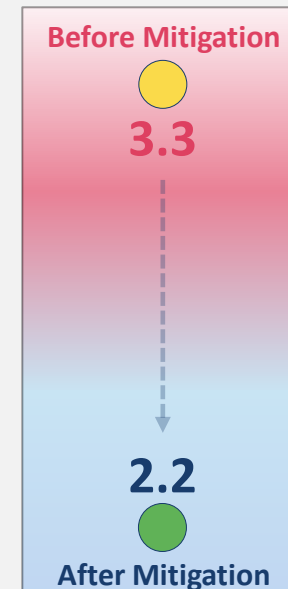
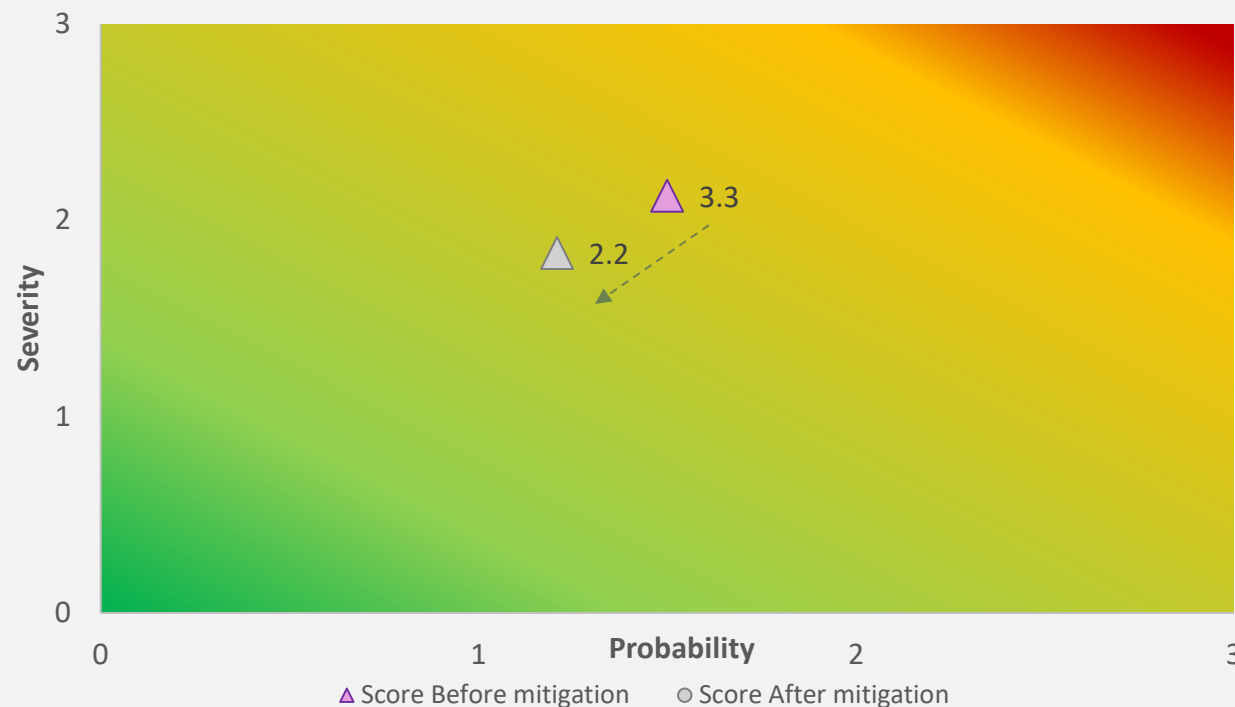
- Maintain regular and structured engagement with key stakeholders (e.g., EIOPA, EC, AI Office), including bilateral meetings and 2–3 annual touchpoints.
- Include external stakeholders in selected AAE activities, such as working groups or as speakers at events, to foster dialogue and transparency.
- Ensure consistent and high-quality consultation responses, positioning the AAE as a trusted, technically robust, and constructive contributor.
- Strengthen relationships with EU institutions and regulatory bodies to reinforce the AAE's role as the independent actuarial voice in Europe.
- Uphold strict independence and professional ethics, including zero tolerance for improper conduct and a clear separation from industry influence.
- Actively listen to stakeholder feedback, communicate openly, and always follow through on commitments.
- Ensure consistency in messaging and positioning, both across AAE outputs and in direct stakeholder interactions.

