ACTUARIAL ASSOCIATION OF EUROPE

ASSOCIATION ACTUARIELLE EUROPÉENNE

4 PLACE DU SAMEDI

B-1000 BRUSSELS, BELGIUM

TEL: (+32) 22 17 01 21 FAX: (+32) 27 92 46 48

E-MAIL: info@actuary.eu
WEB: www.actuary.eu

Report of Standards Project Team to Standards, Freedoms and Professionalism Committee meeting in Vilnius, 24 April 2014.

Since the meeting of the Standards, Freedoms and Professionalism Committee (SFPC) in Dublin on 27 September 2013, the Standards Project Team (SPT) has progressed work on two standards, established and received an initial report from a task force on the possible need for risk management standards and considered the implications for standards of the change of name of the Groupe Consultatif to the Actuarial Association of Europe (AAE).

On the last point, the SPT recommends that we should rename model standards issued by the AAE as European Standards of Actuarial Practice (ESAPs), by analogy with ISAPs (International Standards of Actuarial Practice) issued by the International Actuarial Association (IAA).

A report is attached on the due process for GCASP1 (now to be renamed ESAP1), proposing adoption of ESAP1 as the first model standard of the AAE. This will need to be approved by the General Assembly of the AAE. We will also publish the attached ESAP1 Basis for Conclusions and write to individual organisations who gave comments on the exposure draft.

A further report is attached on ESAP2, enclosing a copy of a working draft, as we proposed to the Dublin meeting of the SFPC that we would do. The SPT proposes that this working draft be promulgated to member associations as soon as possible in order to provide background guidance to actuaries carrying out the actuarial function. The working draft will be finalised into a proposed final version of ESAP2 as soon as the relevant Level 2 regulations and Level 3 guidelines are available. Since the revised version of the model standard will be materially different from the draft which was exposed under due process from 1 November 2012 to 1 March 2013, the SPT recommends that there should be a further period of exposure to member associations and stakeholders before ESAP2 is finalised.

In October 2013 the SPT established a task force on risk management standards under the chairmanship of Gábor Hanák. The first report of the task force is attached as a basis for discussion by the SFPC on the next steps. The task force recommends development of three separate AAE model standards relating to risk management in the context of the Solvency II Directive (ESAP3, ESAP4 and ESAP5). The SPT invites discussion of the task force report at the meeting in Vilnius, in order to provide a steer on taking this forward. Subject to a positive response from SFPC, the SPT envisages bringing forward a more complete Statement of Intent for each of these three standards to the SFPC meeting in Helsinki on 1 October 2014, and a revised work-plan for approval by the General Assembly in Helsinki to include the development of ESAP3 to 5.

Chris Daykin
Convenor, Standards Project Team
11 April 2014