

**Actuarial Association of Europe  
Insurance Committee  
Quarterly Report – Q2 2019**

**1. Spring meeting**

The Spring meeting took place in Sofia, chaired by Lauri Saraste, with apologies from Tony O’Riordan. Minutes of that meeting are now posted to the AAE website. The Insurance Committee also participated in the Joint Meeting with the Pensions and Risk Management Committees.

A follow up telephone meeting of the Insurance Committee is scheduled for 28 June.

**2. Solvency II**

Monthly conference calls continue to take place for this group.

A response was submitted to the following EIOPA discussion paper:

- systemic risk and macroprudential policy in insurance (30 April, in line with EIOPA deadline)

A separate short news piece was published on the AAE website summarising this response.

A plan has been agreed to enable AAE submit a response to the EIOPA Consultation Paper on an opinion on sustainability within Solvency II by the deadline of 26 July. Members of the Insurance and Risk Management Committees have been asked to contribute. A final draft is scheduled to be provided to the Board for approval on 20 July.

Siegbert Baldauf participated in a Pillar1 seminar of EIOPA and NSAs on 18 June concerning technical provisions. His presentation was based on the Solvency II benchmark study concerning “Observed practices for Standard Formula across Europe”, based on work done by the Institut des Actuaire, which had already been presented to EIOPA by Matthias Pillaudin in March. Some additional issues were also included by Siegbert based on input from the Solvency II Working Group. This study was also presented to the Annual Convention of the Society of Actuaries in Ireland and to the European Congress of Actuaries by Thomas Béhar and Tony O’Riordan.

Tony O’Riordan and Siegbert Baldauf participated at the EIOPA stakeholder meeting on the Solvency II 2020 review in Frankfurt on 5 June. Next steps on the 2020 review:

*Consultation paper on Reporting and Disclosure* - mid-July (consultation period of 3 months)

*Public discussion of various topics of the SII 2020 Review* (*Group Supervision, Technical Provisions, SCR, Proportionality Pillar II, FoS/FoE*) – 15, 16 July

*Consultation on EIOPA’s opinion* - mid-November (consultation period of 3 months)

**3. Sustainable Finance**

Lauri Saraste attended the EIOPA workshop on sustainable finance on 11 June.

**4. Non-Life issues**

Responses to the survey on risk mitigation techniques were presented to the Insurance Committee meeting in Sofia.

The Working Group continues to support Solvency II 2020 review work.

The Working Group has prepared, in draft, practical examples of difficulties in the calibration of Undertaking Specific Parameters, which it hopes ultimately to share with EIOPA.

## **5. IFRS17**

The Working Group, led by Kristoffer Bork, submitted a comprehensive response to IAA on IAN100 in April (coordinated by Pentti Soininen). The comments were well received and will have a positive impact on the next version of IAN 100.

The Working Group has been working on preparation of a commentary on EIOPA's analysis of IFRS17 and Solvency II. This document is nearing completion and will be submitted to the Insurance Committee and Board for approval before publication.

The Working Group will progress some or all of the following as required:

- AAE comment on revised standard to be issued by IASB
- A response to the issues raised by EFRAG as the endorsement process continues
- Response to request for inputs from IASB
- To arrange follow up on the meeting between AAE and Accountancy Europe in March 2018

## **6. Follow up on EIOPA issues raised with AAE – costs and past performance of participation products**

AAE issued a survey with the aim of providing EIOPA with usable insights into participation business across Europe. The deadline for receipt of responses has passed and 5 responses have been received (Austria, Czech Republic, Finland, Germany, Hungary). A response is expected from France. A small group is addressing the messages for EIOPA for its work on costs and past performance which can be inferred from this survey.

## **7. ORSA EAN**

The EAN is in final form and is in final stages of approval.

## **8. Webinar**

A webinar is planned for 17 September, covering the following subjects:

IFRS17

Solvency II 2020 review

Risk mitigation practices

## **9. Upcoming meeting with EIOPA**

In advance of the AAE meeting with EIOPA on 11 July, the Committee will prepare one page support documents on:

IFRS17

Costs and past performance – participation products

Solvency II

Tony O'Riordan

Chair

June 2019