

INSURANCE COMMITTEE MEETING

4 MARCH 2019 – CONFERENCE CALL

MINUTES

Attending

Members

Tony O’Riordan (Chair)
Lauri Saraste (Vice Chair)
Kirsten Sasady
Declan Lavelle
Reinhold Kainhofer
Kartina Thomson
Lutz Wilhelmy
Joaquin Benavides

Members

Peter Franken
Giovanni Samartini
Mike Poulding
Nils Dennstedt
Vassilis Aggelou
István Kerényi
Robert Pusz
Ksenija Sanjkovic

Other

Siegbert Baldauf (chair SII wg)
Kristoffer Bork (chair IFRS wg)
Falco Valkenburg (AAE Board)

1. Solvency II

Siegbert Baldauf reported, covering the following issues:

- SCR review – objections from ECON are preventing changes in Delegated Regulation from being effective. ECON is looking for inclusions re risk margin, long term equities. EC has 3 months to consider this.
- Illiquid liabilities consultation and feedback took place in late 2018. Data request is expected from EIOPA to enable EIOPA determine indicators for illiquid liabilities.
- Convergence of supervisory practice. AAE was invited to and will participate in an EIOPA meeting on this subject on 18 March.
- Four working groups have now been set up to address specific issues which will come up in the Solvency II review. The Working Group is preparing to respond to EIOPA’s consultations as part of this review. A full day meeting held in Brussels on 22 February.
- No response has yet been submitted in relation to Reporting and Disclosure consultation but Member Association responses (other than Spain and Germany) are awaited.
- Macroprudential – a consultation is possible in Q2, with 4 possible tools currently under consideration.

2. Sustainable finance

Lauri Saraste reported.

A response to the consultation on integration of sustainability risks and factors in Solvency II and IDD was submitted to EIOPA on 30 January 2019. Lauri led work on this – thanks to the group which was involved. It is questionable whether EIOPA can meet deadline end April (from EC)

The EC has asked for information on the impact of the underwriting activity of insurers regarding sustainability. TO'R and LS to discuss how to move this forward, possibly using a survey.

3. ORSA EAN

Lauri Saraste reported.

A final draft of the proposed EAN is now available, to be approved by the IC in Sofia. LS asked that members send him comments. LS will consider seeking to include a session on EAN in Lisbon at ECA.

4. Non-Life issues

Peter Franken reported that results of the survey on risk mitigating measures will be available to discuss in Sofia. A call of the NLWG is scheduled.

5. IFRS 17

Kristoffer Bork reported that two groups from within the IFRS17 Working Group have now been set up to address specific issues (EIOPA opinion and IAA IAN). A full day meeting of the WG is scheduled for Brussels in March.

6. Negative interest rates

Nils Dennstedt reported that this work will be integrated in Solvency II work (interest rate sub-group within Solvency II WG).

7. GDPR

Kirsten Sasady reported that there was limited interest in a webinar. There has been follow up from a Data Protection Officer at Milliman which may lead to more work for the group.

8. Interaction with ERM Committee

Chairman updated on the joint meeting to be held in Sofia (ahead of committee meetings) with Risk Management and Pensions Committees).

9. Pensions cash flow related issues

Siegbert Baldauf reported that cash flow projections will be carried out for DB pension schemes in order to quantify risks. This work is mainly on the liability side, not including consideration of assets. Consistency of approach, where applicable, with insurance projections under Solvency II would be desirable and this may lead to some joint work with the Pensions Committee.

10.Q3 webinar

Chairman indicated that Insurance Committee proposes to facilitate a webinar on insurance issues of interest in Q3.

11.Support for EIOPA analysis of costs and past performance

Chairman reported that, in response to the EIOPA request for support in relation to participation business, he had asked for names of an actuary in member countries who is experienced and knowledgeable in relation to participation products and who can act as a subject matter representative on participation product issues. We will prepare a survey which will be used to identify the main points of similarity and difference from country to country. With the results of this survey, we can then revert to the representatives to discuss anomalies, etc., emerging from country to country . Ultimately, the intention of this process is to enable us to provide some coherent input to EIOPA on the subject of participation business in a number of months' time.

Chairman also sought volunteers to support this work.

12.Any other business

Chairman mentioned that

- There had been an Irish request re regulatory reporting and asked for members to respond
- Lauri will chair Sofia in his absence