

Notes of the meeting of the AAE Board and Committee Chairs
4 December 2019 | 08:30 – 16:00 CET

Venue: Actuarial House, AAE Office, 1 Place du Samedi, 1000 Brussels

Participants:

Falco Valkenburg	FV	Chairperson
Wilhelm Schneemeier	WS	Vice-Chairperson
Esko Kivisaari	EK	Past Chairperson
Gunn Albertsen	GA	Board member
Mária Kamenárová	MKam	Board member
José Manuel Mendinhos	JMM	Board member
Luis Saez de Jauregui	LS	Board member
Kartina Thomson	KT	Board member
Lutz Wilhelmy	LW	Board member
Birgit Kaiser	BK	Vice-Chairperson ProfC
Malcolm Kemp	MKe	Chairperson RMC
Maitane Mancebo	MM	Chairperson PC
Lauri Saraste	LSA	Vice-Chairperson IC
Henning Wergen	HW	Chairperson EC
Siegbert Baldauf	SB	SII Project Manager
Cecilia Thorn	CT	Chief Executive
Monique Schuilenburg	MSch	Executive Assistant

		Action
1.	<p>Opening of the meeting and adoption of the agenda</p> <p>Falco opened the meeting and welcomed Birgit, Lauri and Siebert to their first time face to face meeting.</p> <ul style="list-style-type: none"> Falco asked the Board if we could share the Risk Margin paper – which has now been finalised - with Justin Wray (EIOPA). It was agreed to wait until the end of today and share the paper with Justin Wray from 5 December. The RMC webinar is scheduled on 5 December. It was agreed to invite Justin to attend the webinar. Maria asked to have a brief discussion on IFRS17 relating to the proposal of the IFRS17 WG to write a paper on the Role of Actuaries in IFRS17. The WG is seeking advice and commitment of the Board. This will be added to the agenda. Esko asked – for a future meeting - to include a topic on how to work together more efficiently being from different countries and cultures. To discuss what the expectations are of one another and what we expect from Monique and Cecilia, as well as Senior Officers and Board members. 	<p>For future board: discuss expectation of work secretariat, senior officers and Board members</p>

2.	<p>Notes of the Board call of 30 October 2019</p> <p>What is the issue: The notes have been distributed in advance</p> <p>Update: FV referred to his promise to contact each one to briefly discuss expectations. He will do so shortly. The notes were approved.</p>	FV
3.	<p>Risk Register – Discuss the risk register/assess and update key risks</p> <p>What is the issue: Check the existing risk register for completeness/look at scoring/update key risks</p> <p>Breakout sessions: Discuss, describe and assess the three risks:</p> <ul style="list-style-type: none"> <p>1. Litigation risk.</p> <p>The group mainly discussed the MRA and the litigation risk. It was concluded that the directive (free movement) is relevant for each FMA. It was noted that we do not know the directive 2013/xx/xx in full detail. The MRA TF wishes to be as close as possible to the spirit of the directive. The MRA is based on the Core Syllabus – is a minimum standard. After implementation there will still be differences. As FMA there is the option to have an adaptation period, or design an adaptation test. The role of AAE is to be a facilitator (MRA being a multilateral agreement among associations). AAE is not part of this agreement. AAE comes in since the MRA is based on Core Syllabus. And the AAE Statutes state the membership requirements. It does not say anything about what happens if the AAE changes its membership requirements. It was agreed that the Litigation TF analyse carefully all the risk and explore the impact, as well as include knowing the full details of the directive 2013/xx/xx. Final discussion/decision will be scheduled in Bratislava.</p> <p>2. Risk of significant reduction in membership fees.</p> <p>If one of our larger FMAs is leaving AAE this will impact the AAE financial position. Should IFoA leave this reduces income by 40% (there are no signs that other FMAs might leave). The AAE has an equity to 1.4. of yearly expenditure. If that should be the case other options need to be considered (others sources of income, etc). We need to continue to be in constant contact with the decision makers/influencers within the IFoA on this issue. Falco, Lutz, Cecilia agreed to meet with the new CE of IFoA as well as the presidential team.</p> 	<p>Action: Litigation task force should study the 2013 Directive on free movement of professionals in more detail to ensure our MRA's are as close as possible to the Directive</p> <p>Action: Cecilia to contact Kartina with regards to a meeting with IFoA (president, new CEO) in January</p>

