

David Martin
Chairperson of the SFPC Committee
4 Crossfields, St Albans, AL3 4NF

Christophe Heck
Membre Titulaire of the AAE and Member of the
AAE SFPC Committee
Swiss Actuarial Association
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland
Phone +41 43 285 2121

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AAE Standards, Freedoms and Professionalism Committee Meeting: Member Report

Dear David,

Following your request on getting a report from each SFPC Member, you will find below the outcome on a key matter on which the Swiss Actuarial Association worked in 2017 and 2018 and which is relevant for the SFPC Committee.

Clarification of the role of the Appointed Actuary in the Swiss Insurance Law:

- The Swiss Actuarial Association created a Working Group in 2017 in order to clarify the role of the Appointed Actuary as outlined in the Swiss Insurance Law. In fact, due to the introduction of SST, the article outlining the current responsibilities of the Appointed Actuary (which was written before the introduction of the Swiss Solvency Test (SST)) provides a loose definition of the responsibilities of the Appointed Actuary and therefore, potentially confers responsibilities to the Appointed Actuary, which should rather be borne by the Executive Board. Therefore, the main risk for the Actuarial Profession is that in case of an adverse outcome such as a bankruptcy, the Appointed Actuary becomes the perfect scapegoat.
- Hence, the Working Group proposed to the lawmakers, in collaboration with the Insurance Industry Representatives and the FINMA (Swiss Regulator), an amended version of the Insurance Law Article, which clarifies the responsibilities of the Appointed Actuary and adds the right for the Appointed Actuary to get access directly to the Board of Directors.
- The amended version of the Insurance Law Article was submitted to the Parliament and the Federal Council for approval. It is expected that the amendment will be accepted by year-end.

Yours sincerely,
Christophe Heck