GROUPE CONSULTATIF ACTUARIEL EUROPEEN
EUROPEAN ACTUARIAL CONSULTATIVE GROUP

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Vision, values, mission and objectives of the Groupe Consultatif[1]

Vision

The vision of the Groupe Consultatif is for the actuarial profession in Europe to be, and to be recognised as being, the leading quantitative professional business advisers in financial services, in risk management and in the financing of social protection, contributing to the well-being of society, with European institutions recognising the valuable role that the Groupe Consultatif plays as a leading adviser on actuarial issues.

Values

The Groupe Consultatif espouses the following values.

- concern for the public interest
- integrity
- independence
- collaboration and respect
- transparency and accountability

Mission

To enhance the role of the Groupe Consultatif, on behalf of the actuarial profession in Europe, as an objective, independent, professional, leading adviser, contributor and spokesperson to European institutions and stakeholders on all matters of actuarial relevance, widely recognised and respected in this role, in pursuit of the public interest.
To create added value for the actuarial profession in Europe and to provide support by sharing, encouraging, facilitating and resourcing in order

- to enhance the quality of actuarial work to the benefit of the public and the users of actuarial advice
- to promote professionalism
- to develop model standards and to encourage member associations to adopt
- to encourage advancement of actuarial education, research, science and practice
- to promote the role of the actuarial profession in protecting the consumer
- to promote a holistic role for actuaries as business advisers and influencers as well as technical experts
- to provide opportunities for networking and encourage sharing of best practice across Europe
- to respect the principle of subsidiarity

[1] The last section of this document deals with the proposal to change the name of our organization. There seems to be a need both from within the organization (coming from Member Associations) and from some external stakeholders

Strategic Objectives

1. **Relations with EU institutions** Establish and maintain relationships with key governmental and non-governmental organisations at the European level and provide them with actuarial input to improve the soundness of decisions being made on all important issues of actuarial relevance with a European impact. Influence the course of EU legislation by providing high quality professional advice where, consistently with the vision, mission, and other strategic objectives of the Groupe, the expertise of actuaries can serve the public interest.

2. **External communication** Raise the profile and reputation of actuaries as leading professional experts and advisers in insurance, risk management, other financial institutions, pensions, social security, demography, asset/liability management and health care financing. Promote the recognition of actuaries as providers of high quality actuarial work to the benefit of the public and users of actuarial advice. Help member associations to promote the profession as an attractive career option in order to continue to generate a good supply of professionals. The Groupe to becomerecognised as the face of the actuarial profession in Europe.

3. **Support member associations** Provide support and add value to member associations through maintenance of a high quality minimum code of conduct, model actuarial standards, discipline process, core syllabus, education assessment, CPD, sharing of best practice and coordinating and providing access to valuable information on relevant developments in the EU and worldwide.

4. **Education and research** Advance education, scientific research and knowledge and skills of actuaries, also extending to non-traditional areas of actuarial practice and softer non-technical skills, to help enhance the scope, availability, and quality of actuarial advice. Organise CPD events and networking opportunities at the European level.

5. **Promote development and recognition** Encourage the development of the actuarial profession in European countries where it is currently not well developed or well recognised. Help position our Full Member associations in the sight of stakeholders as highly valued true professional bodies.

Actions

Each ordinary general assembly of the Groupe's activity in the past year in the light of the set goals in terms of actions under the Strategic Objectives and set the prioritized goals for the next year.
The actions below are to be part of the rolling plan with exact content and priorities to be determined at the next ordinary general assembly.
In order to implement the actions, sufficient and appropriate resources will have to be engaged in public affairs, technical support, internal organisation and administration.
Actions are classified according to priorities with H = high, M = medium and L = low.
Where the action is of an ongoing general nature it is indicated by G

SO1 Relations with EU institutions

Public Affairs Executive

Develop and put in place a Public Affairs and Communications Strategy; in case of each stakeholder clearly set the goal of the Groupe **H**
Use strategic opportunities to make or strengthen contacts with different parts of the European Commission and with MEPs and their cabinets. **G, H**

Establish contacts with consumer protection organisations **H**
Develop relationship with industry bodies at the European level in order to increase mutual understanding and identify opportunities for cooperation (or reasons for maintaining a distance) **G, M**
Establish contacts and regular relationships with Fédération des Experts Comptables Européens (FEE), Federation of European Risk Management Associations (FERMA), and European Financial Reporting Advisory Group (EFRAG) (+other professions?) to identify opportunities for cooperation **M**
Prepare publications, organise seminars and meetings (on hot topics) **G, M**
Prepare a note on the Groupe's relationship towards "The European Actuary" publication **L**