Risk #4: Lack of trust from external stakeholders



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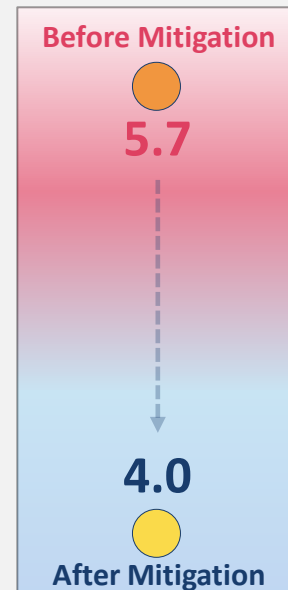
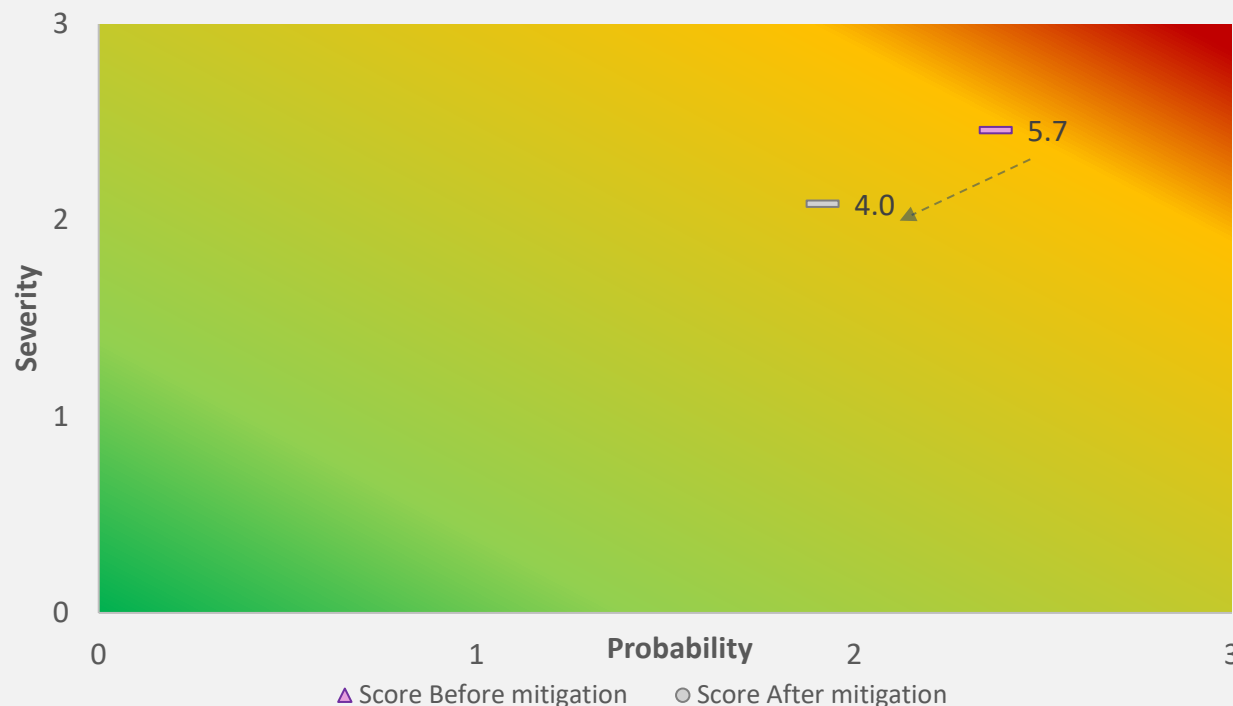
Severity

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Scoring guide <div> <div>Acceptable (1-2)</div> <div>Undesirable (3-4)</div> <div>Unacceptable (6)</div> <div>Catastrophic (9)</div> </div>				
		1	2	3
		Improbable	Possible	Likely
		Probability		

Update 25 September 2025 Board meeting:

Risk 4 – lack of trust from stakeholders – MP

- Risk is under control
- Tried to increase our level and frequency of meetings e.g. EIOPA, improve relationship with Tilman Lueder
- Recruitment of CE will improve
- Difficult to get in touch with AI office
- PD – important to speak as actuaries not sectoral silos



Severity

High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide <ul style="list-style-type: none"> Acceptable (1-2) Undesirable (3-4) Unacceptable (6) Catastrophic (9) 				
		1	2	3
		Improbable	Possible	Likely

Probability

Mitigating actions inspired by results:

