



**GROUPE CONSULTATIF ACTUARIEL EUROPEEN**  
EUROPEAN ACTUARIAL CONSULTATIVE GROUP

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**MINUTES**  
**of a meeting of the**  
**STANDARDS, FREEDOMS AND PROFESSIONALISM COMMITTEE**  
**held in Utrecht, Netherlands**  
**on Thursday, 22 March 2012**

**PRESENT:**

**Committee:**

Malcolm Campbell (Chairman)

Peter Prieler

Philippe De Longueville

Jiří Fialka

Peter Melchior

Esko Kivisaari

Thomas Béhar

Gábor Hanák

Yvonne Lynch

Kari Mörk

Piotr Szlenk

Maria de Nazaré Barroso

Félix Arias Bergadà

Luis Sáez de Jáuregui

Fulco Lock

David Martin

Michael Lucas

Svenska Aktuarieföreningen

Aktuarvereinigung Österreichs

Institut des Actuairens en Belgique / Instituut van  
Actuarissen en België

Ceská Společnost Aktuáru

Den Danske Aktuarforening

Suomen Aktuaariyhdistys

Institut des Actuairens

Magyar Aktuárius Társaság

Society of Actuaries in Ireland

Den Norske Aktuarforening

Polskie Stowarzyszenie Aktuariuszy

Instituto dos Actuarios Portugueses

Col.legi d'Actuaris de Catalunya

Instituto de Actuarios Españoles

Association Suisse des Actuairens

Institute and Faculty of Actuaries

Secretary-General, Groupe Consultatif

**Members of the Groupe Consultatif and other Committees:**

Christoph Krischanitz

Karel Goossens

Thierry Poincelin

Jean Berthon

Michael Renz

Bruce Maxwell

Aktuarvereinigung Österreichs

Institut des Actuairens en Belgique / Instituut van  
Actuarissen en België

Institut des Actuairens

Institut des Actuairens

Deutsche Aktuarvereinigung

Society of Actuaries in Ireland

Florin Ginghina	Asociatia Romana de Actuariat
Chris Daykin	Institute and Faculty of Actuaries
Peter Stirling	Institute and Faculty of Actuaries
Pia Skaerbak	Groupe Secretariat
Alison Shoesmith	Groupe Secretariat

#### **Apologies for absence:**

Detelin Koitchev	Bulgarian Actuarial Society
Ian Morris	Channel Islands Actuarial Society
Mirjana Cesarec	Hrvatsko Aktuarsko Društvo
Dimitris Dimitriou	Cyprus Association of Actuaries
Tõnis Maldre	Eesti Aktuaaride Liit
Panos Zampelis	Hellenic Actuarial Society
Steinunn Gudjonsdottir	Felag Islenskra Tryggingast Aerdfraedinga
Vincenzo Urciuoli	Consiglio Nazionale degli Attuari
Nino Savelli	Istituto Italiano degli Attuari
Inga Helmane	Latvijas Aaktuāru Asociācija
Rokas Gyls	Lietuvos Aktuarijų Draugija
Matthias Foehr	Association Luxembourgeoise des Actuaire
Ad Kok	Het Actuarieel Genootschap
Maria Kamenarova	Slovenská spoločnosť' aktúarov
Jernej Merhar	Slovensko Aktuarsko društvo
Carola Fornelid	Svenska Aktuarieföreningen
Kerem Özdağ	Actuarial Society of Turkey
Iryna Yaremchuk	Society of Actuaries of Ukraine

### **1. Opening of the meeting and adoption of the agenda**

- 1.1 The Chairman welcomed members to Utrecht, particularly those for whom it was their first meeting. He also thanked Het Actuarieel Genootschap for hosting the meeting and providing the meeting facilities.
- 1.2 The agenda, as circulated, was adopted and a copy is attached to these minutes as **Annex I**.

### **2. Minutes of previous meeting**

The Minutes of the meeting of 20 October 2011, held in Prague, were confirmed.

