

**JOINT MEETING OF
INSURANCE, PENSIONS AND RISK MANAGEMENT COMMITTEES**

HELD BY CONFERENCE CALL

ON THURSDAY 8 OCTOBER 2020 FROM 08.30-10.00 CEST

MINUTES

The list of participants is attached at the end of these minutes as **Annex 0.1**.

Chairperson: Malcolm Kemp

- 1. Opening of the meeting and adoption of the agenda**
Given numbers attending, a potential short introductory round was carried forward to separate committee meetings.
- 2. Notes of the Joint meeting held on 2 April 2020**
No comments or additions to the minutes.
- 3. COVID-19**
Tony O’Riordan gave a brief overview of the development of COVID-19, the current status, business impacts and potential implications for actuaries.

Comparability especially of rates of new infections is still challenging as it depends on the different testing strategies in different countries. This makes interpretation of the data difficult. Number of deaths is not increasing as quickly as the number of infected – perhaps another impact of more extensive testing in many countries. Capital markets were initially heavily impacted. Interest rates have further decreased. For (re)insurance, effects are especially seen in special lines of business (e.g. for non-life, non-damage BI, travel, event cancellation and for life, products for the older population).

Regulators have focused their interaction with insurers on how customers are treated and often via more informal contacts. Work on the Solvency II Review has been delayed.

Actuaries will have to think about how to redesign products (new customer needs vs. capital market limitations and updated risk assessments). In the risk management area, life reinsurance programmes may need to be newly assessed and reporting concepts in, e.g., ORSA may need adapting.

Esko Kivisaari shared first thoughts on shared resilience solutions, especially for non-damage business interruption cover. After what we have experienced during the lockdown a widely mutualized solution might need to be established. Not only

pandemics could be triggering events but also other extreme catastrophes. AAE has had meetings with EIOPA and DG Fisma, has commented on the EIOPA staff paper in this area and is working on a separate note for the remainder of 2020. Mutualisation could be applied at different levels, e.g. pooling within individual countries and also at a European-wide level. It would need to be agreed at a European level how costs for raising capital for such a solution might be covered and to what extent this is practical financially.

4. Stochastic modelling for PEPPs

Malcolm Kemp gave a brief introduction to PEPPs. The product design may be appealing for customers, especially the possibility to freely move PEPPs between different European countries. Alongside a product specification, EIOPA has provided a “preferred” stochastic model for assessing pre and post sales risk disclosures.

Some detailed questions on the modelling were noted (including how to model inflation risks) which may be explored further during the RMC meeting on Friday.

5. Sustainability - and why it considers actuaries?

Lauri Saraste presented on the ongoing discussion on sustainability and the role actuaries could take in this area. For sustainable underwriting, actuaries can contribute to the definition of ESG requirements and (where it is required) how best to exclude certain sectors both in relation to risks and investments. This might prove more complicated for risk underwriting than for investment strategy as the risks are more heterogenous and diverse, hence less easy to cluster, and decisions for exclusions more difficult (e.g. some coverages may be mandatory).

Especially for setting scenarios for the evaluation of ESG risks, actuaries will have an important role. E.g., for ORSA, scenarios will need to be defined. EIOPA is also considering adding ESG specific stress tests into their annual stress testing requests.

6. Any other business

None

7. Next meeting

The next joint meeting of the Insurance, Pensions and Risk Management Committees will take place in Bratislava, Slovakia, on Thursday 15 April 2021 (to be confirmed) at the invitation of Slovenská spoločnosť' aktúarov.

To note that the next Annual Meeting will be held in Campus Sursee, Switzerland, from 29 September-1 October 2021 at the invitation of Schweizerische Aktuarvereinigung.

Annex 0.1

Participants Joint meeting Insurance, Pensions and Risk Management Committees Virtual | 8 October 2020