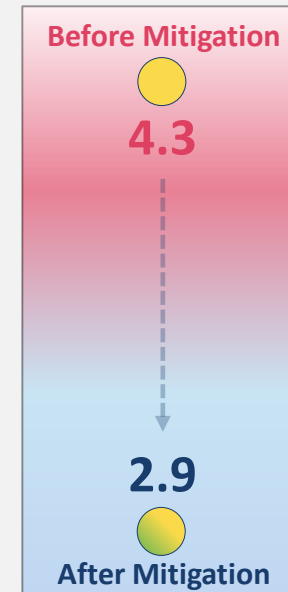
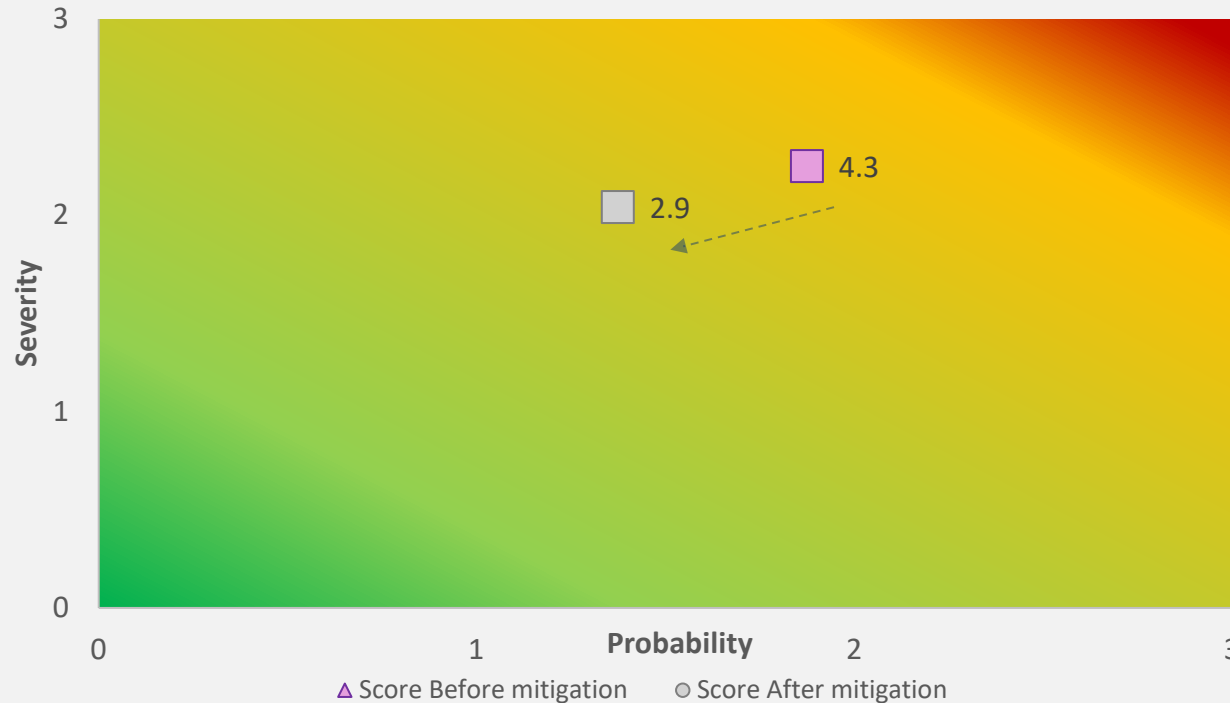
- Re-engage with FMA contacts to proactively identify new volunteers and address inactive or disengaged delegates. Collaborate with FMAs to strengthen traction and ensure sustained engagement from their members.
- Recognise and celebrate volunteer contributions, for example through certificates or a “Volunteer of the Year” award.
- Create an inclusive and appreciative environment where volunteers feel welcome, valued, and appreciated.
- Offer meaningful internal support and engagement opportunities, including platforms where delegates can contribute to relevant and impactful topics.
- Increase the visibility of volunteer work, both internally and externally, to highlight its importance and benefits.
- Open up AAE priorities to FMAs and support more bottom-up initiatives that align with volunteer interests and strengths.
- Communicate the benefits of volunteering clearly, such as professional exposure, skill development, and contribution to the profession.
- Continue building on initiatives from the Volunteering TF, such as meet & greet sessions. ProfC deliverables on Volunteering TF.

