

SETTING TARGETS FOR THE AAE

INTERVIEW BY
JENNIFER BAKER

The Actuarial Association in Europe (AAE) has identified major goals. Delivering on these objectives is part of the responsibility of the Board of Directors of the AAE, which wants to develop the European actuarial profession so it is ready to provide objective, independent, professional advice to European institutions and stakeholders on all matters of actuarial relevance, in pursuit of the public interest and strengthen cooperation within the industry.

The Chair of the board, **Mária Kamenárová**, has a wealth of experience to draw upon to meet this challenge. She is currently Risk Manager at Swiss Re as well as the current President of the Slovak Society of Actuaries.

MS KAMENÁROVÁ'S

specialisation is in financial and operational risk management, Solvency II, IFRS 17 and actuarial fields in both life and non-life insurance and pensions. She has a PhD in the quantitative method in economy in Economic University in Bratislava.

Can you explain the Actuarial Association in Europe's current strategy?

'The strategy is defined by three objectives: build a strong European actuarial community; enhance the relationship with the European institutions by playing a prominent role in shaping the development of new European legislation; and promote professionalism and help to ensure that the regulated actuarial work is performed by

those who are properly qualified to undertake it and are subject to the professional standards. This strategy was defined in previous years, but the implementation of these strategic objectives is the main focus for me, as only by then we can see the difference and have proof of our added value.

We would like the brand of the 'European Actuary' to be widely recognised and to further

strengthen it. Our aim is to promote the understanding that fully qualified actuaries provide a guarantee of high quality professional work, done by those who are properly skilled, experienced and are acting within the professional code of conduct, under the professional standards. For example in October this year new continual professional development (CPD) requirements were approved. They define minimum hours of additional studies in either hard skills or soft skills for all qualified actuaries. We believe that clarification of the *'fit and proper'* requirements will be achieved. That might evolve to recognition by national regulators across Europe for the qualified actuaries that are members of local actuarial associations.

'We would like the brand of the 'european actuary' to be widely recognised and to further strengthen it'

We define *'fit'* as complying with the European Core Syllabus, Code of Conduct and Professionalism standard. Our goal is to provide assurance to our stakeholders: managers in insurance companies, pension funds, regulators, and also consumers, that it is safer for them to select qualified



MÁRIA KAMENÁROVÁ

individuals who are experienced in performing the services of for example chief actuaries, responsible actuaries, pricing actuaries, or actuaries in risk function and so on. The next very important part of our strategy will reflect the most recent challenges arising in society either the ageing population, climate and sustainability risk or review of many existing European regulations. And last but not least

we want to keep our volunteers engaged and attract new ones.'

What goals do you want to achieve?

'There are many and it is important to be selective and to prioritise carefully. We are working on a volunteer basis thus it is extremely important to keep the active members of our

professional community engaged and to listen carefully to their advice and preferences. After that it is important to find the common ground for topics where we have agreement and create the action plan.

Currently we have identified six main goals. They are:

1. Provide best advice to the stakeholders in Solvency II framework review;
2. Implementation of IFRS 17;
3. Adequacy of pension systems;
4. Evaluation of Covid 19 impact;
5. Promote professionalism and education; and
6. Assess sustainability and climate risks.

The current top risks are identified in the Environmental, Sustainable and Governance (ESG) area, therefore it is important to formulate and clarify the AAE position and to communicate clearly the concrete deliverables. For example, that means to work on and get clarification around the climate risk scenarios for insurance companies, but also for pension funds and IORPS.

‘There are new initiatives like the pension tracking system (pts) or pension dashboard’

Next to this important area for sustainability, is in pension systems, although the situation is different in each member state, there are new initiatives like the Pension Tracking System (PTS) or Pension Dashboard. PTS should provide consumers with consistent and understandable information about the performance of pension plans at national level.

Our interest is to provide the proper guidance on how to allow for the proper implementation of the European differences in the IFRS 17 standard, that covers the accounting standard for insurance contracts.

AAE provides the platform to our member associations to exchange experience and knowledge in these areas and related governance, and to explore the possibilities to get the recognition of actuaries as Reporting Actuary in European legislation. It is not easy as it seems as there is a shortage of strong political support.

Currently the roles for actuaries under statutory technical reserves (in some member states it will be IFRS standard) are governed by local rules.

The definition for local rules range from highly regulated and supervised like in Spain, to the opposite end of the spectrum, not being regulated at all, for example, in Slovakia.

There are also short term goals as we are organising several events for actuaries. The most

important one is the AAE round table on Solvency II review and expectations towards the actuaries in post-pandemic world, and among others is the 4th European Congress of Actuaries in June 2022 in Madrid.’

Finally, what is your opinion of the development of the profession?

‘It is very important to engage young actuaries.

To create the interesting career opportunities that help them to be well prepared to address the challenges in the near or more distant future. The actuarial profession has an irreplaceable place in society. We are able to be flexible, skilled professionals that act with high integrity and can model future risks, but we have to improve our communication of professional judgement and to market more our skills and main strengths.’