



# ACTUARIAL ASSOCIATION OF EUROPE

**General Assembly 2020,  
virtual 9 October 2020**

**Falco Valkenburg  
Report of the Board 2019-2020**



# Vision – Values – Strategic Objectives

# Vision and Values

The vision of the Actuarial Association of Europe (AAE) is for actuaries throughout Europe to be recognised as the leading quantitative professional advisers in financial services, risk management and social protection, **contributing to the well-being of society**, and for European institutions to recognise the valuable role that the AAE plays as a leading source of advice on actuarial and related issues.

The AAE shares the following values:

- concern for the public interest
- Integrity
- Independence
- collaboration and respect
- transparency and accountability



# Contributing to the Well-Being of Society 1/4

Has been extensively discussed by the board and we concluded to make a start with the following topics and actions:

## SO1 related: Financial Literacy

- Board: To engage with Consumer organisations
  - Where we use the word 'Consumer', we want to use this in a very wide meaning and include citizens, spouses, orphans, employees, members of pension arrangements, etc.
- Insurance Committee: To identify and work on consumer related issues starting with assessing and explaining the consumer angle of costs and past performance
- Pensions Committee: To identify and work on consumer related issues starting with assessing and explaining the consumer angle of pension arrangements (adequacy, sustainability)
- Board: to identify and start the work on consumer related issues starting with assessing and explaining the consumer angle of a new(er) area for actuaries. Examples include a Climate Index, Systemic Risk Solutions and Big data/Artificial Intelligence

# Contributing to the Well-Being of Society 2/4

## SO2 related: Strengthen position of Actuaries

- Succession of actuary in formal role as appointed actuary or key function holder
  - Incoming actuary to inquire with leaving actuary whether the reason of leaving is a conflict related to our Code of Professional Conduct. If so the incoming actuary is only allowed to take on the new role after the issue has been resolved.
- Speaking up and Whistle-Blowing
  - How can the profession support actuaries who want to speak up or feel the need to whistle-blow?
    - Advise our MAs to install some independent and confidential counsellors, being seasoned actuaries that can support the individual by listening and act as a professional sounding board
- Any other idea that the Professionalism Committee may have to strengthen the position of actuaries

# Contributing to the Well-Being of Society 3/4

## SO3 related: Strengthen position of Actuaries

- Request Education Committee to assess possibilities and report back to the Board with concrete advice in 6-12 months on:
  - Sharing real life examples of situations where actuaries had to take a decision on an ethical basis
    - Describing the situation: the dilemma, the stakeholders, etc.
  - Describing possibilities for an Ethics course for actuaries in Europe. Include the suggestions made by Education Committee members.

# Contributing to the Well-Being of Society 4/4

## SO1 and SO3 related: Create a slogan

- Organise a competition to find a slogan that expresses our vision for the profession of contributing to the well-being of society.
- The competition will run till mid January
  - Then the Board will decide on a short list of three.
  - The Board will then organise a voting on these short-listed proposed slogans.
    - Some initial suggestions have been:
      - ‘Actuaries for a better world’
      - ‘Actuaries for a sustainable world’
      - Use the word ‘resilient’
      - ‘Actuaries for a human world’
      - ‘Make insurance more resilient’ (but it is not only insurance)

Looking for a ‘catchy’ slogan, that touches on what we are aiming at in our mission and vision. It doesn’t need to capture all that actuaries do

# Strategic Objectives

## **Strategic Objective 1: 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.

- Play a prominent role in shaping the development of new European legislation, and in the review and refinement of existing legislation, affecting the work of actuaries in traditional areas and in wider fields as actuaries extend their areas of involvement;
- Reinforce existing relationships with the European Commission and EIOPA;
- Build and enhance relationships with the European Parliament and the Council of the EU; and
- Maintain contact with other European organisations such as industry and consumer protection bodies.



# Strategic Objectives

## Strategic Objective 2: Promote Professionalism

Promote consistent standards of education and professionalism among actuaries in Europe.