Risk #6: Operational risks (key persons, Cyber & IT issues, legal & compliance)



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ASSOCIATION
OF EUROPE



Severity

High	3	3	6	9
Moderate	2	2	4	6
Low	1	1	2	3
Scoring guide <ul style="list-style-type: none"> Acceptable (1-2) Undesirable (3-4) Unacceptable (6) Catastrophic (9) 				
		1 Improbable	2 Possible	3 Likely
Probability				

Mitigating actions inspired by results:

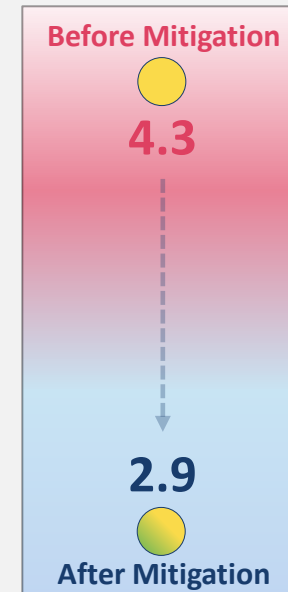
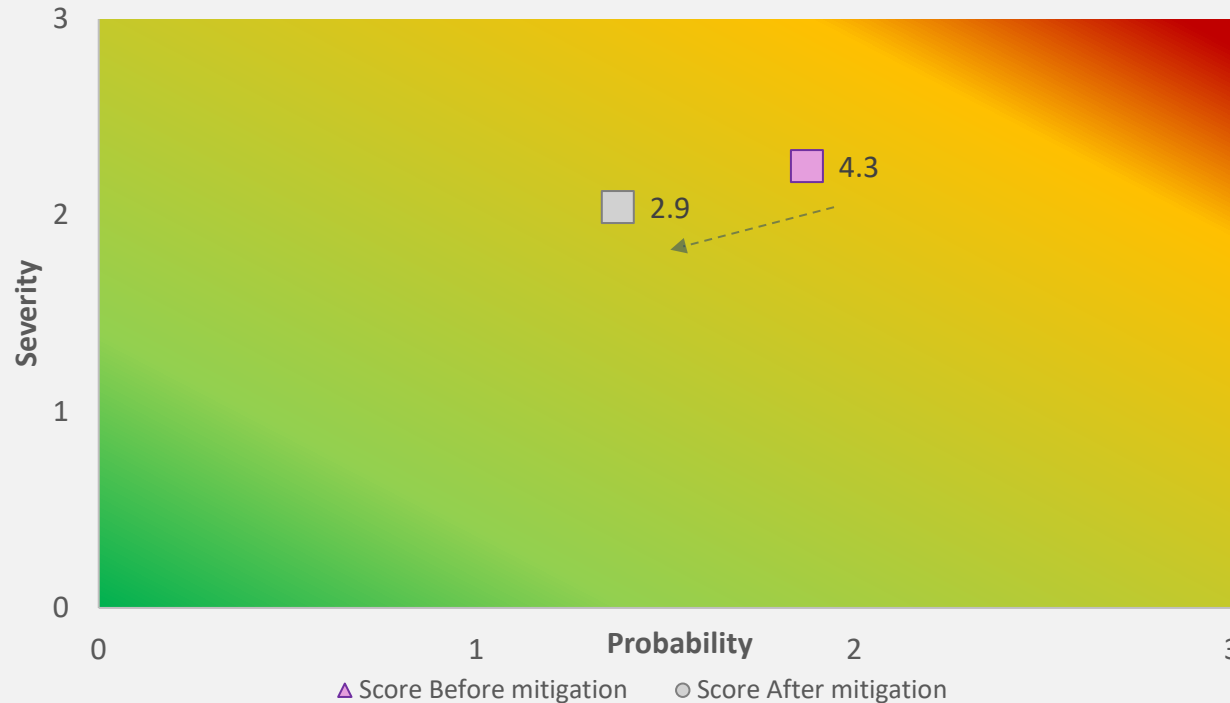
- Strengthen IT infrastructure and data management, including improved email systems, distribution lists, and a move toward more data-driven processes.
- Regularly review compliance, efficiency, and process vulnerabilities, with a risk-based approach to ensure robustness.
- Simplify and streamline internal processes, where possible, and outsource selectively when it adds efficiency or resilience.
- Ensure access to expert advice on legal, IT, compliance, and operational matters to support sound decision-making.
- Consider suggestions from TOM TF and address structural and operational risks relating to resources and key staff supporting the AAE. Use TOM TF discussions as an opportunity to strengthen the governance of the AAE and its long-term operational resilience.
- Leverage AI tools to reduce administrative burden on the Secretariat.
- Secure competent executive leadership (e.g., Chief Executive) to adequately oversee operational, legal, and IT risk areas.