Standards Freedoms and Professionalism Committee
Promote the role of the actuary in Europe **G, H**
Discuss the mechanisms for free movement of actuarial resources around Europe **G, H**
Discuss the coordination of standard setting across Europe **G H**

Insurance Committee
Continue to influence final outcome and implementation of Solvency II **H**
Develop and promote the role of the actuary under Solvency II **H**
Play an active role in the EIOPA Insurance Stakeholder Group **H**
Maintain close and regular liaison with EIOPA at working level **H**
Play an active role in relation to various European agendas in insurance with actuarial relevance (like insurance guarantee schemes and packaged retail investment products) **M**
Follow up work on Gender Discrimination with a survey of how industry is adapting **M**
Revitalise work on age and disability discrimination if necessary **L**

Pensions Committee
Play an active role in the development of the revised IORP Directive. **G, H**
Play an active role in the EIOPA Pension Stakeholder Group and The Pensions Forum **H**
Maintain close and regular liaison with EIOPA at working level **H**
Play an active role in influencing the revised Portability Directive. **M**
Play an active role in the development of the non-IORP Directive **M**

Social Security Subcommittee
Play an active role in the development of methodologies for projection of social security liabilities for the Ageing Report 2015 **G, H**
Influence the debate on sustainability of pension systems and ageing of the population **G, H**
Influence the debate on the Commission's wider social protection agenda and the proposed Social Investment Package **M**
Play an active role in the development of tracking services **M**

Consumer Protection Task Force
Define an appropriate role for actuaries in consumer protection and establish the Groupe's position as an authoritative source of commentary on consumer issues in financial services **H**
Make contacts with consumer organisations and with relevant parts of the Commission and EIOPA (see public affairs executive) **G, H**

Investment and Financial Risk Committee
Play an active role in the development of European legislation on financial stability **G, H**
Work together with the Insurance and Pension Committees on market consistency **H**
Banking regulation
MIFID
Shadow banking
Sovereign debt

Officers
Maintain close and regular liaison with EIOPA and the Commission at senior level **H**
Approve the Public Affairs and Communications Strategy with the goals set for each stakeholder **H**
Seek representation on other official bodies (which ones?) **G, H**
Identify objectives and initiatives for our contacts with industry and professional bodies **G, H**

Joint actions with stakeholders to build on synergic effects are to be pursued as long as independence of the Groupe is fully upheld **G, M**
Provide thought leadership in carefully selected areas **M**

SO2 External Communication

Public Affairs Executive and Officers
Implement a Public Affairs and Communications Strategy (see SO1) **H**
Initiate a European survey of ranking of occupations including the actuary **M**
Establish high-profile communication channel in order to gain thought leadership in areas in which actuaries are involved **G, H**
Develop position papers on different topics which have an outward-facing interest, e.g.

Insurance Committee
- market consistency (together with the Pensions and Financial Risk Committees) **H**
- implementation of Solvency 2 **M**
- risk margins in practice **M**
- ORSA in practice **M**
- sovereign risk (together with the Pensions and Financial Risk Committees) **M**
- market outcome of gender discrimination ruling **M**
- develop and promote the role of the actuary under Solvency II (see also under SO1) **H**

Consumer Affairs Task Force
- actuaries' role in protecting the consumer **H**

Pensions Committee
- revision of the IORP Directive **H**
- market consistency (together with the Insurance and Financial Risk Committees) **H**
- the actuarial function under the IORP Directive **M**
- portability of pension rights **M**
- cross border pension provision **M**
- development of non-IORPS regulation **M**
- sovereign risk (together with the Insurance and Financial Risk Committees) **M**
- actuarial roles in defined contribution pensions **L**

Social Security Subcommittee
- the ageing population in Europe **G, H**
- sustainability and adequacy of pensions and social security **G, H**
- tracking services **M**
- methodology for actuarial projections of social security liabilities **M**

Investment and Financial Risk Committee
- market consistency (together with the Insurance and Pension Committees) **H**
- financial stability on a European level **M**
- sovereign risk (together with the Insurance and Pension Committees) **M**
- shadow banking
- regulation of banks
- financial intermediation
- regulation of derivative instruments

