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AAE Board report to MAs - July-December 2023



The Board of the AAE is pleased to present this report, highlighting the key developments that have occurred during the second half of 2023.

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Update from the AAE Board

We would like to update you on the recent activities of the AAE Board and Senior Officers. During this period, the AAE Board held six meetings, including conference calls on the 5th July, 13th September, 25th October and the 13th of December.

Additionally, physical meetings were held on the 4th of October in Cologne and a strategic meeting was held on the 24th of November in Brussels.

The Senior Officers also met six times during this quarter to prepare for each Board meeting.

We are pleased to report that the Board made significant progress on several important initiatives during this period.

Decisions/Approvals

- Agendas and Delegations meetings with major stakeholder.
- To issue a job profile for a Senior Actuary/Project Manager to extend the AAE resources.
- The submission by Lithuania to host the AAE Spring Meetings 2024 in Vilnius.
- The submission of Hungary to host the AAE Annual Meeting 2024 in Budapest.
- The submission of the UK to host the AAE Spring Meeting 2025 in Edinburgh.
- The proposal to update the AAE website and corporate identity.
- Contributing to CONVENTION A | EUROPE by organising a session in one of the slots.
- Frank Schiller to succeed Inga Helmane as Chairperson of the Communications Panel.
- Lourdes Afonso to join as new member, succeeding Giampaolo Crenca.
- Inga Helmane to chair the ECA2024 Steering Committee; Hartwig Sorger to join as member.
- Malcolm Kemp to join the TEA Editorial Board as Board liaison replacing Kartina Thomson.
- To organise the next Presidents' Meeting on 8 February 2024.
- The revised objective of the Data Science TF in the CPD program.
- The General Assembly unanimously approved the nominations of Inga Helmane as vice-chairperson, Hartwig Sorger and Lourdes Afonso as new Board members, Jeroen van den Bosch and Malcolm Campbell as new members of the Nominations Panel, Loudina Erasmus as new Chairperson of the Risk Management Committee and a second and final term for Tatiana Bitunska as Chairperson of the Pensions Committee and Lauri Saraste as Chairperson of the Insurance Committee.
- Giampaolo Crenca took over as chairperson at the General Assembly succeeding Lutz Wilhelmy who became Immediate Past Chairperson.
- The General Assembly unanimously approved the increase of the Annual Fee by 2 Euro to 22 Euro from 2025.
- Hiring Stephanos Hadjistyllis as new member of the AAE Team in the role of Senior Actuary/Project Manager, starting 1 January 2024.
- To develop a 3 years strategic plan.
- The recommendations of the Volunteer Engagement TF, by publishing the [Benefits of Volunteering](#) on the AAE website and by organising a Meet & Greet for new delegates/volunteers in Vilnius.

We believe that these initiatives will contribute significantly to the further development of the AAE's capabilities and effectiveness. We remain committed to fostering effective communication and collaboration with all our stakeholders as we work towards achieving our goals.

Meetings

Presidents' Meeting

The next President's Meeting will take place on 08 February 2024 as virtual meeting.

Meetings with European stakeholders

An overview of meetings with stakeholders in the second half of 2023 can be found by using this [link](#). (Login required.)

We believe that these meetings are critical in ensuring effective collaboration and engagement with our European partners, and we value these opportunities to share our insights and expertise.

Among the various contacts with European Stakeholders, we would like to highlight the following meetings with:

- EIOPA held on 3rd July 2023, Frankfurt, bi-annual
- EIOPA meeting on joint EIOPA-ECB paper on policy options to reduce the climate insurance protection gap, held on 23rd October 2023
- European Commission, DG FISMA held on 17th October 2023
- Pensions Europe, held on 5th December 2023
- EIOPA meeting with Petra Hielkema, held on 14th December 2023
- Insurance Europe, held on 20th December 2023, Brussels

We remain committed to fostering strong relationships with our European counterparts and look forward to future opportunities for collaboration.

