

Notes of a meeting of the AAE Board and Committee Chairs
Bratislava, 19 April 2023 | 14:00-17:00 CEST

Participants:

Lutz Wilhelmy	LW	Chairperson
Giampaolo Crenca	GC	Vice-chairperson
Mária Kamenárová	MKam	Immediate Past Chairperson
Philippe Demol	PD	Board member
Inga Helmane	IH	Board member
Matthias Pillaudin	MP	Board member
Kartina Thomson	KT	Board member
Frank Schiller	FS	Board member
Jette Lunding Sandqvist	JLS	Board member
Malcolm Kemp	MKe	Chairperson RMC
Lauri Saraste	LS	Chairperson IC
Tatiana Bitunska	TB	Chairperson PC
Henning Wergen	HW	Chairperson EC
Siegbert Baldauf	SB	SII Project Manager
Monique Schuilenburg	MSch	Operations Manager
Annette Aragones	AA	Operations Assistant

Apologies:

Christophe Heck	CH	Chairperson ProfC
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1.	Opening of the meeting approval of agenda. The agenda was adopted.
2.	Minutes of the Board meeting of 8 and 27 March 2023 The minutes of both meetings were approved, noting a typo in the name of Philippe Demol.
3.	Urgent Committee issues What is the issue: To receive an update on committee and board WG issues <u>that require the Board's immediate attention.</u> Update: <ol style="list-style-type: none"> 1. Professionalism <ol style="list-style-type: none"> a. Mária provided the update on Christophe's behalf. Main topics for the next meeting will be the Fit and Proper Survey. b. Observer Membership Moldova. <ol style="list-style-type: none"> i. Siegbert gave a training in Moldova (3 days) on SII and IFRS17. Moldova has 9 full members. Lutz expressed his appreciation for the work of Siegbert, which triggered the interest of Moldova to become Observer Member.

	<ul style="list-style-type: none"> ii. Kartina asked if Moldova is in contact with IAA. Siegbert explained that we attempted to contact IAA (AWB) without success. Moldova is an Observer member of IAA. The qualification of the 9 members is to become more homogeneous by this training. iii. Tatiana asked if they are in contact with the Romanian association [answer: no]. iv. The Board gave a mandate to ProfC regarding Observer membership of Moldova. <p>2. Risk Management</p> <ul style="list-style-type: none"> a. Malcolm updated the Board that the Sustainable Products paper is expected to be approved by RMC. Philippe asked if there is nothing conflicting in terms of 'greenwashing' in the paper. There will be time for the board to review the paper after RMC approval, where this issue can be addressed. b. There is also another paper on Inflation Risk that is ready to be approved by RMC. <p>3. Insurance</p> <ul style="list-style-type: none"> a. The Board approved the ToR and the workplan (2) of the Economics & Finance Cross-Functional Task Force (new transverse (L)IR WG). b. RTBF – Irish colleagues have been very active. The topic will be addressed in the IC meeting tomorrow. c. NLWG – Lauri informed the Board that it has been silent from chairperson side (Cyriaque). Matthias noted that there appear to be issues for Cyriaque, and a replacement should be considered. Lauri will discuss tomorrow. There needs to be a working operation for NLWG set up. Lauri will attempt to get in contact with Cyriaque for closure/clarification. <p>4. Pensions</p> <ul style="list-style-type: none"> a. IORP Directive Review – Tatiana proposed to extend the deadline for Board review because EIOPA planned a workshop on this topic on 11 May. The Board approved the new deadline of 14 May. b. TF Cash Flows – to support activities during Stress Test IORP. Term expires, Paper/presentation to be discussed in PC meeting. There are no activities that would lead to justify prolongation of the TF. The advice to close the TF after the Spring Meeting was agreed by the Board. Philippe suggested that some work can be taken by the IORP Directive Review. Tatiana agreed, and also that the PRM WG is now an active WG. <p>5. Education</p> <ul style="list-style-type: none"> a. Henning – first draft of data science Syllabus is on agenda of EC tomorrow. b. Status update syllabus assessment: 7 MAs not being completely reviewed. Austria has submitted sub-assessment, which is looking good. For the remaining, we have established contact, now need following up/commitment and deadlines. It was agreed that Henning will update the Board; the liaisons are ready to assist if needed. Mária noted that there is a process in place, also for those countries that are pending to receive a letter to alert them of the consequences. <p>6. Artificial intelligence and data science working group. Lutz briefly explained that a paper is under development (what every actuary should know about data science).</p>
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	<p>Another initiative from Data Scientist: the artefacts that companies have to use differ (the way the questions are assessed by regulators). The Kaggle-type initiative (Data Challenge) is in process.</p> <p>7. Lutz added a general remark: For the Board meeting in June a workplan per committee would be on the agenda as the workplans have changed (and include what was closed/achieved).</p>
4.	<p>Update on important business topics</p> <ol style="list-style-type: none"> 1. Update from Advisory panel - No update. <ol style="list-style-type: none"> a. Meetings with stakeholders (Lutz) Folder in Teams: 01 Meetings with stakeholders b. Brief feedback on past meetings: 13 March – DG FISMA Didier Millerot and 27 March – Insurance Europe <ol style="list-style-type: none"> i. Positive about both meetings, not as enthusiastic as after EIOPA meeting which was exceptional. Didier shared more than usual. ii. What we need to do is to get an overview on topics that we really want to follow up with from the different meetings. iii. Giampaolo – follow up topics of all meetings. Clear that EIOPA has interest. Second best was Insurance Europe, there is an interest. Look for focus of follow up. Commission was political, different approach. We must insist the same. Repeat our positions and maintain regular contact. iv. Maria agreed with Giampaolo. At EIOPA it was appreciated what we did in Consumer Protection area. Lauri added that shortly a paper on value for money would be issued. It would be great if we can have a position before the next EIOPA meeting on 3 July. Petra asked for climate risk scenario testing. Perhaps do a survey. EIOPA provided guidelines how to perform it. v. Lutz summarized: we need a process for following up on discussions. c. Follow-up EIOPA meeting <ol style="list-style-type: none"> i. To receive brief feedback of the 3 follow-up calls with relevant experts on: ii. ICS – see point 5. Malcolm got the impression that it was clearer that they wanted us to assist EIOPA after the second meeting. Sometimes it is hard to read from a first meeting and that it is useful to have a follow up meeting. iii. Pensions/IORP (Philippe/Jette) – no specifics reported. iv. ELD (Lauri) – no specifics reported d. Scheduled meetings: <ol style="list-style-type: none"> i. Pensions Europe – likely early May (15-16 May TBC)

