

AAE Pensions Committee

Educational Actuarial Note on the
Actuarial Function under IORP II

Background

- A task force was set up in early 2016 to consider whether there was a need for model standards for Actuarial Function Reporting and Risk Reporting for IORPs
- Task force concluded that there was no need for model standards
 - Pensions Committee agreed in April 2016
 - Pensions Committee also agreed that an educational note should be considered
- Task force reported to the Standard Projects Team in September 2016
 - Agreed to go ahead with work on an educational note

Project team

- Cathal Fleming (Ireland)
- Alf Gohdes (Germany)
- Pieter Heesterbeek (Netherlands)
- Paul Kelly (UK)
- Tibor Parniczky (Hungary)

Process

- Reviewed IORP directive
- No existing educational notes in place
- Used ESAP 2 (Actuarial Function Report for Solvency II) as the starting point
- Compared requirements for the actuarial functions between Solvency II and IORP II
 - Number of common items
 - Some differences also
- Also considered ESAP 1

Structure for Actuarial Function note

- Section 1 - General
 - Purpose, scope, principles, language and cross references
- Section 2 – Definitions
- Section 3 – Appropriate practices
 - General principles - actuarial function report, content & feedback
 - Technical provisions – conclusions, important information, methods, data, assumptions, experience & sensitivity analysis
 - Opinion on underwriting policy
 - Opinion on insurance arrangements
 - Contribution to risk management