### **3. Actuarial Standards**

Chris Daykin, as chairman of the Standards Project Team (SPT), presented an update on the project team's work, in particular in relation to GCASP2 (actuarial reporting). He pointed out that the SPT had not been able to keep to its original timetable because it had taken some time to establish the drafting team, and also because there had been a number of issues of principle to consider regarding the contents of the model standard. Chris hoped that the drafting team would have a first draft ready for discussion by the SPT in early June, with a

view to publishing an Exposure Draft for the Annual Meeting in Rome in October.

In relation to GCASP1 (quality of actuarial work), the SPT is awaiting the final version of the IAA's ISAP1 and will evaluate whether it could be recommended to the Groupe for adoption as a Groupe model standard, or be adapted in some ways in order to achieve this. Referring to the concern raised at the last meeting about possible overlap of GCASP1 with ISAP1 and with the Groupe's Code of Conduct, Chris explained that the SPT had developed the suggestion of a 'marketing brochure' covering the various aspects of the professional structure which underpin quality in actuarial work carried out by qualified actuaries who are members of professional associations. This brochure might tie in with the development of a separate brochure on the Role of the Actuary which was likely to emerge from a paper being developed in the Insurance Committee, and Chris emphasised the need for consistency between such Groupe publications although they may target different audiences.

On the question of overlap with the Code of Conduct, the SPT had noted that the Code had not been reviewed since its introduction in 1992. Although a review might therefore be timely, it had to be borne in mind that it formed the basis for the IAA Code of Conduct and those of member associations. Chris drew attention to the suggestion in the SPT report that a re-structuring of the Groupe's Code of Conduct could be undertaken without significant revisions to the text, which might avoid implications for these other dependent Codes.

In discussion of the SPT report, a number of key concerns were identified –

- governance of standards, and how to ensure local implementation and compliance;
- in languages other than English there is not always a clear distinction between 'standards', 'guidelines' and 'educational notes';
- how will a Groupe standard relate to IASB/IFRS?
- the proposed marketing brochure was seen as a potentially very useful tool by the more recently established associations, particularly in central Europe, to promote the fit/proper qualities of the profession with supervisors/regulators and industry, and to help counteract deregulation of reserved roles;
- resource implications for national associations to translate marketing brochure and Code of Conduct (if revised);
- a full review of the Code of Conduct would take a significant amount of time.

It was agreed that the SPT should progress work on the proposed marketing brochure, with appropriate input from Pia Skaerbak (Public Affairs) and awareness of similar publications (Role of the Actuary) to ensure consistency of message. The SPT was also asked to undertake minor reformatting of the Code of Conduct, to create some headings and reorganise the paragraphs under the headings, and introduce overarching principles underneath each heading, for consideration at the next meeting. At the same time, volunteers were invited for a task force to undertake a more substantial review of the Code of Conduct which it was proposed to initiate at the next meeting: Bruce Maxwell, Florin Ginghina and Luis Sáez de Jáuregui volunteered at the meeting, and other Committee members were

encouraged to contact the Secretary.

In conclusion, Chris referred briefly to other candidates for standards identified by the SPT:

- contribution of the actuarial function to the risk management function
- actuarial work in the risk management function
- carrying out an ORSA
- reporting on financial condition

No progress had been made with these, and Chris noted that the latter two would depend on any guidelines developed by EIOPA. If it is decided to develop work in relation to risk management, the SPT would welcome further volunteers with experience in the risk management function.

#### **4. Professionalism issues**

##### **4.1 *Principles of Professionalism***

The Committee considered a paper on the Principles of Professionalism by the IAA's Professionalism Committee. It was agreed that the content of this paper was relevant to the review of the Code of Conduct discussed above, and to a wider review of the Groupe's strategy, brand and marketing which the Officers are about to undertake.

##### **4.2 *Membership Advisory Group***

Karel Goossens regretted that the Membership Advisory Group had made no further progress as yet with proposals for assessment and accreditation procedures. It was noted that, since this is mainly an Education Committee issue, it will be considered by the Education Committee on 20 April.