	<p>2. Update from the Communications Panel</p> <ul style="list-style-type: none"> a. Inga provided an update based on the information in the sheet provided. Good progress is made. b. Inga stressed that the Spring meetings are a good opportunity to highlight in the committees to follow and like AAE LinkedIn posts. c. Giampaolo highlighted that the quality is now up for quantification for the EAD participants. d. Maria congratulated the organisation, for achieving already such a good result in just 2 years. e. Lutz asked about new ways of communication. When writing about meetings with stakeholders we must not jeopardise the relationship by disclosing information that should not be shared. <p>3. Update from the Nominations Panel (Mária)</p> <p>Maria explained that the NP will meet on Friday in a hybrid format. Sufficient submissions were received to fill nearly all positions.</p> <p>4. Consultations:</p> <ul style="list-style-type: none"> a. It was agreed to extend the deadline of the draft response to the IORP consultation to Board reviewers to 14 May. b. Nat Cat reassessment – was not responded to due to the NLWG situation. c. Lauri mentioned a consultation on Sustainability for ESAs – will inform Monique. d. Siegbert noted there is a short taxonomy consultation with short deadline of 13 May. A follow up of a consultation of 2 years ago. e. Lutz noted that we have a process in place. Any consultation that is picked up, will be included in the overview.
5.	<p>Support to EIOPA on ICS</p> <p>Issue: To discuss the follow-up on ICS to be prepared for the economic impact assessment, and the assessment of the aggregation method.</p> <p>Update:</p> <ul style="list-style-type: none"> • Lutz explained the request as described in the slides: to have SII as an implementation of the ICS (potentially with a couple of adjustments) seems desirable from a European perspective after the EIOPA and EC meetings. AAE has an opportunity to stand ready to support a European view and adding the perspective of using internal models. Our support could be to give a couple of presentations from an actuarial point of view (advantages/disadvantages of using internal models) • We can send someone to Basel to assist IAIS, which has budget implications. • Kartina stressed a point in the slides: we need to manage the relationship with the IAA because it is not one actuarial voice. We need to manage the expectation so that it is not a global actuarial view. • Malcolm: it may not be a specific AAE person, but we might assist in finding the right person. • Maria noted that this provides an opportunity. Reasonable budget implementation, support the initiative.

	<ul style="list-style-type: none"> • Matthias: Independent view of AAE can be at risk. We need to know if there is a conflict with EIOPA and international supervisors. We need to make clear that we work independently. It can be worth to push the European view. • Lutz: formally when you are invited to present to IAIS (or its committees) it happens on invitation of one of the members. When it is about secondment it would be a process: IAIS would issue a call for interest to work for a few months in Basel then we could apply there. The person would be independent, as we would not come as part of the EIOPA delegation. • Kartina: would that person be a representative of AAE? • Lutz: No, professional bodies cannot delegate a representative. However, AAE supports a person, there would be a 'European/AAE' touch to it. The person is likely to be seen as an EU ambassador. • It should be noted that the final decision on ICS is likely to be taken solely on political grounds and not on technical grounds. • What is in it for the AAE: we gain credibility. • Do we know if there is an active role for IAA? No, will ask on Thursday. • Maria: it seems important to have an AAE position. • Philippe: there is a connection between IA BE member and IAIS. • Interesting to analyse the European position in the IAA on this topic. • Consideration of the ICS in general is feasible before summer. • It might be good to be prepared to support a volunteers work in the IAIS but also with formal support from AAE. • Lauri: he or she should have deep knowledge on internal models. • The Board agreed that reimbursement of expenses is reasonable and approved to a certain extent. • Matthias: we may find a volunteer in the IC, because of the technical background of SII.
6.	<p>Effective support</p> <p>Issue: To discuss the draft profile and the next steps</p> <p>Update:</p> <ul style="list-style-type: none"> • Matthias explained that this meeting is intended for discussion and to collect comments for the profile to be approved in the next Board meeting. We aim to launch this job profile before summer. • The other issue we have to tackle before summer is to talk about budget. We will propose a new budget for discussion in the Board meeting in Zurich in June. The proposal could be to increase fees between 4-5 Euro at least for the largest MAs, we can propose a multi-year plan for the smaller MAs. • Philippe asked about conflict of interest. Can this person work for an insurance company? Matthias noted that this person should be independent, and we should be conscious about this. • Henning noted that it would limit the pool of people if we limit the person to being 100% independent. • Lutz remarked that reasonable independence will be considered in the selection process. • Giampaolo asked about including IORPII and extension to pension topics.