Events

The Board decided to organise the following webinars/(virtual) events:

Events in Q3 and Q4 2023 were held on:

- [26 September 2023 - AAE Webinar 'Update on Risk Management Topics'](#)
- 46th AAE Annual Meeting, Cologne, Germany, 4-6 October 2023
- [2 November 2023 - Social Security Forum](#), full day virtual event
- 29 November 2023 – AAE Webinar '[Actuaries as Data Scientists: how our Professionalism and Training keeps us ahead](#)' organized by the AAE Professionalism Committee

Events in scheduled in 2024:

- AAE Webinar 'Social Sustainability in insurance' (title to be confirmed), 8 March 2024
- [CONVENTION A | EUROPE](#) - AAE to present the topic of 'The challenges facing the IORPs in Europe' on 20 March 2024
- AAE Spring Meetings, Vilnius, Lithuania, 17-19 April 2024
- [ECA 2024, Rome, Italy, 6-7 June 2024](#)
- AAE Webinar, 18 June 2024, organised by the AAE Insurance Committee (title to follow)
- AAE Annual Meeting 2024, Budapest, Hungary, 9-11 October 2024

Event calendar



Publications

Press releases, Consultations and other publications

Consultations

The AAE regularly responds to consultations that are of actuarial interest. Following these responses AAE publishes a summary of the response and a link to the full responses and the consultation.

In Q3 and Q4 of 2023 the following responses were submitted:

- On 4 July 2023 the AAE submitted a response to [ESAs Joint consultation on the review of SFDR Delegated Regulation](#)

- On 21 September 2023 the AAE submitted a response to [IAIS's Public Consultation on Insurance Capital Standard as a Prescribed Capital Requirement](#).
- On 5 October 2023 the AAE submitted a response to [EIOPA's Consultation on Staff paper on measures to address demand-side aspects of the NatCat protection](#).
- On 10 October 2023 the AAE submitted a response to [EIOPA's Consultation on Supervisory Statement on supervision of reinsurance concluded with third country insurance and reinsurance undertakings](#).
- On 24 October 2023 the AAE submitted a response to [EIOPA's consultation on an Open Insurance use case: an insurance dashboard](#).

AAE Positions and publications

- On 7 November 2023 the AAE published the ['AAE Discussion Paper 'A Primer on Inflation Risk Management'](#)
- On 18 December 2023 the AAE published the ['Key messages on the Right to be Forgotten'](#).

AAE Press Releases and News items

- On 21 August 2023 the AAE [issued a Call for Speakers for ECA 2024](#).
- On 19 September 2023 the AAE [announced that the AAE is moving to a new address in Brussels, Belgium](#).
- On 6 October 2023 the AAE published a press release [announcing the new AAE Chairperson, Giampaolo Crenca](#) of Italy
- On 6 October 2023 the AAE published a [press release on the admittance of the Actuarial Association of Moldova as AAE Observer Member](#).
- On 7 November 2023 the AAE published a [press release on the publication of the AAE discussion Paper 'A primer on Inflation Risk Management'](#).
- On 5 December 2023 the AAE shared an [In Memoriam following the passing of Ad Kok](#).
- On 15 December 2023 the AAE shared an [In Memoriam following the passing of Costas Koutsopoulos](#).

AAE Newsletters

- From April 2022 a regular AAE newsletter for all interested actuaries is published. All issues can be found on [the AAE website](#).
- Subscribe to the mailing list here: [LINK](#)

The European Actuary

- On 1 September [issue #35](#) was published.
- On 1 December [issue #36](#) was published.

Find all issues by clicking below yellow button.

The European Actuary (TEA)

Blogs

Blogs written by board members or committee chairs are now a regular feature on the AAE website. In this period, the following blogs were published:

- [AAE Social Security Forum 2023: Shaping the future of Social Security](#) by Maria Economou, Chairperson Social Security Subcommittee was published October 7th
- [Welcoming our new chairperson](#), with Giampaolo Crenca was published October 25th
- [Get to grips with inflation risks](#) by Jason Wiebe Member of the AAE Risk Management Committee was published December 7th

All Blogs

All press releases and news items are available [on the website under AAE News](#). Issues of the European Actuary magazine and Publications are available [on the website under Publications](#).



