



# ACTUARIAL ASSOCIATION OF EUROPE

## Non-Life Working Group Update

Insurance Committee, Bratislava

3<sup>rd</sup> April 2020

Presenter: Robert Pusz

## Updated membership

- Since Vienna meeting we have had a large turnover in the WG.
- Have retained only 3 members and have 12 new members.
- Have requested a member from the UK
- New Chair – Declan Lavelle
- New Deputy Chair – Cyriaque Tegua

## Workstreams

- Established 3 workstreams to resume the activities of the old WG
  - Non-Life SII topics
  - USPs
  - Risk Mitigation Techniques
- Also 2 WG members liaising with
  - Low Interest Rates WG
  - Climate Index WG

## Non-Life Solvency II Topics - workplan

- Further analyse and refine our ideas on proposed SII Standard Formula adjustments (outlined at Vienna meeting)
- Create some realistic examples to illustrate the impact of proposals
- Timeline – end June 2020

## USPs - workplan

- Review results of 2017 AAE survey and identify where more detailed guidelines around USPs are required.
- Further analyse the practical difficulties in the calibration of USPs.
- Assess (via a new survey) whether insurers avoid USPs because they calculate higher volatilities than the standard factors, due e.g. to:
  - pricing cycles and competition (premium volatility)
  - short history, low volumes.
  - changes in claims processes,
- Timeline – end 2020

## Risk Mitigation Techniques - workplan

- Review of Level 2/3 regulations on the application of reinsurance in the Nat Cat SCR calculation.
- Create examples to highlight the main difficulties and pitfalls of the standard formula.
- Propose practical amendments to the standard formula.