	<ul style="list-style-type: none"> • 3. Continuity risk secretariat. Cecilia explained that a workplan is set up. With only 2 people at the secretariat the risk is high if one of them is not available. The following was discussed: <ul style="list-style-type: none"> ○ external resources for bookkeeping: it was agreed to first investigate price/quality. ○ having a Board member overseeing risk with continuity of the secretariat. Luis agreed to take on this role. ○ opportunity for larger FMAs to be involved in certain projects. Esko ○ in this fast changing world it would be good to visit larger FMAs to see how they work and if we can learn from them/work with them. ○ possibility to get interns – traineeships for admin tasks, background checks for MPs and other tasks. Kartina expressed the wish to have more insight in what the tasks/objectives are of the secretariat with respect to engaging with stakeholders. Cecilia agreed to draft a proposal. • For the Risk Register, the topic of data analytics was mentioned. This is currently a workstream of ProfC. Malcolm suggested to research who the competition is. This will be included in the AAE Risk Register. Esko mentioned that a change in stakeholder positions is also a risk (e.g. Gabriel Bernardino's end of term). Wilhelm suggested to define how to deal with the process. It was agreed that 2/3 persons work on all topics in the Risk Register – FV will draft a proposal and will assign topics to Board members. This will be a recurring item on the Board agendas with the objective to finalise discussions in Bratislava. 	<p>Action: Cecilia to develop a AAE stakeholder mapping and engagement plan for 2020</p> <p>Action: Falco to assign individual board members to look at specific tasks and risks in the risk register (recurring item). To be discussed in Bratislava</p>
4.	<p>View of actuarial profession on “low-interest environment” (SO1)</p> <p>What is the issue: AAE opinion/position to be developed</p> <p>Update:</p> <ul style="list-style-type: none"> • Luis and Wilhelm gave a presentation on the situation in their resp. countries (Spain – Germany). They both clarified the country specific details which are completely different from each other. • ToR for the Low Interest Rate working group: <ul style="list-style-type: none"> ○ It was agreed that all send their comments to Lauri in the next week for the ToR to be revised before Christmas. The Board can approve this via email. 	<p>Action: Decision on TOR for WG to be taken at meeting on 8 January</p> <p>All</p>

	<ul style="list-style-type: none"> ○ It was agreed that there is a sense of urgency starting the LIR WG on insurance. Lauri expects the LIR WG to start their work in January 2020. The ToR need to be approved before they start. ○ It was discussed if we also needed a WG on low-interest environment for pensions and social security (as well as consider one for Risk Management). ○ There should be a decision on TOR for the WG at the Boar meeting on 8 January 	
5.	<p>Solvency II 2020 Review</p> <p>What is the issue: To receive an update on the SII consultation</p> <p>Update:</p> <ul style="list-style-type: none"> • Siegbert explained the slides and mentioned that these issues in the SII 2020 Review are related to the low interest rate. • It was noted to be careful not to enter into a political argument. • Siegbert noted the various deadlines: 15 December for MA feedback. 5 January 2020 to send final response to Board for review. 15 January 2020 for submission to EIOPA. 	
	<p>IFRS17</p> <ul style="list-style-type: none"> • Mária mentioned that the IFRS17 WG would like to draft a position paper on the Role of Actuaries in insurance companies, undertakings as well as in accounting companies. • The Board approved and mentioned that a fact finding exercise would be the recommended start of this project. • It was suggested to raise this topic in the AAE's upcoming meeting with the Commission as well as contacting Alain Deckers, Head of the Accounting, audit and CRA Unit of DG FISMA (to better understand the commission's objectives). • It was also suggested to liaise with EFRAG for the same reason. 	<p>Action: Cecilia to set up a meeting with Alain Deckers HoU DG FISMA on IFRS 17 in the new year as well as EFRAG</p>
6.	<p>Development of European Actuaries Climate Index (SO1)</p> <p>What is the issue: To receive the recommendations of the EurACI working group.</p> <p>Update:</p> <ul style="list-style-type: none"> • Philip Shier explained the recommendations of the EurACI WG • The EurACI working will be asked to find out what the Americans and Australians would charge. • Cecilia mentioned that we may be eligible for funding as told by us by DG CLIMA. She agreed to follow up. 	