7.	<p>Events</p> <ol style="list-style-type: none"> 1. AAE webinars and roundtables No update. 2. EAD 2023 Henning reported that we do not have as many sponsors as we anticipated, but on the other hand we do have more registrations. It was agreed to re-evaluated the business case after the event. 3. Social Security Forum <ol style="list-style-type: none"> a. Philippe asked about the invites/speakers from global associations. Maria added that it would help to have the European voice in this. What is the objective, what are our key stakeholders. Who is representing AAE? We should keep our key strategic objectives in mind. It can turn against us by IAA as this may appear to be a global event rather than a European event. b. Upon review, it appears that Europeans have be announced with their international affiliation. This should be fixed c. Giampaolo agreed, focus and goal must be clear. d. Lutz summarized that there are some main points: <ol style="list-style-type: none"> i. be a little clearer about the fact that it is a European event. European people working for OECD should not be a problem. ii. It is an AAE event, we should pay for it in a moderate way to do it. Do not go for collaboration with IAA. iii. Add AAE people to make this a real AAE event (to open and close). The Board is positive about the initiative, but we need to take it to the next level. En event like this will generate visibility. e. Regarding production level, Henning is asked to give a clarification on the 2 options. It does not help if we choose the cheaper option and then run into technical issues. f. It was agreed to park the discussion on budget, discuss in next meeting and decide. 4. ECA 2024 <ul style="list-style-type: none"> • Giampaolo provided an updated based on the venue visits last week. All on track. • Henning added that this is the first time that we now have a choice of multiple options for venues, which helps to make an informed decision on the quality of the event and will contribute to the fee level. • Draft lists of Sponsors and Promoters are ready, they will be reviewed for any overlaps. • Decision to be made by the next Board meeting, 17th of May.
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8.	Office situation Update: <ul style="list-style-type: none"> • Lutz explained that we sublease the current office from the Belgian association. • We need to vacate the premises by end of June (now confirmed). • We started planning clean-up of office material/archive. • The plan is to follow the Belgian colleagues. • More discussions/negotiations to follow • May result in being 'homeless' for a few months. • However, we will maintain the street address, for the mail. • Lutz is confident that this will end in a good result. • We will anyway store our material somewhere.
9.	Report AAE Secretariat There was nothing to add in addition to the report.
10.	Topics for agenda next Board meetings <ul style="list-style-type: none"> • Prepare for in person meeting with EIOPA (3 July)– draft agenda prepared for 17 May meeting, finalise in Zurich meeting. • Topics as agreed in this meeting. • All are requested to send their proposed topic by email to Lutz and Monique.
11.	Any other business No topics were raised.
12.	Backlog topics <ul style="list-style-type: none"> • Governance process one-pagers/positions/discussion papers

Appendix

	Future meetings / conference calls: 13:00 – 15:30 CE(S)T on the second Wednesday of every month unless shown otherwise
	<ul style="list-style-type: none"> • 17 May 2023 • Thu 15 June 2023 – Zurich, 09:00-16:00, note the dinner 19:30 on 14 June • 5 July 2023 • 13 September 2023 • 4 October 2023 – Cologne, 14:00-17:00

SUMMARY OF ACTIONS/DECISIONS:

Professionalism Committee	<ul style="list-style-type: none"> • The Board gave a mandate to ProfC regarding Observer membership of Moldova. 	Christophe
Insurance Committee	<ul style="list-style-type: none"> • The Board approved the ToR and the workplan (2) of the Economics & Finance Cross-Functional Task Force (new transverse (L)IR WG). 	Lauri

Education Committee	<ul style="list-style-type: none"> Status update syllabus assessment: It was agreed that Henning will update the Board; the liaisons are ready to assist if needed. 	
Meetings with stakeholders	<ul style="list-style-type: none"> We need a process for following up on discussions. 	Lutz, Monique
Consultations	<ul style="list-style-type: none"> It was agreed to extend the deadline of the draft response to the IORP consultation to Board reviewers to 14 May. 	Tatiana, Frank, Philippe
Effective support	<ul style="list-style-type: none"> All are asked to comment (if any) to the job profile before end of April to be presented for approval in the next Board meeting. 	All