	First name	Family name	Country	Nominating association	role
1	Reinhold	Kainhofer	Austria	Aktuarvereinigung Österreichs	Delegate
2	Florian	Moyzisch	Austria	Aktuarvereinigung Österreichs	Delegate
3	Hartwig	Sorger	Austria	Aktuarvereinigung Österreichs	Observer
4	René	Knapp	Austria	Aktuarvereinigung Österreichs	Delegate
5	Christoph	Krischanitz	Austria	Aktuarvereinigung Österreichs	Delegate
6	Philippe	Demol	Belgium	Institut des Actuaire en Belgique	Delegate
7	Karel	Goossens	Belgium	Institut des Actuaire en Belgique	Observer
8	Tatiana	Bitunska	Bulgaria	Institut des Actuaire en Belgique	Delegate
9	Michael	Poulding	Channel Islands	Channel Islands Actuarial Ass.	Delegate
10	Ksenija	Sanjkovic	Croatia	Hvratsko Aktuarsko Društvo	Delegate
11	Ivancica	Rajic	Croatia	Hvratsko Aktuarsko Društvo	Delegate
12	Andreja	Radic	Croatia	Hvratsko Aktuarsko Društvo	Delegate
13	Martin	Jusko	Czech Republic	Ceská Spolecnost Aktuáru	Observer
14	Jana	Zelinkova	Czech Republic	Ceská Spolecnost Aktuáru	Delegate
15	Miroslav	Simurda	Czech Republic	Ceská Spolecnost Aktuáru	Delegate
16	Kristoffer	Bork	Denmark	Den Danske Aktuarforening	Observer
17	Conor	O'Byrne	Denmark	Den Danske Aktuarforening	Observer
18	Martin	Melchior	Denmark	Den Danske Aktuarforening	Observer
19	Jette	Lunding Sandqvist	Denmark	Den Danske Aktuarforening	Observer
20	Lauri	Saraste	Finland	Suomen Aktuaariyhdistys	Delegate
21	Annina	Pietinalho	Finland	Suomen Aktuaariyhdistys	Delegate
22	Hillevi	Mannonen	Finland	Suomen Aktuaariyhdistys	Observer
23	Esko	Kivisaari	Finland	Suomen Aktuaariyhdistys	Observer
24	Richard	Deville	France	Institut des Actuaire	Observer
25	Nadia	Lamari	France	Institut des Actuaire	Delegate
26	Matthias	Pillaudin	France	Institut des Actuaire	Delegate
27	Siegbert	Baldauf	Germany	Deutsche Aktuarvereinigung	Chair Solvency II
28	Frank	Schiller	Germany	Deutsche Aktuarvereinigung	Delegate
29	Wilhelm	Schneemeier	Germany	Deutsche Aktuarvereinigung	AAE Vice-Chair
30	Susanna	Adelhardt	Germany	Deutsche Aktuarvereinigung	Delegate
31	Istvan	Kerenyi	Hungary	Magyar Aktuárius Társaság	Delegate
32	Gábor	Hának	Hungary	Magyar Aktuárius Társaság	Observer
33	Aldo	Balestreri	Italy	ISOA	Delegate
34	Ieva	Ose	Latvia	Latvijas Aaktuāru Asociācija	Delegate
35	Eugenija	Bieliauskiene	Lithuania	Lietuvos Aktuarijų Draugija	Observer
36	Paulius	Ptakauskas	Lithuania	Lietuvos Aktuarijų Draugija	Delegate
37	Jeroen	Van den Bosch	Netherlands	Koninklijk Actuarieel Genootschap	Delegate
38	Falco	Valkenburg	Netherlands	Koninklijk Actuarieel Genootschap	Chair AAE
39	Hans Michael	Øvergaard	Norway	Den Norske Aktuarforening	Delegate
40	Marcin	Zwara	Poland	Polskie Stowarzyszenie Aktuariuszy	Delegate
41	Boguslawa	Wolniewicz	Poland	Polskie Stowarzyszenie Aktuariuszy	Delegate

42	Ana	Martins Pereira	Portugal	Instituto dos Actuarios Portugueses	Delegate
43	Cathal	Fleming	Republic of Ireland	Society of Actuaries in Ireland	Delegate
44	Philip	Shier	Republic of Ireland	Society of Actuaries in Ireland	Observer
45	Declan	Lavelle	Republic of Ireland	Society of Actuaries in Ireland	Delegate
46	Bryan	O'Higgins	Republic of Ireland	Society of Actuaries in Ireland	Delegate
47	Tony	O'Riordan	Republic of Ireland	Society of Actuaries in Ireland	Chair Insurance
48	Mária	Kamenárová	Slovak Republic	Slovenská spoločnosť aktúárov	Delegate
49	Katarina	Kijacova	Slovak Republic	Slovenská spoločnosť aktúárov	Observer
50	Maitane	Mancebo	Spain	Instituto de Actuarios Españoles	Chair Pensions
51	Aitor	Milner	Spain	Instituto de Actuarios Españoles	Delegate
52	Luis	Saez de Jauregui	Spain	Instituto de Actuarios Españoles	Observer
53	Gregorio	Gil de Rozas	Spain	Instituto de Actuarios Españoles	Delegate
54	Anders	Munk	Sweden	Svenska Aktuarieföreningen	Delegate
55	Lionel	Candaux	Switzerland	Association Suisse des Actuaires	Delegate
56	Lutz	Wilhelmy	Switzerland	Association Suisse des Actuaires	AAE Board - Obs.
57	Cenk	Yalcin	Turkey	Actuarial Society of Turkey	Observer
58	Nurdan	Turkdemir	Turkey	Actuarial Society of Turkey	Delegate
59	Malcolm	Kemp	UK	Institute and Faculty of Actuaries	Chair RMC
60	Kartina Tahir	Thomson	UK	Institute and Faculty of Actuaries	AAE Board - Obs.
61	Tom	Wildsmith	USA	American Academy of Actuaries	Observer