6.	<ul style="list-style-type: none"> Funding of EUR 50.000-100.00 would be required to develop the index, with approx. EUR 10.000 monthly costs to maintain the index. It was agreed that a business case would be developed which should include the benefits and the costs. If the EurACI will be a commercial item, there will be a need for different scenarios because of the differences in contracts. The board was supportive of the index. It was decided that a smaller group of the board, Esko, Falco, Jose and Maria (Cecilia to support) would look at this project and discuss how to take it further. 	Action: Esko, Falco, Jose and Maria (Cecilia to support) would look at this project and discuss how to take it further
7.	<p>Liaisons What is the issue:</p> <ul style="list-style-type: none"> With Member Associations (SO3) <ul style="list-style-type: none"> Feedback from the Presidents Meeting: To agree on focus points as described in the attachment With our Committees <p>Update:</p> <ul style="list-style-type: none"> The secretariat will propose an update of the liaisons overview, taking into account to allocate Luis to Spain and Catalunya, as well as the upcoming changes in the Board (José and Kartina will leave the Board in October 2020). It was agreed to cease the liaisons positions in the Board for committees. There is easy access to the Committees. Therefore liaisons are not needed anymore. The internal document on the Role of liaisons was not further discussed. 	Action: End Board committee liaison
	<ul style="list-style-type: none"> Presidents Meeting feedback. The proposed focus points were agreed: Item 1: Professionalism-Education topics. Education is about fulfilment of the Core Syllabus. Henning commented that the Education committee will take this further. Item 2: Communication: Gunn agreed to volunteer to take this topic further. 	HW GA

8.	<p>Actuview (SO3)</p> <p>What is the issue: AAE & Actuview contract and collaboration</p> <p>Agenda:</p> <ul style="list-style-type: none"> • Introduction by Lutz (5 min) • Presentation by Martin Oymanns, Actuview (15 min) • Board discussion, including formal decision - if not already agreed by email procedure (10 min) • Signing Ceremony (if decision adopted) 15 min <p>Update:</p> <ul style="list-style-type: none"> • Martin Oymanns presented an update on actuview. • Lutz briefly explained the outcome of the survey and agreed to share the results with the Board and Committee Chairs. • The contract between Actuview and AAE was signed. • It was agreed to prepare a communication to the MAs that will include the outcome of the survey, the contract signing and the next steps. • Since Malcolm Campbell made a strong remark against the process in the last GA, it was agreed that he will be contacted by Falco/Lutz (Sweden did not respond to the survey). 	<p>Action: To present to all MA's the result of the Actuview survey</p> <p>Action: To look into how much power does the board have in strategic decision-making without needing GA approval? (Issue raised in Actuview discussion). Need to be addressed for next GA</p> <p>FV</p>
9.	<p>Core Syllabus compliance – audit process</p> <p>What is the issue: To be prepared for any scenario and to check if this is a Board or GA decision. Also review the main points of the audit proposal and check the statutes</p> <p>Update:</p> <ul style="list-style-type: none"> • Henning explained the slides and referred to the process and the governance (Statutes, CoPC). Question will be how to deal with the audit for new and existing members. In the end it is not about excluding members, but rather to help them to comply. • Code of Professional Conduct (CoPC). A mapping of MAs to the new AAE CoPC will be discussed in Bratislava by the ProfC. AAE relied in the past on the approval of the IAA (if an MA complies with the CoPC). The current opinion is now to perform the check of compliance ourselves. 	

