



# Voting Categories – Long term update

Decision submitted to the General Assembly:

- Update Paragraph 3 of Article 8 of the Statutes [Yes/No]
- Update Paragraph 4 of Article 13 of the Statutes [Yes/No]

## Challenge:

- The Nominations Panel raised the issue in Utrecht that the voting categories threshold hasn't changed since its introduction whereas the Member Associations' size have.
- The challenge is that a disequilibrium could happen soon if Member Associations in voting category 3 move to voting category 4 (i.e. imbalance between category 3 and category 4).
- Voting categories have an impact on the number of votes that a Member Association has and the election potential of a Board Member (i.e. Board diversity by voting categories).

## Approach:

- A group composed of T. Behar, K. Bork, C. Heck, B. Kaiser and M. Kamenarova identified options, selected the most efficient one and consulted the Member Associations impacted by the proposal.
- The IfOA, l'Institut des Actuaire, the DAV and the Royal Dutch Actuarial Association, the Col legi and the IAE are not against the proposal.
- The ProfC approved the approach to ensure no imbalances.

## Solution:

- The group considered different ways to solve the potential imbalance such as reducing the number of voting categories or adjusting the threshold of each voting categories. Changing the number of voting categories would not improve the equilibrium and would create important implementation challenges.
- Hence, the group favored adjusting the membership threshold, in particular for voting category 4 Member Associations. Two options were identified:
  - Index the voting category membership threshold by the overall growth in AAE Members;
  - Set a new category 4 membership threshold.
- The group recommends to set a new category 4 membership threshold for ease of implementation and tracking while ensuring that the current equilibrium is kept.
- Hence, the group proposes to set voting category 4 membership threshold to 1'600 and more Members. This allows a good distribution across voting categories while ensuring stability over time.

## Current

1. The General Assembly of the AAE consists of delegations of the different European States represented on the AAE by at least one Member Association.
2. The maximum size of a delegation representing a European State on the AAE is determined according to the total number of actuaries in this State for which subscriptions to the AAE are paid on the basis of the following pattern:
3. European States with ... have ...
 

1 - 150 subscriptions	– 1 delegate
151 - 600 subscriptions	– 2 delegates
601 - 1200 subscriptions	– 3 delegates
1201 or more subscriptions	– 4 delegates.
4. Where there is more than one Member Association in a European State, it is a matter for the associations in that State to determine their joint delegation to the AAE.
5. Where no agreement is possible between different Member Associations in the same European State, the AAE will decide the number of delegates (rounded to full integers) from each association that corresponds to its percentage of the whole subscription base of the State, applied to the maximum size of the delegation coming from that State.
6. Each Member Association of the AAE will appoint a member of the delegation of its home state as “membre titulaire”, carrying the votes of that association.
7. Delegates not nominated as membre titulaire may participate in meetings of the General Assembly as “membre suppléant”. They may only vote as alternate for a membre titulaire who is unable to participate.

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1 - 150 subscriptions	– 1 delegate
151 - 600 subscriptions	– 2 delegates
601 - <b>1600</b> subscriptions	– 3 delegates
<b>1601</b> or more subscriptions	– 4 delegates.
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## Current

1. Observer Member Associations have no right to vote.
2. Full Member Associations from countries which are not EU Member States are not allowed to vote on any issue relevant only to the EU legislative environment.
3. All decision-taking powers of the AAE are vested with the General Assembly.
4. The total voting power of a delegation is weighted according to the number of actuaries in the European States for whom AAE subscriptions are paid as observed on 1 April each year based on the number of full members in each association on 1 January of that year, on the following basis:
  - 1 - 150 subscriptions – vote multiplied by 1;
  - 151 - 600 subscriptions – vote multiplied by 2;
  - 601 - 1200 subscriptions – vote multiplied by 3;
  - 1201 or more subscriptions – vote multiplied by 4.
5. If more than one Full Member Association represents the profession within the same European State on the AAE, the total voting power of that State is split between the Full Member Associations corresponding to their relative subscription base at 1 January each year.
6. A Full Member Association will not be allowed to vote on any issue, if its subscriptions to the AAE have been outstanding for more than 12 months.
7. A vote may be carried out by electronic means, using e-mail or other electronic questionnaires or voting facilities, provided the proposal has been exposed for discussion among the Member Associations, at least three months before the date of the vote, or for such shorter or longer period of time proposed by the Board and not objected to by any Member Association.

