

22 January 2018

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**AAE INSURANCE COMMITTEE
TELECONFERENCE
22 JANUARY, 14.00 – 15.00 CET**

Attendance:

Society of Actuaries in Ireland	Ireland	chairperson	Tony	O'Riordan
IA BE	Belgium	member	Igotz	Aubin
Channel Islands Actuarial Association	Channel Islands	member	Mike	Poulding
Hrvatsko Aktuarsko Društvo	Croatia	member	Ksenija	Sanjkovic
Den Danske Aktuarforening	Denmark	member	Kirsten	Sasady
Suomen Aktuaariyhdistys	Finland	member	Lauri	Saraste
Institut des Actuaires	France	member	Matthias	Pillaudin
Instituto dos Actuarios Portugueses	Portugal	member	Ana	Martins Pereira
Slovenská spoločnosť aktuárov	Slovakia	member	Maria	Kamenarová
IA BE	Belgium	observer	Daphné	Leval
Deutsche Aktuarvereinigung	Germany	Chair Solvency II Project Team	Siegbert	Baldauf
Suomen Aktuaariyhdistys	AAE Board	AAE Vice-Chair observer	Esko	Kivilahti
Deutsche Aktuarvereinigung	AAE Board	observer	Wilhelm	Schneemeier
Society of Actuaries in Ireland	Ireland	Vice-Chairperson Non-Life WG	Declan	Lavelle
Society of Actuaries in Ireland	Ireland	Pan-European Pension Personality	Philip	Shier

1. Opening of the meeting

Esko opened the meeting and congratulated Tony for being nominated the new chair.

Esko thanked participants of great cooperation over the years, and reminded that he will stay around. But in any case, the new chair will have new ideas for the committee and Esko wished all the best for this.

It was noted that according to the new practices of the AAE Committees will have a vice chair in addition to a chair. There is no hurry in filling this position but those willing may express their interest to Tony.

As this meeting was still prepared by the out-going chair, it was decided, with the consent of Tony, that Esko will still run through this meeting.

2. Solvency II

Siegbert reported on the work of the S II project.

The recent consultation caused most of the work. This can be seen as an intermediate result in the SCR-review process. Next step is a conference call 23 January with EIOPA concerning this consultation. In March it will become necessary to analyse EIOPA's final advice to the Commission due by 28 February 2018. The Committee congratulated Siegbert and the project team of excellent work in putting together the AAE response.

Some other issues considered in the meeting:

- EIOPA postpones some of the issues of the SCR – Review to the LTG – review (e.g. methodology to calculate the risk margin, perhaps also the CoC –rate). How to proceed? This issue will also be discussed with the new AAE Risk Management Committee, led by Malcolm Kemp.
- Precautionary: In case we don't agree with some of EIOPA's advice, should we prepare something to contact the EU-Commission? Who would be in charge?
- Insurance Stress test 2018: Next call or workshop planned for February 2018 (according to an announcement of Dimitris Zafeiris in our December meeting with EIOPA).
- LTG-review: Considering the Report 2018 from December EIOPA has apparently started the LTG–review process with the sensitivity analysis of the extrapolation of the risk-free rate curve. This is far beyond just giving a report on the use of LTG measures.

3. ORSA EAN

Two approaches have been on table, maybe the first approach sounds better:

- Cleaned up, intermediate draft for review by the Insurance Committee, around end January
- Near final draft, subject to edits, deletions, and suggestions of the Insurance Committee, for end February

There is a wish (from the Board) to have a webinar on the ORSA ESAP. Lauri agreed to contribute to making this reality, other volunteers welcome.

4. Non-Life issues

Kartina Thomson, the chair of the working group, was unable to attend the call. She had reported ahead of the call the following:

- The survey results from the Role of Actuaries task force consistently highlight the importance of actuaries and their future in non-life insurance. To this end, Kartina would like to thank the members of the NLWG for their commitment and support on the work for this group.
- The NLWG will update the IC in the Spring meeting in April. It will have a conference call at the end of February/early March to discuss its progress and comment on the output of the papers that we propose putting together.
- The NLWG is producing a short paper on USP next steps, following the survey that we completed last year (Matthias is leading on this);
- Peter and Dieter have been involved in the EIOPA SII delegated regulation consultation specifically on the non-life consultation response with the SII non-life working party. The collaboration was a success and produced a thoroughly researched paper with useful feedback to EIOPA.
- A paper will be produced on risk mitigation techniques (topic agreed at the last IC meeting) scope of work to get agreement on how we want to proceed with this work (Kartina to write up).
- Kartina is stepping down from being Chair of the NLWG. It has been three years and it is time for someone else to take on the reigns of this brilliant group. We are still

looking for someone to step into the role. It is a rewarding experience and the person will have a lot of freedom to shape the focus of the group.

The Committee thanked Kartina and the team and congratulated for excellent work. Voluntaries to lead this work stream are invited to express their interest either to Tony or to Kartina.

5. GDPR

Not much to report – more on this in Lisbon

6. Thematic Review on Remuneration (see CPH minutes)

Tony updated the Committee on this and also noted the connection to recent EIOPA interest on performance indicators. The AAE is represented to EIOPA in this area through Valéry Jost.

7. Negative interest rates

Siegbert will check the situation on what remains to be done.

8. PEPP

Philip Shier introduced the draft paper that was circulated to the members of the Committee slightly before the meeting. It is expected that this paper will be finalised as an AAE position paper. Philip invited comments to be sent to him.

9. IFRS 17

Following reception of the endorsement request letter from the Commission, EFRAG has now launched a case study exercise with selected companies. This will be complemented by a couple of studies on selected topics and a user outreach. Expected date for draft endorsement letter (with possibility to provide feedback) is beginning of September. The final endorsement letter is expected towards the end of the year.

The working group has been started up, and they have yet had two calls. It will meet live in February in Paris.

More discussion on this is expected for the Lisbon meeting.

10. AOB

11. Closing of the meeting

It was noted that the next physical meeting will take place in Lisbon on 12-13 April.

Probably there will be at least one teleconference before that.