

AAE INSURANCE COMMITTEE MEETING

11 JUNE 2018 - TELECON

Attending

Members

Reinhold Kainhofer
Kirsten Sasady
Istvan Kerenyi
Declan Lavelle
Tony O’Riordan (Chair)
Jozef Dúcky
Teresa Sendra (to be confirmed)

Members

Igotz Aubin
Lauri Saraste (Vice Chair)
Matthias Pillaudin
Giovanni Samartini
Peter Franken
Miroslav Simurda

Other

Siegbert Baldauf
Esko Kivisaari

Minutes

1. Solvency II

- The new Solvency II Working Group has now been established, led by Siegbert. The Working Group anticipates that its mandate will run through to end 2020. It had its first meeting in Brussels on 8 May. Expectation for membership is that there will be a strong core group, made up of members of the Risk and Insurance Committees, to be supplemented as required by subject matter experts. Terms of reference to be presented to the Board for approval in its June meeting.
- The Working Group has prepared a draft letter, covering changes to the Solvency II regime, to be sent to the EC based on a paper previously circulated to the Insurance Committee. There were no points raised in respect of the letter by the attendees, and no points of substance had been raised by the Committee after the earlier circulation of the paper. The letter is in the Board approval process and, once approved, will be sent to a suitable senior resource in EC (cc Nathalie Berger).
- Insurance stress test: was launched end May to be completed in coming months and published January 2019. The question of individual company disclosure of post-stress capital positions was discussed.
- LTG review update. A Commission request is expected to follow at the end of this year to give sufficient time for the review to take place. Macroprudential considerations may impact on the LTG review.

2. ORSA webinar

This event was held on 27 April. Thanks to the European Actuarial Academy (and Susanne Kade) for the use of their facilities in Cologne. We had 4 excellent speakers in Clemens Frey, Elsa Renouf, Manuela Zweimueller and David Hare and the event went well. TO’R mentioned that there had been a lower number of attendees than expected (83) but that there had been a good Q&A session after the presentations. EK suggested that we should have had more practical thoughts and ideas. TO’R also thanked the European Academy of Actuaries (“EAA”) for the use of its facilities in Cologne which remain available to the AAE for events of this type.

TO'R to ask the EAA to consider issuing a short survey to generate attendee feedback.

3. ORSA EAN

The EAN covering ORSA is progressing and is likely to be ready for review by end June. Three people volunteered to review (Matthias, Lauri, Kirsten). We should also seek 1 reviewer from the Risk Management Committee. The final draft should be ready in August; it will then be prepared to seek specific Board and CBI approval in September.

4. Non-Life issues

- Matthias is drafting a letter/note to EIOPA to propose increased availability and understanding of Undertaking Specific Parameters. The question of who should sign this letter was discussed and not concluded.
The Working Group is drafting a letter to be sent to EIOPA on use of USPs.
- Peter will circulate a survey on risk mitigation techniques used by non-life insurance firms.

5. GDPR

A final draft of the Task Force paper is with the Board for approval. It is proposed that, once approved, the paper will be posted to the AAE website for reference by actuaries. EK praised the paper and recommended that a webinar on the subject later in the year would be useful. KS to address this possibility.

6. Negative interest rates

Nils Dennstedt planning his work on the subject. Chair to have call with Nils to plan output for Utrecht.

7. IFRS 17

The IFRS 17 Working Group had finalised its presentation for the EFRAG Board meeting in Brussels on 23 May. Thomas Behar and Tony O'Riordan presented to the meeting; Jean-Michel Pinton attended as an observer. The points were well received and a good Q&A session followed the presentation.

The AAE issued a press release on 7 June welcoming EFRAG's proposal to consider seeking an extension of its endorsement timescale. A note was also sent to MEPs on the ECON committee to support their work on IFRS 17.

8. Interaction with ERM Committee

Tony to discuss logistics of joint meeting in Utrecht with Malcolm Kemp.

9. Terms of reference and plan

Next draft to be circulated before end June and comments to be provided to Chair with finalisation to follow in Utrecht.

10. Any other business

- Ksenija Sanjkovic request re technical provisions will be issued when a brief description of Croatian Technical Provisions requirements is available from Ksenija.
- Meetings are coming up with Nathalie Berger (EC) (June) and with EIOPA in mid-July.
- There were no members available to attend an EIOPA workshop on Solvency II disclosure set for later in June (26 June).