10.	<p>Well-being of society <i>For discussion in break-out format:</i></p> <p>30' break-out discussions 20' reporting and discussion 10' decisions and actions</p> <p>Presenter/owner: Falco</p> <p>What is the issue: How can we show to the outside world what our contribution is to the well-being of society? Using the input we have received from the committees, how can we execute on this?</p> <p>Update: This topic was not discussed due to time constraints and will be part of the Bratislava Board meeting</p>	Action: Postpone to Bratislava
11.	<p>Brussels Meetings - Autumn planning and feedback</p> <p>What is the issue: Discuss EIOPA meeting on 17 December 2019 (14:00-17:00) and discuss potential possible meeting dates for 2020</p> <p>Update:</p> <ul style="list-style-type: none"> Falco reported that 5 meetings are arranged for 5 December and more meetings will be scheduled early 2020. The agenda and delegation for the meeting with EIOPA on 17 December 2019 has been confirmed. It was noted that Gabriel Bernardino's term will end on 1 March 2021. There will also be a new election of EIOPA stakeholder groups early 2020. The current terms of office will not apply since this will be an extraordinary election. 	
12.	<p>ECA 2021</p> <p>What is the issue: Short update on the proposed process and the timing</p> <p>Update: Henning mentioned that a delegation will visit Madrid to visit potential venues on 9 and 10 December 2019. After the venue visit, the business case will be drafted. This will be presented to the Board in January or February 2020. Henning mentioned that the venue costs will be higher than they were in Lisbon, which will affect the business case.</p>	
13.	<p>Bilateral meetings IAA-IFoA-AAA</p> <p>What is the issue: To receive an oral report of the bilateral meetings recently held with IAA-IFoA Report of AAA meeting attached. Discussed role of them in our meetings.</p> <p>Update:</p> <ul style="list-style-type: none"> AAA: Esko mentioned that a role of the AAA delegates other than the observer role was discussed. 	

	<ul style="list-style-type: none"> • IAA: during the lunch meeting our MoU was noted. All seems to be well in that area. The restructure of the IAA was also noted. • IFoA: Wilhelm attended. Points of brief discussion were the MRA, actuvie and the need for the IFoA to engage in the litigation TF. • It was agreed to start sooner with arranging bilateral meetings as well as preparing an agenda. 	
14.	CE Report What is the issue: To receive an update on CE matters Update: The CE report was noted. Cecilia added that after the trial period with DODs she will send a proposal to the Board.	
15.	Topics for agenda next Board meetings What is the issue: to identify the topics for the agenda of the next Board meetings Updated: The common topics will be included in the next Board agenda as well as those topics that were either not covered in this meeting or require further discussion.	
16.	Any other business <ul style="list-style-type: none"> • Lauri mentioned that the EAN on ORSA and ESAP3 is now being finalised. It will be prepared for an electronic vote in January 2020. • Esko mentioned the upcoming IAA IFRS17 webinar regarding the standard that is being developed (ISAP4). The date is not determined yet. 	
17.	Future meetings / conference calls: 13:00 – 15:00 CE(S)T on the second Wednesday of every month unless shown otherwise <ul style="list-style-type: none"> • 8 January 2020 • 12 February 2020 • 11 March 2020 • 1 April 2020, Bratislava, 16:00-20:00 CEST • 15 May 2020, Paris, 09:00-11:00 CEST • 10 June 2020 • 1 July 2020, The Netherlands, 09:00-16:00 CEST • 8 July 2020, 13:00-14:00 – short call to update the CommChairs • 9 September 2020 • 7 October 2020, Munich, 14:00-18:00 CEST 	