##### **4.3 *UK Board for Actuarial Standards***

The Committee received and noted a report from Seamus Creedon on the work of the UK Board for Actuarial Standards (BAS).

##### **4.4 *Mutual Recognition Agreement outside Europe***

The Chairman referred to the brief reference at the end of the last meeting (item 16.1 – AOB) to the possibility of a Mutual Recognition Agreement (MRA) with the US Society of Actuaries. He reported that the Actuarial Society of South Africa (ASSA) had approached the Groupe with a proposal to consider establishing a MRA between ASSA and the Groupe. He noted that ASSA, whose actuarial education programme is largely based on the UK, already has bilateral agreements in Europe with UK and Ireland, and interest from France and Netherlands. The request from ASSA had been considered by the Officers who had noted that, apart from the conceptual issue of whether mutual recognition is possible where one of the associations is not a member of the Groupe, there are a number of practical matters which would require to be addressed before such a request could be considered, not least the overhaul of the Groupe's own accreditation procedures. Malcolm presented a slide (attached to these minutes as **Annex II**) which summarised the key issues. It was agreed to set up a small task force to consider the practicability and implications of introducing a MRA

with a non-member association - Malcolm Campbell, David Martin and Thomas Béhar volunteered, and a volunteer from the Education Committee will be requested. It was noted that the introduction of a MRA with an external association would require the unanimous approval of all the Groupe's member associations.

## **5. Role of the Actuary / Actuarial Function**

Karel Goossens, as Chairman of the Insurance Committee, presented a draft position paper on the Role of the Actuary which had been prepared by a small task force of the Insurance Committee. He explained that the purpose of the paper was to build on and generalise for a wider European audience an earlier paper by Het Actuariel Genootschap, and as an introduction to further papers on specific Solvency II implementation issues where actuaries can play a role. He recognised that it had certain features in common with, but was also complementary to, the marketing brochure envisaged in the proposals of the Standards Project Team (discussion at item 3 above) – which might suggest that the two should be combined into one document. Chris Daykin believed that the two documents served different purposes and different audiences and should be kept separate but with mutual links to more detailed information which could be exploited in electronic versions on the Groupe's web site.

During discussion of the paper a number of concerns and suggestions were raised –

- the intended audience is not clear: there were doubts that CEOs would read such an extensive report;
- the paper could be tested on one or two CEOs to see how it is received and ensure that it is not misinterpreted;
- some of the technical detail should be removed and replaced by an introduction or professional background which makes the case for an actuary being best qualified to undertake the Actuarial Function;
- emphasis on added value – not simply a compliance exercise;
- some graphics should be included;
- inappropriate references to “imagination” and “1 in 200 stresses” should be removed;
- how should the paper be promoted, and how should it be localised for use by individual member associations?

Karel thanked members for their comments, and encouraged them to contact him with any further points. He explained that the paper would be considered further at the forthcoming meeting of the Insurance Committee, where it would be decided what the next steps should be.

## **6. Global ERM qualification**

The Chairman reported that UK and Netherlands were now award signatories and could award the CERA designation. Applications from Germany and France had been approved by the review panel. Sweden had started an ERM course but had not yet prepared a CERA application. Switzerland, Austria and Spain are considering doing so. Yvonne Lynch reported that the Society of Actuaries in Ireland is considering becoming an acceding

signatory.

In response to a request from Maria de Nazaré, Malcolm agreed to provide a brief written report for the next meeting.

## **7. Groupe Strategy issues – Officers’ Report**

In presenting the Officers’ report, the Chairman of the Groupe, Gábor Hanák, confirmed that – following the completion of the move to Brussels, the establishment of the Groupe as a Swiss Verein, and the appointment of a director of Public Affairs – the Officers were about to initiate a review of the Groupe’s strategy. While this will focus in particular on marketing, public affairs and publications/communication, the Groupe’s broader vision and goals will also be addressed.