News from the AAE and its committees

actuvievw:

Recent publications in the [AAE channel](#) on actuvievw:

- The TEA #35 video interview with Marie Scholer on [Developing Strategies for Natural Catastrophes](#) was published in August 2023
- [Actuaries as Data Scientists: How our Professionalism and Training Keeps Us Ahead](#) by AAE committees and WGs (November 2023)

- In November, the first AAE Social Security Forum was held with support of actuview. All recordings [are available here](#).

AAE Member Associations that would like to invite their members again to actuview can contact the actuview team at contact@actuview.com at any time to receive new promotion material or additional registration codes

Education Committee

The AAE Education Committee met on 5 October 2023 in Cologne in conjunction with the AAE Annual Meeting.

- ***Assessment of the implementation of the AAE Core Syllabus***

The AAE Core Syllabus had been passed by the AAE General Assembly in October 2019 with the expectation that it must be implemented into local education programs by the end of 2022.

The Committee has received the reports from member associations on their implementation of the AAE Core Syllabus into local education programs. The reviews of the self-assessments were performed by four different groups of members of the education committee after general rules for the reviews had been agreed on.

Overall, a very positive outcome was achieved. Almost all associations fulfil the requirements to full extend. In the second half of 2023 the review groups were able to finalise all assessments based on the information provided by member associations. Clear implementation plans were agreed in case of identified gaps. It is worth mentioning that all member associations put great effort into implementing the requirements of the AAE Core Syllabus as well as compiling mappings between local education standards and the AAE Core Syllabus.

The members of the Education Committee share the view that a significant step was done during the assessment process.

- ***Data Science***

There are currently many discussions taking place about how the further development of data science and AI will affect the actuarial profession. On behalf of the AAE Board the Education Committee has set up a task force to develop guidance for actuaries to deepen their knowledge in Data Science for CPD purposes. It is not intended to produce actual learning material. Instead, the plan is to provide an overview of topics in which it would be useful to deepen your own knowledge.

The Task Force reported back to the Education Committee in the October 2023 meeting. A very profound discussion took place, and some adjustments were made to the initial task for the corresponding sub-group of the committee. An updated proposal is expected for the Spring meeting in April 2024.

- ***European Congress of Actuaries 2024***

The AAE Education Committee has the responsibility to set up the technical program for upcoming AAE events.

The next European Congress of Actuaries will take place in cooperation with the ISOA (Italian Society of Actuaries) in Italy on 6 and 7 June 2024.

The Call-for-Speakers closed in October 2023 with an impressive 68 submissions. The program as selected by the Program Committee was published in December 2023.

Insurance Committee

- Insurance committees' end half of 2023 kept inside many of the ongoing topics for insurance but also monitoring new themes that relate closely to traditional insurance regulation and activities. The work, which relies heavily on the active experts on each of the 4 working groups, can be summarized as following:
- Consumer protection working group continued their close work on the retail investment strategy (RIS) that came out from European commission in May 2023. This package keeps inside several changes to different parts of conduct legislation (e.g. PRIIPS) and requires a lot of attention. Especially the legislative proposals and supervisors (EIOPA) ideas around the value for money benchmarks for unit linked and hybrid savings products is a difficult task. Here several discussions with EIOPA were held and also a AAE position paper was prepared. This paper was published in January 2024.
- Solvency II working group monitored closely the developments around Solvency II review and the new IRRD even though both legislative proposals were heavily under negotiation for trilogue parties' compromise. This compromise was reached in December for both the legislations, which helps the wg to clarify many of its list of action for 2024. For Solvency II there already is a lot of work from history that can be used and updated. Anyway, IRRD requires new work. The working group has also been able to take part to many of the consultations that has been launched in Q3 and Q4.
- A task force was established to prepare a short paper on (Cancer survivors) right to be forgotten, work that has got a lot of visibility in EU lately. The short paper was discussed in the AAE annual meeting and with European commission (DG FISMA) and Insurance Europe. The paper was also published in end November 2023. AAE was also invited to the roundtables to discuss the new Code of Conduct, work that continues in 2024.
- Christoph Krischanitz, who has a long experience from working in the actuarial associations and for instance chaired the Investment and Financial Risk Committee in AAE during 2011 – 2017, was appointed as the chairperson of the non-life working group in June. The working group managed to respond to several consultations relating to non-life insurance during the period. also, some work around the new work programme for the wg was prepared. This work continues in 2024 although more consultations was also identified.
- No IC webinar was held in 2023 but for 2024 Solvency II has been recognized as potential topic.
- The Economics and Finance wg (the old low interest rates wg) continued their groundwork with several identified topics relating to the economic environment and insurance. For instance, liquidity risk management was discussed a lot

