

AAE Board Report to MAs January 2022

1) INTRODUCTION

In this newsletter the Board of the AAE wants to inform you about developments during the fourth quarter of 2021.

2) AAE BOARD

The AAE Board met three times in the fourth quarter of 2021: conference calls were held on 13 October and 8 December 2021. An in person strategic meeting was held on 19 November at the AAE Office in Brussels.

The Senior Officers met three times in the fourth quarter of 2021 for preparation purposes (prior to each Board meeting).

Decisions

Following the approval of the new MRA in the General Assembly held on 1 October 2021, the Board requested all AAE Full Member associations to confirm the AAE's amended MRA.

The Board accepted the proposal from the Slovak Society of Actuaries to host the 2023 Spring Meetings in Bratislava. The dates will be communicated as soon as they are available.

The Board approved the new Terms of Reference for the Communications Panel.

The Board agreed to commit to Convention A, a global online convention taking place from 19-23 September 2022. The AAE will provide the programme and the speakers for two blocks (4 hours each).

The Board approved the AAE Position on Sustainability and Climate Change.

The Board decided to organise a Presidents' Meeting on 17 February 2022.

The Board decided to publish that the AAE's amended MRA has been confirmed, effective as of 1 January 2022.

AAE was informed that IFoA has withdrawn their participation in the AAE MRA, effective 1 January 2022. Grandfathering rules are still being respected (see the [news item](#) published on the AAE website).

Virtual events in 2021

The Board decided to organise the following webinars/virtual events:

Webinars in Q4 2021 were held on:

- 25 October 2021 – **‘Why actuaries should consider also macro-prudential framework’** - organised by the Insurance Committee, with 68 participants.
- 14 December 2021 – **‘The added value of Social Security actuaries – In what way, is actuaries’ advice considered in policy decision-making in Member States?’** - organised by the Social Security Subcommittee, with 164 participants.

Roundtable

The following roundtable was held on:

- 30 November 2021 - **Roundtable "Solvency II Review: Expectations towards actuaries in a post-pandemic world"**

Virtual events in 2022

The Board decided that for 2022 a minimum of 4 webinars will be organised as well as 2 Roundtables. Scheduled are the following webinars:

- 1 February 2022 – **‘Sustainability and Climate Change – what does it mean for risk management in Insurance and Pensions?’** – organised by the Risk Management Committee
- 9 March 2022 – topic to be determined – organised by the Pensions Committee

Blogs

Blogs written by board members or committee chairs are now a regular feature on the AAE website. In the fourth quarter, the following blog was published:

- **How to Eat an Elephant – on the insurability of a pandemic** by Esko Kivisaari

Meetings with European Stakeholders

An overview of meetings with stakeholders in 2021 fourth quarter can be found at the end of this document as Annex 1, as well as on the AAE website under ‘Members Only/Meetings with Stakeholders’ or using this [link](#). Please note that a login will be required.

Press releases, Consultations and other publications

Consultations

The AAE regularly responds to consultations that are of actuarial interest. Following these responses AAE publishes a summary of the response and a link to the full responses and the consultation.

- On 13 October 2021 the AAE commented on the **EIOPA's consultation on the approach to the supervision of run-off undertakings.**
- On 14 October 2021 the AAE commented on **EIOPA's consultation on the amendments of supervisory reporting and disclosure requirements.**

- On 10 November 2021 the AAE commented on [EIOPA's Consultation on the revision of the Guidelines on Contract Boundaries](#)
- On 11 November 2021 the AAE commented on [EIOPA's Consultation on the revision of the Guidelines on Valuation of Technical Provisions](#)
- On 16 December 2021 the AAE commented on [ESAs Call for evidence on the European Commission mandate regarding the PRIIPs Regulation](#)
- On 22 December 2021 the AAE commented on [the Commission's survey on Redeveloping European statistics on population](#)

AAE Press Releases and News items

- On 14 October 2021 the AAE published [a news item](#) announcing that the Call for Papers for ECA 2022 is open until 31 October 2021.
- On 25 November 2021 the AAE published [a news item](#) announcing the prize winner of the best AAE slogan.
- On 16 December 2021 the AAE published [a news item](#) on the Confirmation of AAE's amended MRA.

AAE Positions and Discussion Papers (publications)

- On 19 October 2021 the AAE issued the [AAE Discussion Paper on Future Role of Social Security Actuaries in Europe](#).
- On 9 December 2021 the AAE published the [AAE position Sustainability and Climate Change](#).