Gábor highlighted the initiative to establish a Consumer Affairs task force, which had received encouragement from the European Commission and EIOPA. Jean Berthon gave a short presentation (attached to these minutes as **Annex III**) in which he highlighted the key areas on which the task force would focus. Membership of the task force would comprise a representative from each of the Groupe’s committees (Piotr Szlenk volunteered to be the representative from SFPC). In answer to a question from Bruce Maxwell, Jean explained that the output from the task force would be directed towards the European Commission and EIOPA and, he hoped, help to establish the Groupe’s identity as a source of independent professional advice with consumer protection organisations. Maria de Nazaré noted that there was an important role to be filled at a local level in relation to improving financial literacy. Esko Kivisaari cautioned that we should be sure that the Groupe would be working on issues it could be good at, and questioned whether we are needed in this area and whether there might be a conflict of interest between consumer protection and other actuarial responsibilities to an employer. Peter Melchior suggested that it was important to be prepared to say when something is not a consumer protection issue. It was agreed that these concerns would be kept in mind by the task force.

## **8. Groupe Consultatif and IAA – issues of mutual interest**

Thomas Béhar gave a brief presentation (attached to these minutes as **Annex IV**) summarising the main issues for the forthcoming IAA meetings in Los Angeles in May. The 60-day agenda is attached as **Annex V**. In relation to the Nominations Committee, Esko Kivisaari commented that he would like to see more European names being proposed.

## **9. Meeting with Internal Market DG**

The Committee noted the report of the meeting between the Officers of the Groupe and the Solvency II project manager, and staff of Internal Market DG Insurance Unit, held on 15 December 2011.

## 10. Meeting with EIOPA

The Committee noted the report of the meeting between the Officers of the Groupe and the Chairman and staff of EIOPA, held on 30 November 2011.

## 11. Future Annual Meetings and Spring Meetings

### 11.1 Annual Meetings

Future Annual Meetings were confirmed as follows –

- 2012 – Rome, Italy – 19 October 2012

Peter Melchior confirmed a provisional offer from Den Danske Aktuarforening to host the 2013 Annual Meeting in Copenhagen, subject to discussion of possible dates and other administrative details with the Groupe Secretary.

### 11.2 Spring Meetings

#### Pensions, IFR and Education Committees

2012 – Ljubljana, Slovenia – 20 April 2012

Offers to host future Spring Meetings from 2012 onwards were invited. Additionally, the Groupe Secretary and committee chairmen will approach some associations about the possibility of hosting.

## 12. Information Exchange

The Chairman drew attention to information from Switzerland and Catalunya (attached to these minutes as **Annex VI**). In addition the following points were highlighted –

- **UK** – shortly to publish a report on conflicts of interest between pension funds and sponsoring employers; work on professional skills training; proposal to introduce new member status between associate and student
- **Germany** – government legislative proposals for implementation of Solvency II retain Appointed Actuary (details to be circulated by Michael Renz)
- **Belgium** – position papers on Role of the Actuary available on IA|BE web site

## 13. Other business

### European Congress of Actuaries (ECA 2012)

Pia Skaerbak gave a brief update on progress with logistical arrangements, and highlighted in particular the following points –

- registrations to date just under 100; allowing for sponsorship received, breakeven number is approx 150; target is 250
- ‘early-bird’ reduced registration fee extended to end March
- free entry for press
- all speaker slots now filled
- media and social media advertising campaign in April/May: this will include articles in *The European Actuary*, *Actuarial Post* and *De Actuaris*

Pia emphasised that success in attracting a good attendance depends on member

associations promoting the Congress to their members. Mechanisms (and enthusiasm) for achieving this appear to vary widely across associations. Full details have already been sent to all members of each of the Groupe's committees. Membres titulaires will be sent a list of registrations from their respective countries so that they can encourage further registrations effectively

**14. Date of next meeting**

It was noted that the next meeting of the Committee will be held in Rome on 18 October 2012 at the invitation of the Istituto Italiano degli Attuari, in conjunction with the 35<sup>th</sup> Annual Meeting of the Groupe.