

## Proposal to develop an EAN

The Pensions Committee of the AAE proposes to the SFPC that the AAE should develop a European Actuarial Note (EAN) on the actuarial function reporting under IORP II directive.

According to the Due Process for the Development of EANs, an EAN may be issued to provide non-binding guidance on an actuarial topic for which the AAE has not developed an ESAP.

The Pensions Committee set up a task force to consider whether an ESAP was required for actuarial function reporting under IORP II. The task force concluded in 2016 that there was not yet a need for an ESAP. The Pensions Committee also agreed in April 2016 that an educational note should be considered. The task force reported to the Standard Projects Team in September 2016 and it was agreed to start the due process and put a proposal to the SFPC.

The objective of the EAN is to provide non-binding guidance to actuaries when issuing an Actuarial Function Report in connection with Article 27(1) of the IORP directive.

The scope of the EAN would include the following topics in relation to the actuarial function reporting under the IORP II directive

- 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

The Pensions Committee believes there is a need to develop an EAN with the scope mentioned above on the actuarial function reporting under the IORP II directive.

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