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Document Titles:

1. *AAE Note on the Review of the Solvency II Delegated Regulation*
2. *AAE Note on EIOPA's Opinion on AI Governance and Risk Management*

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Prepared By:

- **Solvency II Note:** Solvency II Working Group under the Insurance Committee
- **AI Governance & Risk Management Note:** Artificial Intelligence & Data Science Working Group under the Professionalism Committee

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Committee Involvement:

- **Solvency II Note:** Insurance Committee and Risk Management Committee
- **AI Governance Note:** Professionalism Committee

Date for Board Consideration: 31st October 2025 Board Meeting

Governance & Process Summary

- The papers were developed by the main authors with input from the working groups.
- The papers were reviewed by the AAE Senior Actuary, applying necessary editorial work and content modifications – approved and adopted by the authors.
- Subsequently, the drafts shared with the relevant committees for any comments.
- The papers are placed with the Board as pre-read material for approval in accordance with the AAE's publication governance framework.

Purpose of the Documents

1. Review of the Solvency II Delegated Regulation

The AAE Note summarises the actuarial profession's technical analysis and comments on the European Commission's July 2025 consultation on the *revised Solvency II Delegated Regulation*. The note presents observations on the calibration, governance, and proportionality aspects of the proposed reforms and reflects contributions from FMAs and experts within the Solvency II Working Group based on the AAE's consultation response. It provides a balanced actuarial perspective intended to support EU policymakers in the finalisation of the Level 2 measures.

2. AAE Note on EIOPA's Opinion on AI Governance and Risk Management

This AAE Note provides the working group's reflections on EIOPA's *Opinion on AI Governance and Risk Management* (August 2025) based on our consultation response to this topic. It welcomes EIOPA's proportionate and principles-based approach and highlights actuaries' professional contribution to AI oversight. The paper also calls for continued clarity regarding the boundary between traditional actuarial models and AI systems, ensuring proportional implementation across undertakings of varying scale and complexity.

Summary of Key Messages

1. Solvency II Delegated Regulation Note

- Supports the continued evidence-based calibration and principles-based application of Solvency II.
- Emphasises that policyholder protection and financial stability must remain the primary objectives of the framework.
- Welcomes improvements on proportionality and simplification, while cautioning against offsetting complexity from new requirements such as EPIFF.
- Supports a more enabling long-term equity regime within prudent boundaries.
- Recommends recalibration of the interest-rate risk sub-module and proportional treatment of reporting and disclosure obligations.

2. AI Governance and Risk Management Note

- Supports EIOPA's principles-based, proportionate approach to AI governance.
- Promotes proportionality considering both undertaking complexity and customer impact.
- Recognises actuaries' professionalism, code of conduct, and systemic risk expertise as key contributions to AI oversight.
- Stresses the need to distinguish between AI systems and traditional actuarial/statistical models.
- Encourages continued cooperation between EIOPA, supervisors, and the actuarial profession to ensure effective implementation.

Recommendation to the Board

In line with the AAE's publications' governance framework, as approved by the AAE Board of Directors at the Board Meeting of 18 June 2025, the papers are submitted to the AAE Board as pre-read materials for approval and subsequent publication.