

## TERMS OF REFERENCE

### EUROPEAN ACTUARIES CLIMATE INDEX WORKING GROUP

The Working Group will consider, from the point of view of the actuarial profession, matters relating to establishing a European Actuaries Climate Index (EurACI). The Working Group will report to the AAE Board of Directors and make proposals on actions required.

#### *Background*

The debate about climate and climate change is “hot”, both politically and in society at large. It is a very relevant topic to society where the actuarial profession can contribute to the debate by delivering facts. The current debate is often a mixture of opinions and facts. The AAE can improve its profile by communicating facts. It would give the AAE a great opportunity to have biannual or quarterly press releases with an update to our climate index and highlighting the key findings as we see them. As a consequence the EurACI might be a core source of information for all sorts of risk management tools, product development, insurance premium setting, insurance reserve models, investment decisions and more.

#### *The assignment*

In particular the Working Group will:

- deliver the specifications for a European Actuaries Climate Index (EurACI)
- deliver an estimate of costs needed to produce the EurACI (set-up plus maintenance)
- connect with relevant academics and meteorological institutions
- assess and compare the US/Canada index with the Australian index
- use the IFoA feasibility study to extend the US/Canada index to Europe
- have the deliverables ready for discussion in the Vienna meetings in October

#### *Governance*

The AAE Vice-Chairperson, Falco Valkenburg, will be the first point of contact with the AAE Board of Directors. Members of working groups, can include non-actuaries and shall not represent particular Full Member Associations, but are selected on the basis of their expertise needed to achieve the specific goals of the working group. The term of the working group will end on 11 October 2019. The Terms of Reference were approved by the AAE Board of Directors on XX xxxx 2019.