Standards, Freedoms and Professionalism Committee
- mutual recognition of the profession and freedom of movement **G, M**

Other
- sustainability of health care systems in Europe **H**
- quantum of damages in personal injury cases **L**

SO3 Support member associations

Officers
Improve relationship with and responsiveness to member associations, organise active interaction by officers liaising with member associations and discussing matters of mutual interest **G, H**

In order to better serve the member associations, find an appropriate balance between volunteer and staff work; encourage member associations and their members to provide volunteer work for the Groupe, provide adequate staff **G, H**
Ensure member associations are clear on the purpose of the Groupe (Vision/Values/Mission) and how it complements and supports their own activities **G, H**

Standards, Freedoms and Professionalism Committee
Review and modernise Code of Conduct to ensure it meets up-to-date expectations of a profession **H**
Initiate a system by which information on disciplinary activities in member associations can be monitored and relevant information is shared **L**

Standards Project Team
Develop high quality model standards where appropriate and promote them to stakeholders **G, H**
Increase recognition implicitly and where possible explicitly and through statute **G, H**

Education Committee
Develop stronger educational accreditation/assessment process **H**
Work out a sample CPD program that can be localized by member associations **M**
Organise seminars and meetings on hot topics **G, M**
Support collaborative CPD and promotional activities with member associations **G, M**
Keep the core syllabus up-to-date **G, M**

Public Affairs Executive
Develop promotional brochures and use of website
- improve usefulness and regularity of communications to/from member associations **G, H**
- provide support to member associations in developing their own public affairs activities **G, L**

Secretariat
Brief associations, membres titulaires and committee representatives on their responsibilities **G, H**

SO4 Education and Research

Education Committee
- organise European Congresses of Actuaries every 4 years **G, H**
- organise other appropriate events at the EU level (like colloquia or similar) **G, H**
- provide resources to assist member associations with the delivery of CPD on EU wide topics **G, H**
- encourage research, share scientific and practical information complementing IAA's activity on a European level **G, M**
- support member associations in organising appropriate local events of international relevance (like summer schools or similar) G, M
- foster a fruitful exchange with the academic community **G, M**

Officers
- improve engagement of volunteers and provide appropriate support by ad hoc project management and/or expertise **G, H**

Public Affairs Executive
- facilitate interchange of news and experiences of member associations **G, H**

SO5 Promote development and recognition

Standards, Freedoms and Professionalism Committee
Repackage and re-present Code of Conduct so as to carry a clearer message of professionalism for the purpose of promoting actuaries as a profession **H**
Support new associations moving towards Observer and then Full Membership **G, M**
- encourage participation in GC activities by small and newer associations
- collaborate with IAA Advice & Assistance initiatives in European countries
- support collaborative CPD and promotional activities with member associations
Work with member associations to increase recognition of the profession, implicitly and where possible explicitly and through statute **G, M**

Monitor compliance with the core education syllabus to underpin mutual recognition **G, M**

Secretariat

Collect data on a regular basis from associations on numbers by class of member, area of professional practice, country of work, etc. **G, M**

Collect data on a regular basis from associations on the role of the actuary in respective jurisdictions and statutory provisions relating to actuaries **G, M**

Resourcing

It is unlikely that the Vision, Mission, and the Strategic Objectives as described above can be accomplished on the basis of the current balance between paid staff and volunteers. The Officers believe it important to maintain the fundamental nature of the operation of the Groupe which is based on the active participation of volunteers. This has been one of the most important factors of the success of the Groupe. However, the Officers received a number of formal and also informal signals that the balance between paid staff and volunteers probably has to move towards more staff in order to reach our goals. From this perspective it seems imperative to hire more and appropriate staff. An increased level of staff, however, means an increased level of cost and the view of the cost-benefit trade-offmay differ from one Member Association to the other.

The purpose of this part of the document, about financial issues, is not to draw up the detailed budget for the future but to indicate the broad financial impact of extending the Groupe's employed staff pool. When it becomes clear which option has general support, the detailed budget, including a projection of expected costs and potential sources of income, can be drawn up and shared with Member Associations.