- prescribe minimum requirements for the education of actuaries to be applied by member associations;
- facilitate continuing professional development of actuaries;
- ensure that all member associations have a code of professional conduct which reflects at least the requirements of the AAE's Code of Professional Conduct, and an appropriate disciplinary process;
- develop and maintain model standards of actuarial practice for work undertaken by actuaries in relation to EU regulatory requirements;
- maintain a mutual recognition agreement which is consistent with the requirements of the EU Recognition of Professional Qualifications Directive;
- support the development and recognition of individual member associations;
- help to ensure that regulated actuarial work is performed by those properly qualified to undertake it and subject to relevant professional and technical actuarial standards; and
- support the development and recognition of actuarial work in wider fields as actuaries extend their areas of involvement.

# Strategic Objectives

## **Strategic Objective 3: Promote a European community of actuaries**

Promote a European community of actuaries between AAE member associations, their members and the AAE.

- encourage the exchange of information and ideas;
- facilitate networking between actuaries, especially in wider fields;
- strengthen awareness among member associations and their members of the work of the AAE; and
- facilitate mutual assistance between member associations.

# Challenges we faced this year

- IFoA's reconsideration of AAE membership followed by 2 Extraordinary General Assemblies (19 June and 5 August 2020)
- COVID-19  
first ever all virtual Spring Meetings in April 2020 ('Bratislava')
- Resignation Chief Executive
- Review of the organisational set-up of the AAE

# Challenges – Climate Change

## European Actuaries Climate Index Working Group

- Led by Philip Shier (Ireland)
- The Working Group has a good picture of what we want technically
  - Using station data (rather than gridded data)
  - Description of the building blocks of the index
- The working group is now working on a RFP
  - Any interested party may respond
  - Distribution of RFP via AAE and Member Association
- The Boards wants to have a strong voice for actuaries in climate related issues
- The Board is now seeking input from the Member Associations
  - Survey on possible climate related activities (wider than just index)
  - Discussion in the Presidents' meeting in November



# Goal of the EurACI

Monitor climate developments in terms people/laymen experience

- Measuring and analysing extremes rather than averages
  - People tend to remember hot summers, big autumn rains, cold winters

Actuaries in the news! – quarterly reporting and press release

- Next to our close contacts in Brussels/Frankfurt also addressing general press, radio, tv in our jurisdictions

Offer a basis for measurement of the ‘E’ in ESG (investment) decision-making

- Insurers, IORPs, Investment managers, Supervisors, Actuaries

Offer a basis for analysing relationship climate – damages/losses

- Insurers, Reinsurers, Commission, Governments

# AAE Board of Directors

## AAE Board

2019 2020 2021 2022 2023  
2020 2021 2022 2023 2024

Albertsen	Gunn	Norway	M	M	M		
Kamenárová	Mária	Slovakia	M	M			
Kivisaari	Esko	Finland	PAST				
Mendinhos	José	Portugal	M				
Saez de Jauregui	Luis	Spain	M	M	M		
Schneemeier	Wilhelm	Germany	VICE	CHAIR	PAST		
Thomson	Kartina	UK	M				
Valkenburg	Falco	The Netherlands	CHAIR	PAST			
Wilhelmy	Lutz	Switzerland	M	M			

# AAE Board of Directors

Steps down after  
GA 2020



*Falco Valkenburg*  
Chairperson



*Wilhelm Schneemeier*  
Vice-Chairperson



*Esko Kivisaari*  
Immediate Past  
Chairperson



*Mária Kamenárová*  
Member



*José Mendinhos*  
Member  
Steps down after  
GA 2020



*Kartina Thomson*  
Member  
Steps down after  
GA 2020



*Lutz Wilhelmy*  
Member



*Gunn Albertsen*  
Member



*Luis Saez de Jauregui*  
Member

# AAE Nominations Panel

Nominations Panel			2019	2020	2021	2022	2023
Category			2020	2021	2022	2023	2024
Kivisaari	Esko	Chair ex-officio					
Valkenburg	Falco	ex-officio					
Wilhelm	Schneemeier	ex-officio					
Simões	Onofre	<150					
Valeisa	Evaldas	<150					
Jacek	Skwierczynski	151-600					
Goossens	Karel	151-600					
Crenca	Giampaolo	601-1600	resigned				
Steiger	Oliver	601-1600					
Peraita	Manuel	1601+					
Deville	Richard	1601+					