## Proposal

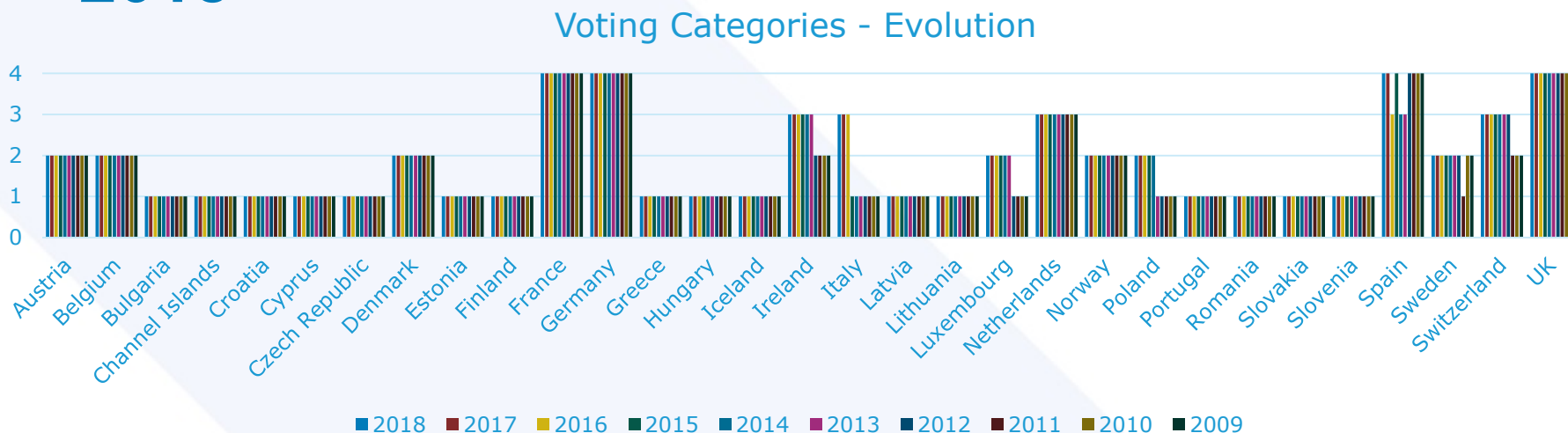
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# Appendix

# Voting Categories – Evolution from 2009 to 2018



# Member Associations – Voting Category

Country	Evolution of Members reported to AAE 2018/2009	Voting Category in 2018	Number of required Members reported to AAE to go to next category (after update)
Austria	42%	2	269
Belgium	-10%	2	223
Bulgaria	4%	1	98
Channel Islands	NA	1	150
Croatia	125%	1	33
Cyprus	105%	1	105
Republic	112%	1	44
Denmark	-52%	2	438
Estonia	-63%	1	140
Finland	-8%	1	42
France	43%	4	NA
Germany	62%	4	NA
Greece	21%	1	42
Hungary	8%	1	73
Iceland	-47%	1	141
Ireland	146%	3	719
Italy	2077%	3	642

Country	Evolution of Members reported to AAE 2018/2009	Voting Category in 2018	Number of required Members reported to AAE to go to next category (after update)
Latvia	-40%	1	138
Lithuania	21%	1	121
Luxembourg	133%	2	386
Malta	0%	1	134
Netherlands	40%	3	427
Norway	14%	2	338
Poland	58%	2	403
Portugal	-1%	1	41
Romania	0%	1	107
Serbia	0%	1	115
Slovakia	62%	1	116
Slovenia	88%	1	71
Spain	-7%	4	NA
Sweden	-6%	2	426
Switzerland	61%	3	762
UK	54%	4	NA
Ukraine	-50%	1	139

# Process – Article 19 of the Statutes

## Article 19

### Amendments to the Statutes and Winding-Up of the AAE

1. These Statutes may be amended at an ordinary or extraordinary General Assembly called in accordance with Article 12, provided the proposed changes have been exposed for discussion among the Member Associations at least three months before that General Assembly.
2. The Statutes will be reviewed by the General Assembly at least once every three years, with appropriate advice of the Standards, Freedoms and Professionalism Committee, based on a report on their practical impact that will be prepared by the Secretariat.
3. In the event of a winding-up of the AAE, any accumulated surpluses would be returned exclusively to the Member Associations in direct proportion to their size and contributions.

#### Steps:

- Presentation and exchange on the proposal during the Professionalism Committee meeting in Sofia (12.04.19);
- By end of June, expose the proposed changes to the Member Associations;
- Vote during the General Assembly in Vienna (09.10.19)



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