during the annual meeting. Also, topics like inflation and savings product offering has been in the work list. In the new setup this wg is a transverse support group serving all three committees IC, RMC and PC, the structure will be monitored by IC.

Pensions Committee

- During the second half of 2023 the PC activities were mainly focused on the ongoing review of IORPs II Directive and on the preparation of the Social Security Forum. The PC members met in person in Cologne on 5 October 2023. During the meeting the following topics were discussed:
- The TF on Review of IORP II Directive, chairing by Philip Shier has been responsible for submission of the response of the EIOPA consultation on the Review. The EIOPA advise to EC was issued at the end of September (https://www.eiopa.europa.eu/publications/technical-advice-review-iorp-ii-directive_en) and the members of the TF are working on it.
- In the same period the AAE Pension Risk Management WG has carried out the survey for IORPs regime in different countries. The general outcome is that there are significant differences in the main characteristics of IORPs as well as with regards to the actuarial role and risk management under IORP across the European countries.
- Shifting from DB to DC is one of the very important IORPs' issues discussed by the PC. The case of NL is planned to be investigate further from risk management perspective but also from the consumer protection perspective.
- During the annual meeting in Cologne the SSSC and the PC approved the paper on "Risk Mapping for Social Security Pension Systems", prepared by Tibor Parniczki. The paper has been provided to the AAE's Board for final review and it is planned to be published on AAE website by the end of first quarter of 2024.
- PTS - The European Committee has published their Interest in (a European) pension tracking service as being a relevant tool for pan European pensions. Therefore they issued a project to let a group of pension providers (ETS, <https://www.findyourpension.eu/about-ets>) to test whether a European pension tracking service could be set up. European member states are still not actively involved in this process. Despite of it the existing national Pension Tracking Systems (PTS's) prove to be an added value to the communication about pensions in different EU countries. We recognize the importance of involvement of actuaries in this process to chose applicable calculations methods and techniques and to ensure comparable results for expected pensions benefits. The PC decided to established a new WG on PTS and invited volunteers to joined.
- Climate risk and actuaries – Financial Times paper and IFoA article have been discussed. The participants agreed that the topic should be kept in PC's agenda in the future. More active participation of the joint WG on Sustainability and Climate Risks is also considered.
- Jeroen van den Bosh was elected for the vice chair of PC as well as for the chair of the new WG on PTS. According to the governance he will act as a vice

chair of the joint WG on SCRR as well.

Social Security Forum

Following a series of successful webinars regarding the role of actuary in Social Security area, the AAE Social Security Subcommittee (SSSC) decided to organize a Forum in order to invite the interested actuaries and stakeholders to an open discussion on the challenges facing Social Security in our times. The Forum was organized by the SSSC in cooperation with the EAA and actuview. It took place on 2nd November. The Forum was a very successful event and brought together stakeholders from the European institutions and the national countries of AAEs member associations (359 registrations received from 45 countries). The program of the Forum offered an ideal opportunity to engage with AAE stakeholders and achieve great commitment (namely EU Commission, OECD, ILO, national politics & authorities). All videos are published on the actuview event page. As a post-event the article, prepared by Maria Economou, Chairperson of the SSSC was published in December issue of TEA magazine.

Professionalism Committee

- **Actuarial Standards Sub-Committee (ASSC):**

ESAP 3: the amended ESAP3 and AAE Glossary were approved at the General Assembly meeting which took place in Cologne.