Risk #6: Operational risks (key persons, Cyber & IT issues, legal & compliance)



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Update 25 September 2025 Board meeting:

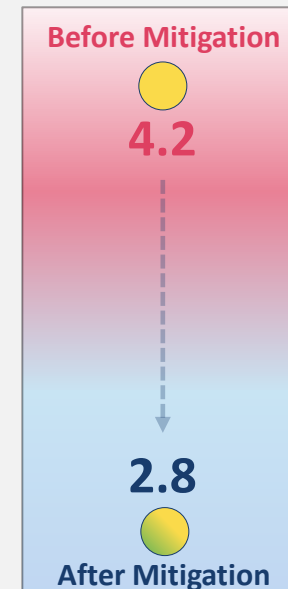
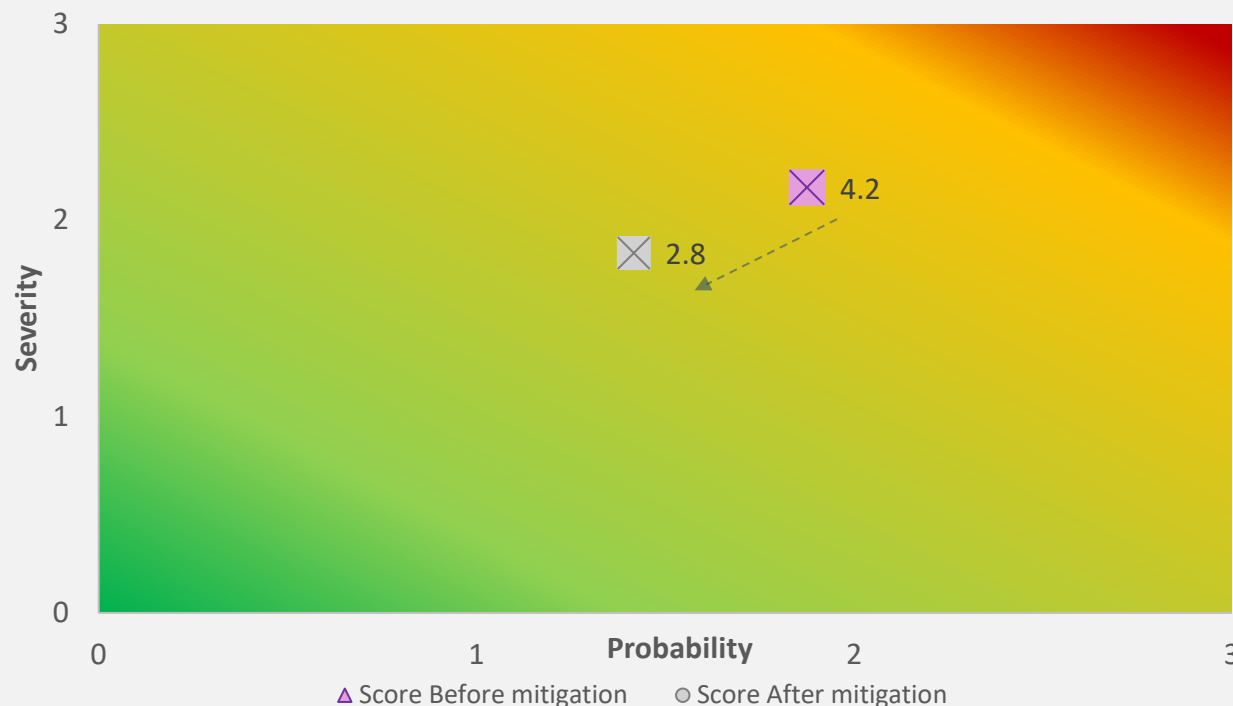
- Clearly have risk issues because we lack from backup in many processes.
- IT and cyber risks – full analysis needed.
- MP to continue with support from the team.
- HS – see some risk in operational risk in finance admin (Excel), transfer to other system

