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**Notes of a conference call of the
INSURANCE COMMITTEE
held on 7 February 2017**

Participants

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1. Consultations

The following consultations were noted:

- Recovery and resolution consultation by EIOPA, draft circulated, teleconference on Feb 9, 11-12 CET
- ESAs Joint Committee consultation on Big Data, draft circulated, teleconference on March 1, 12-14 CET
- EIOPA Consultation on S II Review, S II Project is drafting

- Comments on the IAA Monograph on Risk Adjustment by our working group, submitted to the IAA. It seems that the process agreed in Barcelona is working and we are better prepared to have well-thought answers.
A new consultation on IDD was noted but also it was agreed that it should not be on the responsibility of the IC.
- 2. ESAP3/EAN
Drafting of the first EAN is proceeding nicely and we will have something for the Reykjavik meeting.
- 3. Non-Life Working Group
Kartina Thomson reported of the work of the Non-Life Working Group. Main points on the WG agenda are:
 - AFR,
 - USP survey, and
 - update/survey on non-life markets, i.e. what is happening and what low interest rates mean for the market.
 It was discussed that the WG should also look at AAE input to EIOPA on natcat.
- 4. Solvency II/Siegbert
Siegbert Baldauf updated the meeting on the activities of the S II project:
 - On UFR there was in December a request from EIOPA concerning the impact of reductions of the UFR. There will probably discussion on the alternative in the Board of Supervisors at the end of March. There might be quicker changes although there are voices saying that it is better to postpone any change to the S II review.
 - Working groups are busy drafting answers to the review consultation and Siegbert is consolidating the results, which means quite a lot of work. Main areas to be commented seem to be USPs, natcats, modules and especially the interest rate model, and the loss absorbing capacity of deferred taxes.
- 5. Low/negative interest rates
The chair reported on the presentation of two AAE reports to the ESRB and the ECB. The slides are attached. Siegbert noted that thoughts concerning the interest rate floor should also be communicated to EIOPA as they should play a role in how stress tests are designed.
Matthias Pillaudin proposed that the AAE should make a survey on the impact of low/negative interest rates on markets. It was noted that the AAE has done some work in the area already.
Matthias promised to look at the earlier work and to write a one-pager of what the new survey should look like. Matthias' paper will be discussed by a group consisting in addition to him of Siegbert, Kartina and Esko before starting the discussion within the whole committee.
- 6. IAIS/ICS
The chair updated the meeting of recent developments in the area. It seems more and more uncertain with Trump etc. that it will be possible to have a truly global standard.
- 7. EIOPA/IRSG
The issue was postponed as neither Tony O'Riordan nor Annette Olesen was participating in the call.
- 8. IBER
It is nearly certain that the IBER will be discontinued. There was a consultation on the issue around New Year but there are doubts whether this created any new thinking. More discussion within the committee might be needed to obtain a better understanding of what abolition of the IBER will mean. It was noted that in our answer to the Big Data consultation we are saying that the IBER should not be discontinued.
- 9. Roles of Actuaries
As Karel Goossens was not participating this item was postponed.

10. PRIIPs

The chair updated on the situation. There is now within the AAE a group of actuaries involved in PRIIPs discussing the issue from an actuarial point of view.

11. Commission High Level Expert Group on Sustainable Finance

The chair has been chosen to be a member of this group. He promised to update on how the work proceeds. He also wished input from members to the work.

12. AOB

A question was voiced whether the IC is active in too many areas. Possible better prioritisation will be discussed in the Reykjavik meeting.