



ACTUARIAL ASSOCIATION OF EUROPE

AAE Committee Strategic Objectives and KPIs 2017-2018

Esko Kivisaari – AAE General Assembly 2018

KPIs – while remembering that all except the CE are doing voluntary work...

Are KPIs a control mechanism by the board – or is it a tool helping committees to plan and undertake their mission?

- Quality of planning
- Quality of output
- Appreciation of the output among stakeholders
- Output according to the committee action plan

Overview of KPIs per committee

Education Committee

Chairperson: Mark Stocker

Insurance Committee

Chairperson: Tony O’Riordan

Pensions Committee

Chairperson: Gábor Pásztor a.i.

Professionalism Committee

Chairperson: David Martin

Risk Management Committee

Chairperson: Malcolm Kemp

Education Committee - 1

Review AAE education syllabus

Milestone 1 – Agree principles for syllabus governance – September 2017

Milestone 2 – Establish working group – September 2017

Milestone 3 – Working group presents draft syllabus at Spring meeting – May 2018

Milestone 4 – Survey of membres titulaires on proposed syllabus – May/June 2018

Milestone 5 – Syllabus agreed with implementation plan – July/August 2018

Milestone 6 – Syllabus to General Assembly for ratification – September 2018

Education Committee - 2

CPD strategy review

Milestone 1 – Establish joint working group with SFPC (now Professionalism Committee) to review the CPD strategy of the AAE

Milestone 2 – Present first draft to Spring meetings

Milestone 3 – Finalise draft for consideration at Board

Milestone 4 – Ratify at General Assembly

Insurance Committee - 1

SO1: Enhance relations with European institutions

Establish and maintain relationships with key European institutions, so that the AAE can effectively provide them with high quality professional advice to improve the soundness of decisions from an actuarial perspective

- continuing the active role in Solvency II, especially the 2018 review and preparations for the 2020 review
- maintaining the conditions for insurability
 - possible developments on the age and disability issue
 - GDPR
 - non-life developments
- monitoring the non-normal interest rate environment and its impact especially on life-insurance
- monitoring together with the Pensions Committee and the Risk Management Committee the PEPP
- IFRS 17 issues – actuarial views to the EFRAG
- FinTech/Big Data – reacting on European initiatives

Insurance Committee - 2

SO2: Promote Professionalism

Promote consistent standards of education and professionalism among actuaries in Europe

- developing the first EAN of the AAE on ORSA

Pensions Committee – 1

SO1: to enhance relations with European institutions

1. Propose cash-flow approach as a complement of the current stress tests

- Create a cash-flows working group.
- Map the use of cash-flow approach in each country and the possibility to complement the pension stress tests with a cash-flow analysis.
- Discuss results with Pensions Europe for a disclosure of the analysis results in March 2018.

2. Contribute to costs and past performance for pension products discussions

- Group of voluntaries to work on the topic, together with somebody from the Insurance Committee.
- One lead of each Committee (Pensions and Insurance) to meet with EIOPA to discuss conclusions.

Pensions Committee - 2

SO1: to enhance relations with European institutions – cont.

3. Contribute to the PEPPs development

- PEPPs working group to evaluate:
 - Value of guarantee products
 - Decumulation phase
 - Inputs from Risk/Insurance Committees
- Share the outputs with the Insurance Committee.

4. Transposition of IORP II to national law

- Share different country experiences of the transposition of IORP II into national law.

5. Provide comments on the Aging Report

- Social Security Sub-Committee to analyse and prepare a note on the Aging Report to be published in 2018.
- The comments will take into account the output of the Adequacy Taskforce work.

Pensions Committee - 3

SO2: Promote professionalism

6. Create an Educational Note on the Actuarial Function

- Presentation of the idea to the Standards Committee for their approval.
- Volunteers of the Pensions Committee to draft an EN for the Standards Committee and General Assembly to approve

Professionalism Committee - 1

Five strategic objectives for 2017-8

1. Ensure Mutual Recognition Agreement remains appropriate and in place
2. Oversee setting of AAE Model Standards and Monitor Use of AAE Model Standards
3. Oversee preparation of EANs
4. Review the issue of compulsory CPD
5. Monitor AAE participation in European Consumer Protection Issues
6. Oversee progress on the development of Roles of Actuaries

Plan for achieving the above

1. Task Force is working to update the wording of the MRA and side-letter. Also various pairs of associations discussing individual issues raised as problems in the recent survey.
2. Standards Project Team is overseeing the current work, set out in their own document. Also developments in IAA for monitoring ISAPs are being followed with a view to a similar process for ESAPs
3. An EAN relating to ORSA is under preparation by an Insurance Committee Task Force. The need for other EANs is likely to be apparent in the period.
4. A review of the AAE paper on CPD (Groupe Consultatif paper of 2008) is planned jointly with Education Committee
5. The Consumer Protection Task Force is working on PRIIPS and other issues. Developments are being monitored.
6. The Roles of Actuaries task Force is refocussing on ongoing issues.

Professionalism Committee - 2

Key performance Indicators

1. Revised wording prepared by 2018 autumn meetings after review and discussion in the spring
2. Achievement of the stages set out in the SPT's development plan.
3. Preparation of the ORSA EAN by 2018 autumn meetings after review and discussion in the spring
4. Formation of a Task Force at the 2018 spring meeting with a draft for discussion in the autumn
5. Reports on PRIIPs and other issues determined by the Task Force will be considered at both 2018 meetings.
6. Redirection of the Role of Actuaries Task Force by Spring 2018

Background to preparation of the Strategic Objectives

The SFPC priorities have been considered at meetings of the SFPC, using the grids in the appendix to this paper comparing the old and new AAE Strategic Objectives. Those in the second grid were not considered priorities at the current time. Of those in the first grid, I have not included among the 5 objectives of this paper those which have now reached a satisfactory position, or are normal "Business as Usual" for the committee, rather than a specific current objective.

Risk Management Committee

Strategic Objectives for 2018

Following discussion within the Risk Management Committee, it is proposed that the Committee adopts the following objectives for 2018:

SO1: Enhance relations with European institutions

1. Agree Committee priorities and structure that will lead to enhanced relations with European institutions
2. Develop existing sub-groups' output and establish new sub-groups on topics which offer scope for enhanced relations with these institutions
3. Provide high-level risk management input to selected European-level consultation papers (both EIOPA and non-EIOPA ones)
4. Identify and reach out to relevant risk management orientated institutions in Europe

SO2: Promote professionalism

1. Agree responsibilities and collaborative relationships with AAE Insurance and Pension Committees and with relevant IAA Committees, including roles in relation to development of EANs on ORSA and other risk management topics

SO3: Promote a European community of actuaries

1. Formulate a plan to establish a functioning forum for European actuarial risk function holders, chief risk officers and equivalents
2. Develop further a paper on future positioning of the actuary in risk management in Europe
2. Contribute risk management themed articles / talks under the AAE banner to suitable European-level publications / conferences

ACTUARIAL ASSOCIATION OF EUROPE

Actuarial House

1 Place du Samedi

1000 Brussels

Belgium

www.actuary.eu

Follow us on twitter: @InfoAAE