Risk #7: Financial risk



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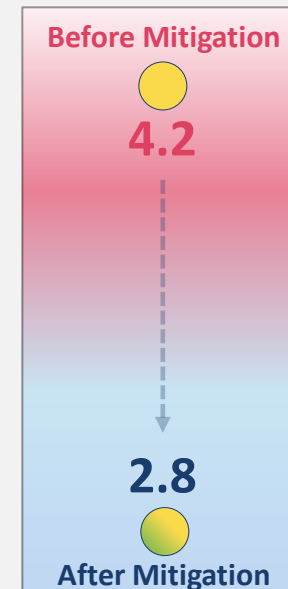
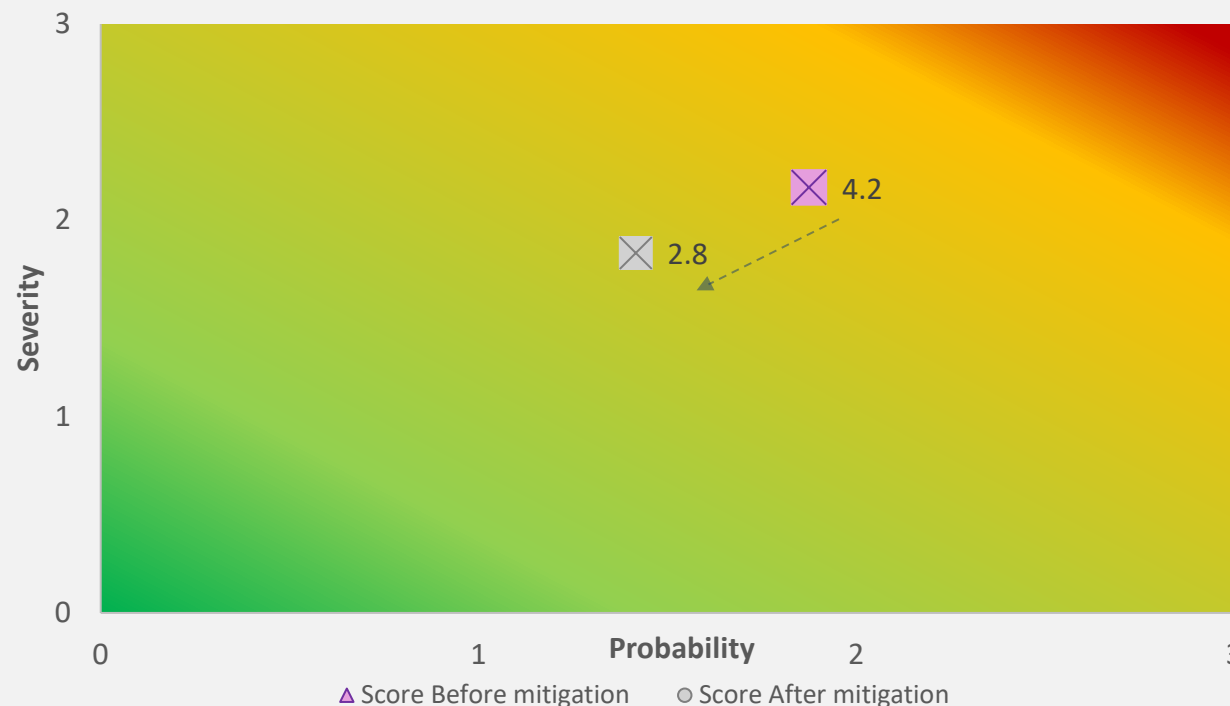
- Ensure income and expenditure are sustainably balanced, based on considerations from TOM TF work.
- Explore alternative funding sources, including potential access to EU programmes (e.g., professional development, social policy).
- Adopt a conservative and prudent investment strategy, aligning with the AAE's risk appetite and long-term financial stability goals.
- Develop and maintain a clear coverage ratio policy to support sound financial planning and reserves management.
- Continue pursuing a strategic, long-term financial approach, building on Hartwig's work.
- Consider financial risk in connection with Risk #1, recognising the interdependence between funding and good relationships with Member Association.

Risk #7: Financial risk



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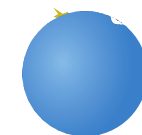
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<div> <div>Acceptable (1-2)</div> <div>Undesirable (3-4)</div> <div>Unacceptable (6)</div> <div>Catastrophic (9)</div> </div>				
		1	2	3
		Improbable	Possible	Likely
Probability				

Update 25 September 2025 Board meeting:

Risk 7 – Finance – HS

- Backup expertise needed.
- VAT: Swiss Verein under Swiss law. Pay taxes in BE now → consider moving VAT to CH (lower).
- Change letterhead address? Document non-profit status in IR.
- Taxes only on surplus.
- GT BE/CH to provide proposal (action HS).
- Reimbursement policy Art.4 not followed (advance requests). Review in 2026.
- Note divide: some MAs resist fee rise, others resist using reserves.