# AAE Committee Chairpersons

## Risk Management



*Malcolm  
Kemp*

Eligible for  
2nd term

## Insurance



*Tony  
O'Riordan*

Steps down  
after GA 2020

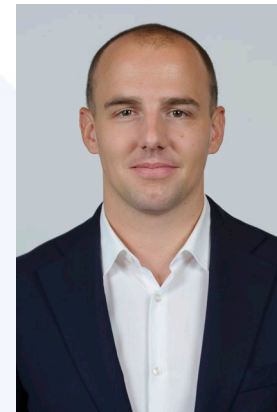
## Pensions



*Maitane  
Mancebo*

Steps down  
after GA 2020

## Professionalism



*Christophe  
Heck*

## Education



*Henning  
Wergen*

# AAE Activities 2019 – 2020: SO1 (1/4)

## Meetings with European Institutions:

- EIOPA 2x (Gabriel Bernardino, Ana Teresa Moutinho, Tim Shakesby, Lars Diekhoff)
- ECON (MEP Dr. Alfred Sant, Vicente Ferreira, David Breyer)
- EC, DG Fisma (Didier Millerot, Enrico Corradi)
- EC, DG CLIMA (Caroline Lambert)
- EFAMA (Bernard Delbecque)
- Accountancy Europe and its Insurance Working Party (Hilde Blomme, Paolo Ratti)
- EP (Ivan Stefanec, Member of Parliament)
- And participating in various webinars and events (Pensions Stress Test, Solvency II Review, PEPP, Pensions Expert Group, etc.)
- Active participation in EIOPA's two stakeholder groups

# AAE Activities 2019 – 2020: SO1 (2/4)

## Papers:

- Commentary paper "A Review of the Design of the Solvency II Risk Margin"
- Commentary paper "Application of Professional Judgment by Actuaries"
- Position paper on COVID-19

# AAE Activities 2019 – 2020: SO1 (3/4)

- The Pensions Committee has set-up a Task Force Intergenerational Fairness
  - How to assess an aim of the IORP Directive “... to have an equitable spread of risks and benefits between generations in occupational retirement provision”?
  - Including first pillar pensions in the assessment
- EIOPA’s request on the subject of “Cost and Past Performance”- the Board works closely with the Insurance Committee



# AAE Activities 2019 – 2020: SO1 (4/4)

Press releases (often highlighting consultations to which the AAE has responded):

- Commission's consultations on New Competition Tool and Digital Services Act package
- Joint ESA consultation on ESG disclosures
- Commission's Consultation on the renewed sustainable finance strategy
- Commission's paper "Best practices in relation to relief measures offered to consumers and businesses in the context of COVID-19 crisis"
- Commission's Capital markets union: Final report by High-Level Forum on the completion of the CMU
- EIOPA's discussion paper on IBOR transitions
- Commission's consultation on new digital finance strategy for Europe/FinTech action plan
- Commission's consultation on the White Paper on Artificial Intelligence – A European Approach
- Commission's consultation on the European Strategy for Data
- COVID-19 impacts the AAE Spring Meetings 2020
- Resignation Chief Executive
- EIOPA's Consultation concerning technical advice, implementing and regulatory technical standards for PEPP
- EIOPA's consultation paper on the Opinion on the 2020 Review of Solvency II
- ESAs consultation on changes to the key information for PRIIPs
- EIOPA's Consultation Paper on proposals for Solvency II 2020 Review – Package on Supervisory Reporting and Public Disclosure

