ANNEX XIII

GROUPE CONSULTATIF ACTUARIEL EUROPEEN
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REPORT
by the Officers to the
GENERAL ASSEMBLY
Dublin, 27 September 2013

The Officers have met, either face-to-face or by conference call, on a monthly basis throughout the year to steer the strategic direction of the Groupe. The Chairman has provided a quarterly report to member associations on issues of current concern. The report below summarises the key issues as they stood in mid-September 2012, several of which appear as substantive items on the agenda of the General Assembly and/or the Groupe's committees. The Chairman will provide an oral report and update at the meeting of the General Assembly on 27 September, and the other Officers will report separately on the work of their committees.

1. **Strategy, business planning and finance**
   In line with the request by the General Assembly in Rome last year, the Officers have revised the strategy document to provide a (long-term) statement of overall strategic direction, and a separate (dynamic) action plan and objectives. These appear separately on the agenda for approval.

   The Rome General Assembly also requested that the Officers prepare a revised budget for 2013, in the light of a number of concerns expressed at the meeting. The revised budget was circulated to member associations at the end of January and was approved. As will be seen in the Honorary Treasurer's report elsewhere on the agenda, it is likely that the result for 2013 will be in line with this budget without incurring the one-off exceptional salary cost which had been included. His report, including the accounts for 2012, the anticipated outturn for the current year, the budget for 2014 and forecasts up to 2018 have been reviewed and endorsed by the Officers.

2. **Appointment of new CEO**
   Following advertisement, short-list selection and interviews at the beginning of the year, the appointment of Ad Kok as the Groupe's new CEO was announced in June. Ad took up his appointment on 1 September. Michael Lucas continues on a part-time basis as Secretary-General of the Groupe.

3. **Public Affairs**
   During the year our public affairs initiatives have established dialogue with a number of new contacts, including the European Commission (DG Sanco, DG Ecfin as well as additional units in DG Markt), European Parliament, European Central Bank, European Banking Authority and others. Additionally, internal communication has been improved with the revision of the Groupe's web site, in particular the addition of sections on Commission/EIOPA activity and Groupe papers/press releases, the weekly news round-up, and the Chairman's quarterly report to member associations.

Another feature introduced during the year has been Officer liaison with member associations. Each of the Officers has responsibility for providing a personal point of contact with a regional group of associations and, for example, attending their annual meetings to give a first-hand insight on key European issues and to pick up on matters where associations feel the Groupe might be able to provide advice or assistance. The feedback from Officers and associations is that this is a helpful and worthwhile initiative.

Pia Skaerbak's two-year appointment ends in mid-October. With the appointment of a new Groupe CEO, and in order to optimise the use of resources, there has been some staff re-structuring and re-allocation of responsibilities, and Ad will take on much of the public affairs activity. Where additional public affairs support is needed, we will use external consultants on a case-by-case basis as required.

4. Proposed change of name for the Groupe

One particular feature of the strategy development discussed at last year's General Assembly was the proposal to identify and adopt a new name for the Groupe which will convey more clearly, particularly to external organisations and individuals, what we are. Member associations were invited to submit suggestions, and the Officers submitted a short list of six for comments by the Standards, Freedoms and Professionalism Committee. In the light of this discussion, the Officers unanimously agreed to recommend the adoption of "Actuarial Association of Europe", and this proposal is put forward for approval by the General Assembly.

If this name change is approved, a number of consequential changes in the Groupe's Statutes will be required: these are set out as a separate item on the agenda, and will require a formal exposure period of three months. At the same time, the opportunity has been taken to propose additional minor changes to the Statutes to adopt gender-neutral nomenclature.

5. European Commission

The Officers held their regular six-monthly high level meetings with the Head and staff of the Insurance and Pensions Unit of DG Internal Market in November and June. These meetings, details of which appear in the agendas of the individual committees, addressed technical issues relating mainly to Solvency II and the review of the IORP Directive. The November meeting was the last before the retirement of Karel Van Hulle as Head of Unit and a substantial turnover in the staff of the Unit. The June meeting, with the new Deputy Head of Unit, revealed that there is significant work to be done to rebuild the close and mutually beneficial relationship which we enjoyed with Karel Van Hulle and his staff. Nevertheless it is clear that the new regime recognises that the Groupe can provide valuable objective advice on important technical issues, and the Solvency II project team in particular will be building on this. The next high-level meeting with the Commission should take place in late November/early December.

6. EIOPA

The Officers met the Chairman and senior staff of EIOPA in December and July. The topics covered were largely the same technical issues as those discussed during the meeting with the European Commission outlined above. Additionally EIOPA identified a new consumer protection initiative ("retail risks"), and invited the Groupe to assist with the development of risk indicators and other technical advice: the following section of this report (7. Consumer protection) gives more details. A full note of the July meeting appears with the agendas for the individual committees. Both sides agreed that these high-level discussions are valuable, in addition to the more frequent technical

dialogue at project working group level. The next high-level meeting will take place in November/December.

On behalf of the Groupe, the Officers submitted the following nominations in response to the EIOPA call for Stakeholder Group representatives:

Insurance and Reinsurance – Thomas Béhar, Seamus Creedon, Annette Olesen

Pensions – Philip Shier, Falco Valkenburg

EIOPA's Board of Supervisors is expected to announce the results of their selection procedure shortly.

7. Consumer protection

The decision to establish a Consumer Protection task force has proved very timely in the light of the increasing interest by the European Commission and EIOPA in this area. In discussions with EIOPA following the launch of their new "Retail Risks" initiative aimed at improving and harmonising consumer protection measures, it was agreed the Groupe could add value in specific areas such as an appropriate level of transparency and the development of indicators. There are some reservations about EIOPA's initial choice of indicators – number of complaints, level of profitability, selling practices, and it has been suggested that one aim should be to ensure that sufficient information is available to allow judgement on whether products meet consumers' needs. EIOPA will produce an issues paper on which the Groupe will be able to comment. It is essential for our technical committees to engage with this work, and to have appropriate governance in place. It is also import to have the support of member associations for this initiative.