

ACTUARIAL ASSOCIATION OF EUROPE
INSURANCE COMMITTEE MEETING
TELEPHONE MEETING - 12 SEPTEMBER 2019
MINUTES

Attendees

Tony O’Riordan (chair)
Siegbert Baldauf
Conor O’Byrne
Michael Bamberger
Istvan Kerenyi
Reinhold Kainhofer
Declan Lavelle
Ana Martins Pereira
Daphné de Leval
Giovanni Sammartini
Matthias Pillaudin
Mats Sollie
Maria Kamenarova
Kristoffer Bork
Mike Poulding

1. IFRS17

Chair updated on recent activity relating to

- comment on EIOPA analysis of IFRS17 v Solvency II
- comment on EFRAG comment on IASB proposed amendments

There will be a session on IFRS 17 in Vienna at which future work will be discussed.

Daphné de Leval mentioned work underway to illustrate issues with the operation of annual cohorts (being led by Jean-Michel Pinton).

2. Solvency II.

Siegbert Baldauf covered progress on the 2020 review.

3 consultations are underway, with responses due by 18 October. MAs have been asked to provide their views for input to the consultation responses

- Package on Supervisory Reporting and Public Disclosure (response from MAs by 20.9)
- Harmonisation of National Insurance Guarantee Schemes (response from MAs by 20.9)
- Discussion Paper on Methodological principles of insurance stress testing (response from MAs by 27.9)

The reporting and disclosure consultation package contains 4 different papers, with material changes being considered to SFCR (2 parts proposed, 1 for policyholder, 1 for expert) and to QRTs (including S29 reflecting macroprudential monitoring re under-reserving).

Significant changes are proposed in relation to stress testing, though with reduced frequency. 18 questions on insurance guarantee schemes, including relating to funding and home/host country issues

Chair asked all MA representatives to ensure that responses would be submitted within proposed timeframe.

The second wave of consultation is due in mid October, and will be in consultation until January 2020. It will be a detailed and extensive consultation which will require significant and concerted effort to respond effectively.

3. Progress on EAN

Chair asked all members to prompt their MAs to respond on the EAN on ESAP3 as early as possible to enable the approval process to be finalised without delay.

4. Interest rates paper

Lauri Saraste is developing a paper on interest rate dynamics which will be discussed in Vienna.

5. Costs and past performance

EIOPA have now asked AAE to provide qualitative paper on profit participation products. We have data from 6 countries which will enable this paper to be produced over the next month. The Chair encouraged responses to the profit participation survey from other countries (Austria, Czech Republic, Finland, France, Germany, Hungary received to date) to enable our response to be reflective of Europe as a whole.

6. Sustainable finance

No developments since submission of response to EIOPA consultation at end July.

7. Non-life issues

Matthias Pillaudin spoke about areas currently under consideration by NLWG, including:

- Risk mitigation measures
- Climate change
- Features likely to be challenging with application of Undertaking Specific Parameters – practical examples being collated.
- Support provided relating to non-life issues for Solvency II review inputs. Work is currently underway relating to contract boundaries and premium volume measures.

These areas will be addressed in Vienna.

8. Webinar scheduled for 17 September

All preparations are now in place and c100 have signed up to participate. Lauri will chair and presenters are Matthias (non-life risk mitigation measures), Kristoffer Bork (IFRS 17) and Siegbert (Solvency II review).

9. PEPP

The Chair mentioned the requirement for members for 3 working groups as recently advertised and suggested that IC members should ensure that the call for members was recognised and responded to in their MAs.

10.AOB

Istvan Kerenyi had circulated a question re DAC provisions in MAs. He had had a good response from members. The Chair thanked members who had responded and asked others to consider responding.

Meeting had been held between AAE and Didier Millerot, Head Financial Reporting and Accounting Unit, European Commission, in early September. Mr. Millerot expressed interest in items on our agenda and follow up is likely early in 2020.