# AAE Activities 2019 – 2020: SO2

- CPD Strategy – discussed in Joint EC-ProfC meeting in April 2020 and approved by the Board in April 2020
- Establishment and approval of ToR of the MRA Review TF (to include member(s) of the CPD TF)
- Establishment and approval of ToR of the Low Interest rates (LIR) TF
- Establishment and approval of ToR of the ESAP2 Review Task Force (ProfC)
- Establishment and approval of ToR of the Compliance Review Task Force (ProfC)
- Survey on Low Interest Rates (IC)
- Survey on Data Science and Artificial Intelligence (ProfC)

# AAE Activities 2019 – 2020: SO3 (1/3)

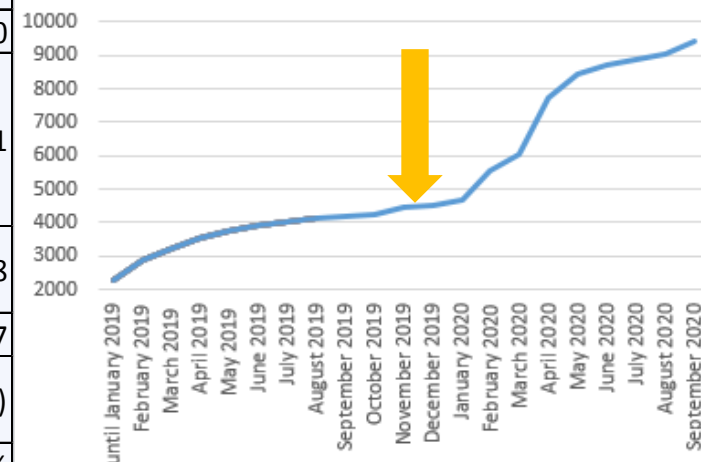
- Introduction and implementation of actuvview – a virtual platform
- Signing of the agreement on 4 December 2019



## Growth actuvview users since signing agreement

Date	4 December 2019	31 January 2020	30 September 2020
Number of associations that have contacted actuvview	4 (Austria, Germany, Hungary, Switzerland) & Japan	19	31
Number of associations that have invited their members	4	13	28
Registered users	4,503	4,833	9,427
Registered users from European associations	2,955 (66%)	3,308 (68%)	7,038 (75%)
Pick-up-Rate			2% - 70%

actuvview - new users



## AAE Activities 2019 – 2020: SO3 (2/3)

- ECA 2021 – preparations for the next European Congress of Actuaries (3-4 June 2021, Madrid) started. The Call for Papers was released mid August.
- AAE Presidents' Meeting postponed to 12 November 2020 due to COVID-19.
- Blogs by Falco Valkenburg, Esko Kivisaari, Henning Wergen, Gunn Albertsen and José Mendinhos



# AAE Activities 2019 – 2020: SO3 (3/3)

## Webinars

- Update on Risk Management Topics, December 2019
- Professional Judgment: chances and challenges for actuaries in the context of Solvency II, Big data and AI, February 2020
- Current activities in developing actuaries, June 2020
- Update on Insurance Topics, September 2020

Bilateral (virtual) meetings with representatives of many of the AAE Member Associations.

# General Assembly 2020 SO3 identified priorities

## Achieved so far:

- ✓ Headlines available on website
- ✓ Position papers and consultation responses published
- ✓ Webinars organised by each AAE committee on a quarterly basis
- ✓ LinkedIn and Twitter accounts reactivated
- ✓ Blogs on a regular basis
- ✓ New EAN published, another in preparation
- ✓ Actuarial Climate Index activities in progress
- ✓ Wider field activities
- ✓ Money proposed to be shifted to other activities
- ✓ Actuvew available for all actuaries

## More attention is needed to:

- ✓ Promoting AAE actions and web content
- ✓ A platform for sharing good practices - Helping the sharing of good practices of MAs, producing promotional material for ESAP
- ✓ Taking good care of the quality and promotion of the ESAP's, with reasonable support by the EAN's
- ✓ Further work on climate related issues including the possibility of developing a European Actuaries Climate Index