- **AAE Task Force Member Engagement:**

Recommendations to further encourage volunteers to join the AAE were presented to the ProfC and the AAE Board. Recommendations have been implemented such as creating a page on AAE's website on the benefits to become an AAE volunteer or the organization of a "meet and greet" event at the Spring and Autumn meetings to help new volunteers to network with the AAE community.

- **AAE Board Liaison:**

The ProfC submitted a report with recommendations on how to further enhance the coordination between the AAE Board and FMAs such as grouping consultations and AAE requests into the agenda of the Board Liaison meetings which will take place twice per year.

- **MRA:**

An update and roadmap to reintegrate the IFoA into the MRA by the General Assembly meeting will be presented at the ProfC Spring meeting in Vilnius.

- **European Actuarial Brand Task Force:**

After the ProfC meeting in Cologne, the task force is consulting some FMAs and the CERA Association to better understand how to best move forward with regards to registering an European Actuarial Brand. Results will be presented

at the Spring meeting in Vilnius.

- **Artificial Intelligence and Data Science Working Group:**

- *Last year's main topics:*

1. change of governance to be under the Professionalism Committee, with Claudio Senatore and Bogdan Tautan as vice-chairs
2. production of the paper published just after year-end on 'What Should an Actuary Know of AI'
3. initiation of discussions with EIOPA on the topic of Explainable Artificial Intelligence (XAI)

- *Goals of 2024*

1. to improve outreach among member associations, especially larger associations would be welcome to engage to a larger extent
2. continuation on XAI with EIOPA, especially in relation to the implementation of the AI Act
3. monitoring European legislation and participation in consultations
4. sharing of best practices and discussing the feasibility of an actuaryGPT

Risk Management Committee

During H2 2023 the RMC met in person in Cologne on 5 October 2023 at which it discussed:

- **Activities of the AAE Solvency II Working Group.** The discussion at the RMC emphasised the changed economic conditions now ruling versus those present when the current Solvency II Review started. Also discussed was the potential impact of the planned new Insurance Recovery and Resolution Directive.
- **Activities of the AAE Economics & Finance Cross-Functional Working Group.** A tangible outcome from this Working Group in the risk management area was the paper "A Primer on Inflation Risk Management" which the AAE published in November 2023.
- **Activities of the AAE Sustainability and Climate Related Risks Working Group.** This WG has continued to be very active. Its members are sensitive to the risk of duplication of effort and would also like more input from actuaries from southern Europe. The concept of "double materiality" was viewed as a likely key factor influencing actuarial work in this area.
- **Activities of the AAE Pension Risk Management Working Group.** A survey it had carried out in H1 2023 had revealed significant variation in actuarial involvement in IORP risk management depending on location within Europe.
- **IAIS International Capital Standard as a Prescribed Capital Requirement.** Lutz Wilhelmy summarised for the RMC the AAE's response to an IAIS consultation on this topic. Whilst global in nature, there are some European specificities. The AAE was keen to emphasise the need for internal models to be accepted

given the particular role they play in Europe. The proposed ICS Margin Over Current Estimate was viewed by the AAE as simplistic versus Solvency II's risk margin methodology. The AAE was also particularly keen that Solvency II be automatically accepted as meeting the PCR, to avoid duplication of work for actuaries working for European insurers.

- **Operational Risk Management.** Work updating the RMC's earlier paper on operational risk management was continuing.
- A range of other topics were also discussed, including recovery planning, PAYG schemes, product oversight / governance, risks and opportunities in AI and how best to use webinars, round tables and other channels to communicate and publicise the work of the RMC.
- At the AAE General Assembly on the following day, Malcolm Kemp stood down as chair of the RMC and was replaced by Loudina Erasmus.
- Following the physical meeting a round was made to the most active members to gauge interest for the vice chair role - this is still vacant.
- A presentation was shared with the board on vision for priorities and to increase engagement from members.
- RMC contributed to the AAE response to various stakeholder consultations. See also the [subsection under Publications](#) in this report.



The AAE Board report to MAs is composed by the AAE Board and Secretariat.

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