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MEETING OF THE RISK MANAGEMENT COMMITTEE TO BE HELD IN SOFIA, BULGARIA ON FRIDAY 12 APRIL 2019 FROM 10.30-16.30 CEST

AGENDA

Venue: InterContinental Sofia, 4 Narodno Sarbine Sq, Sofia, Bulgaria.

1. OPENING OF MEETING AND ADOPTION OF THE AGENDA

Chair (Malcolm Kemp) to welcome attendees. Link to the agenda on the AAE website.

2. MINUTES OF PREVIOUS MEETING

2.1 To confirm the Minutes of the meeting held in Utrecht on 20-21 September 2018 (further copy at **Annex 2.1**)

2.2 To consider any matters arising not covered elsewhere as substantive items on the agenda.

3. REPORT ON RECENT MEETINGS

Malcolm Kemp and others to provide an oral report on

- AAE's meeting with EIOPA in December 2018
- AAE's meetings with Pensions Europe and Insurance Europe
- The recent publication of the AAE Discussion Paper Meeting the Challenge of Ageing in the EU, see: https://actuary.eu/wp-content/uploads/2019/03/Meeting-the-challenge-of-ageing-FINAL.pdf

4. OPEN/ONGOING PROJECTS

4.1 *CRO Round Table*

To receive a report from Gabor Pásztor on the CRO Round Table held in Brussels on 16 November 2019 (**Annex 4.1**) and to discuss follow-up actions.

4.2 *Solvency II Working Group*

To discuss further the presentation Siegbert Baldauf gave to the Joint IC, PC and RMC meeting on 11 April, to seek volunteers for the activities of the Working Group and to discuss how best the RMC can assist this Working Group.

4.3 *Sustainable Finance*

To discuss a proposal from Malcolm Kemp and Esko Kivisaari for the RMC to engage in the topic of sustainable finance (**Annex 4.3a**), and to publicise the formation of the European Actuaries Climate Index Working Group (**annex 4.3b**).

4.4 *Operational risk*

To receive a presentation from Malcolm Kemp and others on actuarial involvement in operational risk measurement and management (**Annex 4.4 – to follow**).

4.5 *Short-termism*

To discuss whether and how to respond to an EU Commission call for advice to European Supervisory Authorities on undue short-term pressure from the financial sector on corporations (**Annex 4.5**).

4.6 *Risk management aspects for IORPs*

To discuss actuarial involvement in risk management for IORPS, in the light of:

- EIOPA informal consultation on IORP II risk and governance disciplines (including operational, outsourcing and cyber risk)
- Presentation on cash flow approach for IORPs presented by Falco Valkenburg at the joint IC, PC and RMC meeting on 11 April 2019

4.7 *Solvency II Risk Margin*

To discuss the development of a paper on the Solvency II Risk Margin being prepared by members of the Solvency II Working Group and the RMC, in the light of discussion on this topic at the joint IC, PC and RMC meeting on 11 April 2019.

4.8 *IFRS 17*

To discuss assistance RMC might offer to the AAE IFRS 17 task force particularly regarding

- The IFRS risk adjustment
- The level of aggregation of contracts

4.9 *EAN on ESAP3*

To receive a report from Lauri Saraste on the proposed EAN on ESAP3 and ORSA (**Annex 4.9**) and provide feedback on this proposed EAN.

4.10 *Promotion of actuaries in risk management*

To receive an update from Frank Schiller and others (**Annex 4.10**).

4.11 *RM Article Database*

To receive an update from Bryan O'Higgins and others.

4.12 *Duration management of insurance contracts*

To receive an update from Christoph Krischanitz on duration management, including impact on various elements of Solvency II balance sheet and SCR.

4.13 *Failures and near failures of insurers*

To discuss recent EIOPA material on this topic (see e.g. https://eiopa.europa.eu/Publications/Reports/EIOPA_Failures_and_near_misses_FINAL%20%281%29.pdf which was discussed recently at the IAA Enterprise and Financial Risk Committee) and to discuss whether the RMC can contribute to debate in this area.

4.14 *Systemic risk and macroprudential policy*

To discuss any preliminary insights of the task stream within the Solvency II Working Group covering this topic and whether and how the RMC could assist in responding to EIOPA's recent consultation paper on this topic.

4.15 *Forward workplan*

To discuss:

- Progress / issues on other items included in current workplan (**Annex 4.15**)
- Any existing projects to be deemed closed or reallocated to new owners
- Topics which could / should be added to our workplan.

5. **WEBINARS**

To discuss potential topics and practicalities for a webinar to be organised in Q4 2019, (**Annex 5a** and **Annex 5b**).

6. **MEETING WITH EXTERNAL ORGANISATIONS AND STAKEHOLDERS**

To note the overview of meetings held between delegations of the AAE and the respective stakeholders (see **Annex 6** for 2018 Q4)

7. **EXCHANGE OF INFORMATION ON CURRENT ISSUES**

To exchange information on current issues in member associations of interest to other members (members are invited to send a note of any current issues for circulation to the Committee before the meeting, especially if they are unable to attend), including topics believed to be of interest from EIOPA, NSAs or other authorities.

8. **JOINT MEETING INSURANCE, PENSIONS AND RISK MANAGEMENT COMMITTEE**

To receive feedback of the Joint meeting held on 11 April 2019 not covered elsewhere in the agenda (Agenda attached as **Annex 8**)

9. **FUTURE MEETINGS**

To discuss arrangements for the next physical meeting in Vienna, including scope for time dedicated to individual sub-committees and to joint meetings with Pensions Committee and Insurance Committee

10. **ANY OTHER BUSINESS**

11. **DATE OF NEXT MEETING**

To note that the next meeting of the Risk Management Committee will be held on Thursday 10 or Friday 11 October (tbc) 2019 in Vienna, Austria at the invitation of the Aktuarvereinigung Österreichs.