Compared to the current level of staffing we envisage two options: hiring one or two full time resources. The profile of these resources should guarantee that our technical committees receive a substantial support to enhance their efficiency and our PA function is also expanded by these resources. The new resources will have to be able to identify any and all actuarially relevant actions in Europe (and around the world having a special European impact), initiate reaction to those, identify opportunities for the Groupe where, in line with our Strategic Objectives, actuaries in Europe should let their voice be heard, prepare working documents for the relevant committee (task force, working group, etc.), help to seek opinions from committee members and Member Associations and help the committee chair to formulate the position of the Groupe.

Needs of the Insurance Committee

- A new project structure for SII is being prepared. The expected outcome is that there will be increased involvement of the technical resource over the coming years.
- It can be envisaged that other initiatives such as Discrimination, Sovereign Debt, Market Consistency, etc. will also need support.

Needs of the Pensions Committee

- Today no systematic resource is appointed but Chinu has been helping occasionally.
- The focus is going more and more on Pensions so that a technical resource can be envisaged for Solvency, Sustainability, and Social Security issues for 2013 and perhaps onward.

One such new full-time resource is expected to cost € 125.000. If this annual cost is to be paid out of subscriptions then one full time resource would imply an increase of € 6 p.a. per actuary.

Sources of Income

The Groupe will need to consider additional sources of income when possibly increasing its expenditure.

The required evolution of the income side will depend on the profile of the expense flow. Some resources can be temporary as a function of the subject or the project.

We can envisage using different kinds of sources of income in the future and are looking for the feedback from Member Associations to be able to prioritise these.

- Use the existing reserve: for specific investments limited in time until the existing reserve is used up to a level that does not endanger the solvency of the organisation (probably 1 year of operational expenses, a condition which is not fulfilled today). This source offers the advantage that no other financial commitments are required, but implies the depletion of the available means and a decrease in financial strength.
- Increase the membership fee: potentially with differentiation in function of size of the Member Associations and for a limited period. The membership fees have been increased in the recent past, but can be considered as the most structural source of income.
- Sponsorship: create the possibility of sponsoring the Groupe by private or public organisations (with eventually in return publicity, reduction of registration fees for events, …). The Groupe could lose or give the impression of losing some independence. Providing such opportunity may strengthen the relationship with the employers or other interested parties of our actuary members - although might weaken our positions with other stakeholders.
- Organisation of events with registration fees: increase the number of events with registration fees and generate a positive balance with proper sources of income such as sponsorship, publicity, …. Recent experience shows the Groupe is able to mobilise members around interesting subjects with a positive financial result, but we have to avoid overkill.
- Secondment of Member Association resources to the Groupe: Member Associations might make resources available with the required skills with or without compensation. Those resources have experience and can contribute immediately to the purpose of the Groupe; at the same time some might be afraid that the influence of certain associations would become implicitly too great.
- Loan: Member Associations lend to the Groupe so it is able to pay immediate costs, with the loans to be paid back out of the normal operational budget in later years.

Increasing the financial resources can impact the ability to achieve the ambitions but also shifts the profile of income and costs.

We welcome the comments of Member Associations to explore the possible sources for increasing income, respecting the interest of the European and local organisation by commenting on the above options and suggesting other feasible options.

Name change

There seems to be a growing questioning about the name of our organization that needs to be addressed. This was also expressed in the feedback from Member Associations on our call for an evaluation of the past and suggestions for the future. The current name, Groupe Consultatif Actuariel Européen, served the organization well in the past when it was, indeed, a consultative group. It is thought, however, that our current aspirations necessitate a different primary designation and the main requirement is that the name, even when its short name is used, includes the name of our profession: the actuary. We have to appreciate also that we want to open up new relationships, establish contacts with new stakeholders (like segments of the Commission or consumer bodies with whom we have not previously engaged) to whom the name 'Groupe Consultatif' has little or no meaning. Even when we were having our half yearly meeting with Internal Market DG of the Commission, with whom we have a long history of fruitful relationship, and mentioned the fact that in the future the name of the Groupe might change, we got a strong reinforcement.

Changing our name is an action of prime importance. We need to think about it thoroughly and carefully. We need feedback from Member Associations. We believe that the name, if indeed changed, should include some form of both the words ‘actuary’ and ‘Europe’.

Some potential options that have already arisen are as follows

- Actuaries Europe (cf Insurance Europe)
- European Actuarial Association (cf International Actuarial Association but European Actuarial Academy is also abbreviated as EAA)
- Actuarial Association of Europe
- Group of European Actuaries
- European Actuaries
- Association of European Actuaries