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10 September 2025

To: AAE Board**From: Risk #5 Owners: Lourdes Afonso, Frank Schiller, Philippe Demol**

REPORT ON RISK #5: LACK OF VOLUNTEERS

UNDERSTANDING THE RISK

The AAE relies heavily on the voluntary contributions of professionals from FMAs to carry out its core activities, including committee work, task forces, consultations, and strategic development. A shortage of qualified, engaged volunteers significantly limits AAE's ability to respond effectively to European developments, deliver thought leadership, and represent the profession via its stakeholders.

Key causes of this risk include:

- Time constraints among potential volunteers.
- Perceived lack of relevance or benefit in participating.
- Lack of confidence in English language skills.
- Perceived lack of broad or deep technical expertise.
- Limited visibility of and feedback on volunteer contributions.
- Insufficient clarity on AAE's priorities and transparency of ways how to engage.

WHAT HAS BEEN DONE

The Task Force on Engagement of Volunteers (end of 2023) proposed and initiated a wide range of actions, including:

1. Issuing guidelines on how committees should engage volunteers. **Not Started** *Prefer that we agree the position on Action 5 first so that we can include that in the communication to Committees*
2. Launching a Call for Volunteers (CfV) via the AAE website and LinkedIn. ✓ *Should be reiterated with a certain frequency and on specific topics*
3. Creating a dedicated "Benefits of Volunteering" page. ✓
4. Planning testimonial videos to reflect on diverse volunteer experiences. **Not Started**
5. Provide funding for members of a Task Force/Working Group to attend meetings to present their final report. **Not Started**
6. Promoting the "Buddy Up" system to pair new and experienced actuaries. ✓
7. Associations to consider including an update on AAE activities at annual conventions and/or other similar events ✓
8. Implementing Meet & Greet sessions. ✓

9. As a matter of course get feedback from TF/WG Chair and members in relation to what went well/badly and consider "Committee Effectiveness" surveys. **Not Started**
10. Request to associations to monitor their volunteers' involvement and to provide feedback on their experience. ✓
11. Drafting communication to FMAs outlining expectations and feedback loops. ✓

The same TF considered some **ideas**, but determined **not to be workable**:

1. Introduce volunteer recognition award (seen as potentially divisive)
2. Introduce a Mentoring scheme and/or Young Actuaries Group (too resource-heavy).
3. Have a general bank of volunteers (unsuccessful in trials, hard to maintain)
4. AAE to provide an incentive to FMAs to provide volunteers

ANALYSIS OF MITIGATION

From 2022 to 2025, the risk score of lack of volunteers decreased only slightly (from 6.0 to 5.7 pre-mitigation and 4.0 post-mitigation), remaining in the "undesirable" category. This indicates that while the actions taken have had a stabilizing effect, the overall challenge remains significant.

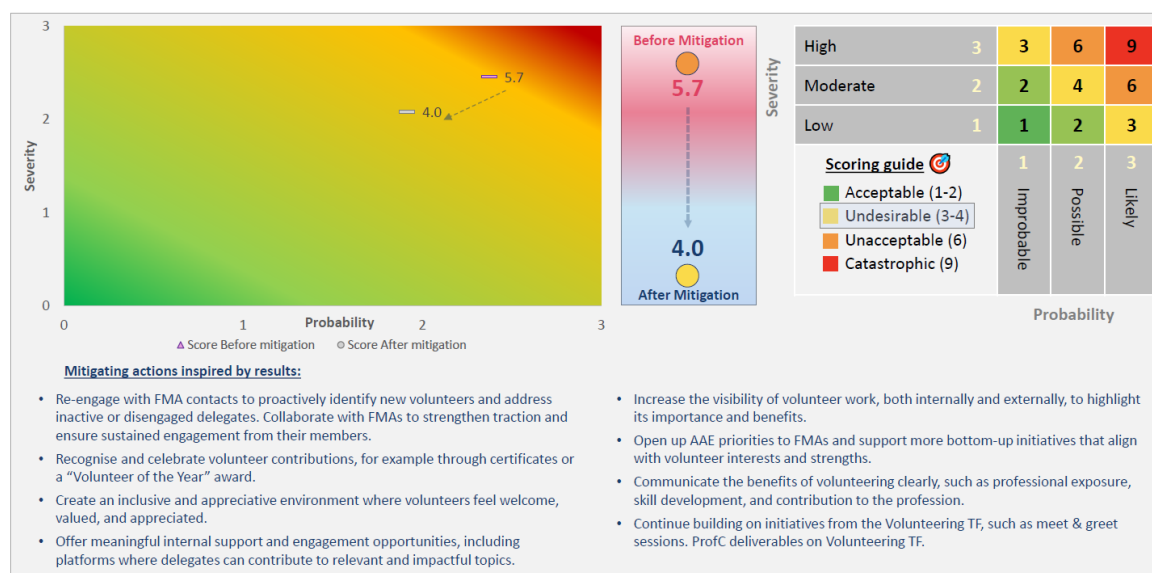
Partial progress has been made:

- Increased visibility through CfVs and website updates.
- Better onboarding and support via Meet & Greet and Buddy System.

However, the following mitigation gaps remain:

- Limited traction with FMAs in terms of identifying and nominating volunteers.
- Volunteer value proposition is still not well communicated or understood.
- Lack of structured monitoring and reporting of volunteer engagement.

Risk #5: Lack of volunteers



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CORE QUESTIONS

- How to attract new volunteers.
- How to retain existing volunteers.
- How to reach individual members (beyond FMA delegates).
- How to better connect with FMAs (broaden points of contact, possibly via correspondents)

HOW TO BETTER CONNECT WITH FMAS

1. Designate Correspondents: Appoint named correspondents in each FMA responsible for volunteer liaison for each committee that can try to provide volunteers if not assigned in the committee meetings. Re-engage with FMA contacts to proactively identify new volunteers and address inactive or disengaged delegates. Collaborate with FMAs to strengthen traction and ensure sustained engagement from their members.
2. Regular Touchpoints: Schedule structured touchpoints (e.g. biannual FMA engagement calls) to discuss AAE priorities, volunteer needs, and feedback. Open up AAE priorities to FMAs and support more bottom-up initiatives that align with volunteer interests and strengths. Also provide more specific feedback on achievements and impact of AAE's work to FMAs.
4. Tailored Communication: Develop concise communication for FMAs to facilitate local promotion of AAE opportunities to volunteer.
5. Feedback Loop: Create a simple mechanism for FMAs to provide feedback on volunteer experiences and share success stories. (testimonial videos)

ADDITIONAL SUGGESTIONS TO BOOST VOLUNTEER ENGAGEMENT

1. Recognition & Appreciation & Visibility
 - 1.1. Certificates for all active volunteers — simple but meaningful.
 - 1.2. Consistent “Thank You” moments: e.g. shoutouts at meetings, emails from the Chair, social media tags. Highlighting volunteer work on social media and newsletters.
 - 1.3. Creating more opportunities for volunteers to showcase their work.
 - 1.4. Increase visibility of volunteer work internally and externally.
 - 1.5. Provide volunteers with more opportunities to shine (e.g. presenting work, LinkedIn features, quotes in newsletters).
2. Welcoming Culture
 - 2.1. Make people feel welcome and appreciated from the start.
 - 2.2. Foster an environment of psychological safety for first-timers.
3. Strategic Follow-up
 - 3.1. Identify blockers in traction with FMAs and find tailored solutions.
4. Young Actuaries Initiative
 - 4.1. Engage early-career actuaries before they become “too busy.”
 - 4.2. Build volunteering into their professional identity from the start.
 - 4.3. Encourage volunteering as part of their career development path.
 - 4.4. Act as the junior partner in the “Buddy Up” system, paired with more senior volunteers.
 - 4.5. Gain mentorship and exposure while contributing with energy and fresh ideas.
 - 4.6. Participate in short-term or task-based projects (e.g. survey analysis, research briefs, social media content).
 - 4.7. Create small “task teams” led by a young actuary with a clear deliverable.

TWO REALISTIC ACTIONS:

1. Strengthen FMA Engagement through Designated Correspondents

Ask each FMA to appoint a named correspondent (per committee or not) to liaise on volunteer opportunities. This person would help identify new volunteers, follow up on inactive ones, and improve communication flow between the AAE and FMAs.

2. Boost Visibility and Recognition of Volunteer Work

Implement a system of simple recognition: annual certificates, thank-you notes, and public acknowledgements (e.g., newsletters, meetings, LinkedIn). Ensure volunteers have opportunities to showcase their contributions (e.g., presenting work, being quoted in reports or communications).