ACTUARIAL ASSOCIATION OF EUROPE
ASSOCIATION ACTUARIELLE EUROPÉENNE

1 PLACE DU SAMEDI
B-1000 BRUSSELS, BELGIUM
(+32) 2 201 60 21
INFO@ACTUARY.EU
WWW.ACTUARY.EU

ACTUARIAL ASSOCIATION OF EUROPE

INSURANCE COMMITTEE MEETING

9 MARCH 2018 - TELECON

Attending

Members
Mike Poulding
Kirsten Sasady
Nils Dennstedt
Declan Lavelle
Evaldas Valeisa
Peter Franken
Florin Ginghina
Ksenija Sanjkovic
Lauri Saraste
Istvan Kerenyi
Giovanni Samartini
Tony O'Riordan (Chair)
Ana Martins Pereira
Igotz Aubin

Other
Daphné Deleval
Siegbert Baldauf
Esko Kivisaari
Philip Shier
Samuel Achord

Minutes

1. **Vice Chair**
   Lauri has volunteered to be Vice Chair. We agreed to, in the absence of other volunteers, consider in Lisbon proposing to the Nominations Committee that Lauri would take on the position.

2. **Agenda for Lisbon.**
   A brief discussion took place on suggested agenda items. Additional items to be proposed by members well in advance of end March.

3. **Solvency II**
   Siegbert discussed key items emerging which had been considered by the project and working groups, as follows:

- EIOPA has submitted the proposal to COM (28 February). We will analyse how far we can agree to the proposals short-term. Depending on the proposals we should decide if we want to reach a modification of identified issues and how this should be done.
- General criticism: The use of the risk-free interest rate is affected again (after UFR – reduction) and before LTG –results are known. Salami-tactics? The finally resulting overall impact cannot be assessed in this review process.
- Methodology to calculate the risk margin is postponed. (to LTG review).
- Insurance stress test: nothing has happened until now. Technical specifications are still planned for April 2018.

- LTG review: has already started à deadline for COM 31 December 2020. Request of COM to EIOPA can be expected much earlier – perhaps already end of 2018.
- New: EIOPA has started to publish a series (3 papers) of papers concerning systemic risk in insurance. As a result SII - reporting might be extended, macroprudential aspects might be included in SII.
- EC will run a Public hearing: 2018 review of Solvency II implementing measures in Brussels on 27 March. Esko to attend.
- Insurance Europe will hold an event in Brussels, also on Solvency II, on 26 June

Key items emerging from the discussion were:

- Additional change flagged by Siegbert re proposed change to actuarial function requirements in relation to LAC DT.
- We should consider preparing a paper to submit to relevant parties in relation to
  (i) lack of overall impact assessment attached to SCR review proposals
  (ii) proposed interest rate changes.
  Paper to follow EC event at end March but issues to be considered in advance to facilitate discussion of possible content at Lisbon. To be led by Matthias Pillaudin with support from Lauri and Siegbert.

4. **ORSA webinar**
   Currently expected to take place on 27 April or early May. Two experienced and industry oriented persons needed (in addition to a regulatory perspective and David Hare on ESAP3). IC members requested to think of names and supply to Tony. Timeline for finding the speakers needs to be in the next weeks to facilitate end April date. Tony also to establish whether webinar will be recorded.

5. **ORSA EAN**
   Sam Achord provided update, mentioning key areas relevant to EAN such as LAC DT and interest rate stresses. Work has been delayed but aiming for draft before Lisbon.

6. **Non-Life issues**

- Matthias has produced a short paper on next steps on USP, which the group is looking at at the moment.
- Kartina will produce a scope paper on risk mitigation techniques used by non-life insurance firms to be agreed by the IC in Lisbon.
- The Working Group will have a short report to the IC in Lisbon in April, summarising our activities this session.
- Kartina is stepping down from being Chair of the NLWG. We agreed to, in the absence of other volunteers, consider ratifying the appointment of Matthias in Lisbon.

7. **GDPR**
   Paper produced by Jean de Brunet – to be discussed in Lisbon. We discussed holding a seminar or similar event to publicise the issues raised. Kirsten will consider.

8. **Thematic Review on Remuneration**
   To be updated in Lisbon.

9. **Negative interest rates**
   Work continues. Important to consider what we are trying to achieve. Update in Lisbon.

10. **PEPP**

Philip talked through some final issues from the paper, i.e.
- not practical to have capital protection applying on switching
- inclusion of capital protection as default
- number of investment options
- definition and use of the term “best estimate”

The document is to be finalised next week. Comments to be forwarded to Philip.

11. **IFRS 17**

Working group met in Paris as planned and have issued a survey looking for member association views on IFRS17 by 23 March.

12. **Interaction with ERM Committee**

Tony had conversation with Malcolm Kemp. Joint meeting will be held in Utrecht.

13. **Insurance tax rules** (Maria’s request)

Hoping that Maria will share findings in Lisbon.

14. **Any other business**

- Tony to circulate some questions from Ksenija representing Croatia re Solvency II reporting requirement differences between countries at end 2017.

- To include item on Lisbon agenda on plan for Insurance Committee.