DAV

DEUTSCHE
AKTUARVEREINIGUNG e.V.

Actuarial Association of Europe
Annual Meeting 2014 in Helsinki

News from member associations

Deutsche Aktuarvereinigung (DAV), Germany

German Insurance Supervisory Law

The German Ministry of Finance has recently launched the consultation on the implementation of the Solvency II directive in the German Insurance Supervisory Law. DAV has submitted detailed comments on actuarial issues relating to the actuarial function and on technical matters of all areas of insurance and occupational pensions.

A topic of particular concern for DAV is the future of the maximum interest rate in life insurance prescribed by the Ministry of Finance. Currently, DAV discusses an actuarial proposal of a two-tier model with the German regulator.

Annual Autumn Meeting

The annual Autumn Meeting of DAV and its scientifically orientated partner organisation DGVFM will take place on November 17-19, 2014 in Hannover. The event will start on Monday with the meetings of the German ASTIN and LIFE Sections before on Tuesday the AFIR and Health sections meet. On November 19, DGVFM is organising a conference in cooperation with the German Organisation of Insurance Sciences, focussing on dynamic financial analysis. More than 600 members are expected to participate in this conference in order to keep current with new developments in the most important fields of actuarial mathematics.

Membership Survey

After its last membership survey in 2011/12, DAV has implemented many suggestions and recommendations it received from its members. In order to evaluate how members assess the improvements as well as new activities, a follow-up membership survey will be launched on December 1. The membership survey will be complemented by a salary and compensation survey providing members with detailed information on career opportunities and salary developments as well as on employee satisfaction.

DAV Website www.aktuar.de

DAV has launched its new website on 1 April 2014 with a new design, a new structure and new range of functions. After approval by the DAV General Assembly to implement a new CPD system starting on January 1, 2014 the website now offers an individual password protected online-administration of CPD activities for all members.

IRELAND: SOCIETY OF ACTUARIES IN IRELAND

ISAP 1: We understand that the Financial Reporting Council in the UK is soon to run a consultation on a new Technical Actuarial Standard which is intended to largely reflect ISAP 1. As many of our members are also members of the Institute and Faculty of Actuaries, and some do UK work, we are mindful in our standard-setting of developments in the UK. We will await this consultation before making a decision on how to implement ISAP 1.

New Reserving Requirements: The Central Bank of Ireland published new "Reserving Requirements for Non-Life Insurers and Non-Life and Life Reinsurers" in May 2014.

- For non-life business, the new Requirements put greater responsibilities on Signing Actuaries in relation to checking the appropriateness and completeness of data than previously applied. The Requirements also include a new requirement for Statements of Actuarial Opinion (SAOs) and associated Reports to be peer reviewed.
- The Central Bank has also published associated "Guidance on Best Estimate and Margin for Uncertainty".
- We are currently updating our Actuarial Standards of Practice (ASPs) on SAOs and SAO Reports. We are also preparing an ASP on peer review of non-life SAOs and SAO Reports (- the rules on the timing of peer reviews are such that it is not expected that there will be many, if any, peer reviews of life reinsurance SAOs and SAO Reports in the near-term). However, the ASPs might not apply for all SAO work as there is no longer a requirement for Signing Actuaries to be a member of the Society of Actuaries in Ireland.

CPD: Our CPD Scheme is set out in the form of an ASP. We have introduced an updated version, effective from 1st July 2014. This includes an increase in the amount of CPD required (from 15 hours to 25 hours for practising certificate holders, 20 hours for other actuaries, phased in over 2 years).

STANDARD SETTERS' ROUND TABLE MEETING (LONDON, 14 SEPTEMBER 2014)

INSTITUTE AND FACULTY OF ACTUARIES (IFoA) - BRIEF UPDATE

General background

The IFoA is responsible for the regulation, in the public interest, of all of its members worldwide. It is subject to independent oversight, in the exercise of its regulatory functions in relation to the UK, by the Financial Reporting Council (FRC). The FRC is additionally responsible for the setting of technical standards in the UK.

The key developments in relation to standards are:-

Actuarial Profession Standard APS X1 Applying Standards

We have recently completed a consultation period on our proposed APS which will clarify for members how they determine which standards should be applied to their work. This is intended to be of particular assistance to members carrying on work with an international aspect where assessing the standards that should be applied can be more complex.

The draft APS proposes that where members are carrying on work which is outside the scope of the FRC's technical standards that members should carry out their work in a way that complies with ISAP 1. The APS allows for this to be met in a range of ways including applying a set of standards that are substantially consistent (such as applying the standards of another full IAA member body which have been declared substantially consistent) or by following the provisions of ISAP 1 itself. There are also specific provisions in the APS that require members to consider local standards issued by full IAA member bodies and a general requirement to consider whether there are any other relevant standards that should be applied in the circumstances.

The intention is that all members, regardless of where they are located or the geographic connection of the work, are subject to the same equivalent minimum level of standards (i.e. ISAP 1) although the way that they achieve that minimum level will depend on the particular circumstances of the work.

The consultation responses are currently being considered.

Actuarial Profession Standard APS X2: review of actuarial work

We have been giving further consideration to the draft APS X2 on actuarial quality and peer review that was published for consultation. This APS would require members to consider applying a form of review to their work.

The APS has been reviewed in light of the consultation responses received and final proposals are due to be considered (and hopefully agreed) later this month.

We are also reviewing our existing APS P2 that makes provision for review of work by pension scheme actuaries and considering whether that other APS should be amended or withdrawn in light of the new cross practice APS being introduced.

Actuarial Profession Standard APS X3: actuary as an expert witness

We have also given further consideration to the consultation responses in relation to the proposed APS relating to members instructed to act as an expert witness in legal proceedings and a full guide for members who take (or are considering taking on) on such work.

We have made a few minor changes to the APS and guide in light of the consultation responses and are in the process of getting final approval for publication. It is anticipated that this will come into force at the beginning of 2015.

Actuarial Profession Standard APS X4: funeral plans

We are planning to go out to consultation on a new standard in relation to actuaries working trust-based pre-paid funeral plans. The draft APS and accompanying documents are currently being developed and we hope to publish them for consultation shortly.

Standards Framework Review project

We are undertaking a review of the IFoA's existing standards framework to look at how those standards fit together, to consider the form of standards and guidance we produce and to identify whether there are any gaps, areas of overlap or unnecessary standards/guidance. It is anticipated that this will lead to the identification of areas of focus where particular thought needs to be given.

We hope to issue a paper seeking feedback on this project later in the year.

Statement on Actuarial Standards

We also recently, with the FRC, published a Statement on Actuarial Standards which confirms and provides more clarity around the arrangements for standards setting within the UK and the respective roles of the FRC and IFoA in terms of their standard setting responsibilities.

Quality Assurance Scheme for Organisations

We have now launched a pilot of our proposed Quality Assurance Scheme for employers of actuaries. This is a voluntary scheme whereby employers would submit to an accreditation and monitoring regime in relation to their quality assurance systems and procedures.

We expect the pilot of the scheme to conclude at the end of the year.

13 September 2014