# AAE Activities 2019 – 2020: Liaisons

Member Association	Country	Luis Sáez de Jauregui	E. Kivisaari	G. Albertsen	M. Kamenárová	J. Mendinhos	W. Schneemeier	K. Thomson	L. Wilhelmly	F. Valkenburg
Aktuarvereinigung Österreichs	Austria						x			
IA BE	Belgium									x
Bulgarian Actuarial Society	Bulgaria				x					
Channel Islands Actuarial Society	Channel Islands							x		
Ceska Společnost Aktuárů	Czech Republic				x					
Croatia	Croatia					x				
Cyprus association of Actuaries	Cyprus	x								
Den Danske Aktuarforening	Denmark			x						
Estonian Actuarial Society	Estonia		x							
Suomen Aktuariyhdistys	Finland		x							
Institut des Actuaire	France								x	
Deutsche Aktuarvereinigung	Germany						x			
Hellenic Actuarial Society	Greece									x
Magyar Aktuárius Társaság	Hungary				x					
Felag Islenska	Iceland			x						
Society of Actuaries of Ireland	Ireland							x		
ISOA	Italy						x			
Latvijas Aaktuaru	Latvia		x							
Lietuvos Aktuariju Draugija	Lithuania		x							
Institut Luxembourgeois des Actuaire	Luxembourg								x	
Malta Actuarial Society (observer)	Malta							x		
Het Koninklijk Actuarieel Genootschap	Netherlands									x
Den Norske Aktuarforening	Norway			x						
Polskie Stowarzyszenie Aktuariuszy	Poland								x	
Instituto dos Actuários Portugueses	Portugal					x				
Asociația Română de Actuarial	Romania									x
Serbian Actuarial Association (observer)	Serbia					x				
Slovenska spoločnosť aktuarov	Slovakia				x					
Slovensko Aktuarsko Društvo	Slovenia					x				
Col.legi d'Actuaris de Catalunya	Spain	x								
Instituto de Actuários Espanoles	Spain	x								
Svenska Aktuarieföreningen	Sweden			x						
Schweizerische Aktuarvereinigung	Switzerland								x	
Actuarial Society of Turkey	Turkey	x								
Institute and Faculty of Actuaries	United Kingdom							x		
Society of Actuaries of Ukraine (observer)	Ukraine						x			

# AAE Activities 2019 – 2020: Internal Affairs (1/2)

- Number of Board meetings: 15 – one full day meeting in Brussels, due to COVID-19 all other meetings took place in monthly 2-3 hour teleconferences
- Number of meetings/calls related to the IFoA discussion: 20
- CE, Cecilia Thorn, started on 1 October 2019, and resigned per 1 April 2020.
- AAE Secretariat reconsidered. Monique Schuilenburg appointed as Operations Manager per 1 July 2020, assistant hired starting 1 April 2020.
- Change of Nominations Panel Terms of Reference proposed for the GA – revision to be more aligned with the Statutes to avoid overlap
- Change of Statutes proposed for the GA – Article 18.4
- To start the regular review of the Statutes (at least every three years)
- Updating the Risk Register
- Appointment of AAE Chairperson as AAE's Legal Representative

## AAE Activities 2019 – 2020: Internal Affairs (2/2)

- Committee vice-chairpersons nominations approved (yearly confirmation needed):
  - Rafael Moreno Ruiz – Education Committee
  - Lauri Saraste – Insurance Committee
  - Gábor Borza – Pensions Committee
  - Frank Schiller – Risk Management Committee
  - Birgit Kaiser – Professionalism Committee
- Matthias Pillaudin as the chairperson of the Low Interest Rate TF
- Declan Lavelle as the new chairperson of the Non-Life WG
- Birgit Kaiser as the chairperson of the Compliance Review TF and of the MRA Review TF
- Jules Krijgsman van Spangenberg as the Chairperson of the ESAP2 Review TF



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