The European Actuary

- On 1 December 2021 the AAE issued [the new edition of The European Actuary \(no. 28 - December 2021\)](#).
- On 6 December 2021 the AAE issued a [News item: 'New Chair Mária Kamenárová has plans to strengthen the brand of the European actuary and identified six goals to do so.'](#)
- On 9 December 2021 the AAE issued a [News item: 'To what extent can mortality data from 2020 and 2021 be of use, given how abnormal these years have been?'](#)
- On 13 December 2021 the AAE issued a [News item: 'Giampaolo Crenca looks back on a successful Italian Congress.'](#)
- On 15 December 2021 the AAE issued a [News item: 'Siegbert Baldauf discusses relevant questions on the amended framework of Solvency II.'](#)
- On 17 December 2021 the AAE issued a [News item: "What role should actuaries play with regard to social security?'](#)
- On 20 December 2021 the AAE issued a [News item: 'Esko Kivisaari discusses why people are struggling with mental health conditions being denied cover.'](#)
- On 21 December 2021 the AAE issued a [News item: 'Floriane Moy describes Gaia, a London-based InsurTech startup, or: how to build a new insurance product?'](#)
- On 22 December 2021 the AAE issued a [News item: 'The Covid-19 crisis makes us think about the correlation between life and non-life and the role governments are playing in this, claims Romain Durand](#)

All press releases and news items are available [on the website under AAE News](#).

All issues of the European Actuary magazine are available [on the website under](#)

Publications

All publications are available [on the website under Publications](#).

Actuview

- For the years 2022-24, all European actuaries can access www.actuview.com for free thanks to AAE's central agreement
- Today, 6,800+ users from Europe are registered
- Currently, there are more than 1,950 videos available, 95 of which have been published by AAE in its [content channel](#), including the [2nd AAE Roundtable - Solvency II Review: Expectations towards Actuaries in a Post-pandemic World](#)

3) AAE COMMITTEES

Education Committee (EC)

The last meeting of the AAE Education Committee took place on 30 September 2021 as a hybrid meeting with around 25 delegates and observers from 15 different member associations.

Implementation of the AAE Core Syllabus

On behalf of the Education Committee the Secretariat sent out the excel spreadsheet for AAE member associations to perform a mapping of the local education requirements against the AAE Core Syllabus.

Associations are asked to report back until March 2022 such that the first reviews can place at the Spring meeting of the Committee. It is planned to perform the reviews together, so that a common level for the review can be found.

This will be the first review of national education requirements against the current AAE Core Syllabus which has to be implemented until end of December 2022.

European Congress of Actuaries 2022

Several members of the AAE Education Committee supported the work of the Program Committee of the European Congress of Actuaries 2022 which will take place on 2 and 3 June 2022 in Madrid, Spain. The program for the ECA 2022 will be published by the end of January 2022.

Ethical foundation

Based on the work of a small Task Force "Ethical foundation" of the Education Committee a web session in cooperation with the European Actuarial Academy was organised. The two-day session with committee member Colm Fitzgerald dealt with "Professionalism Plus – Ethics for Enhanced Professionalism".

Insurance Committee (IC)

The year 2021 last quartile started with a number of activities that was discussed over the annual meeting in Sursee. The main activities for IC during the Q4 can be summarized as following:

- Solvency II WG continued on the preparation to best respond to the new Solvency II legislation review package, which was published at end September by the European commission. The WG have been updating continuously the one-pager around the main issues which has been used to discussions with MEP's, EIOPA, IE and then also on the formal response to EC that has the DL in Jan 2022. The WG has also been preparing for answers to other consultations.
- Cyriaque Tegua, as the new chairperson was formally approved into the position and has continued the work after Declan stepped down. The work has continued around the various topics on Solvency II non-life issues, climate change and the new environmental liability directive.
- On IFRS17 the term of the task force was extended by one year (end 2022) but without any other changes to the ToR and also Kristoffer continues leading the work. Also a decision was made by IC on December to proceed developing an EAN instead of an ESAP in relation to the work around IFRS 17 with a focus on the EU carve-out on annual cohorts.
- Low interest rates WG has been continuing the work and keeping a number of different work streams in preparation. As an additional idea, a topic on actuarial fairness has been prepared and did got a lot of positive feedback in the annual meeting. The WG activities and plan for 2022 has been discussed (also in Nov board meeting) with a decision to discuss how to best come up with a doable plan and possibly streamline the work.
- Consumer protection WG has been contributed extensively to the call for evidence on PRIIPS but also to the value for money on UL business – topic.
- IC had a telco on mid-December to ensure all activities are running well and smoothly.
- IC organized its annual webinar in end October with a title of 'Why actuaries should also consider macro prudential framework'. The webinar went well although it didn't catch as much participants as it potentially could have had (only around 60-70 people).

Pensions Committee (PC)

The last quarter of 2021 was a productive one for the Pension Committee. There were several areas where we focused our activities:

1. EIOPA consultation on Data collection – European statistics on population (ESOP)

Mortality TF worked on that task. Prof. David Bogataj who is leading the TF has prepared the initial version of the response. He presented his observations during the PC' video call organized on 16th December.

The existing practices in different countries were discussed as well as the lack of mortality statistics selected for the insurance business on some markets.

2. **Social Security Subcommittee Webinar ‘The added value of Social Security actuaries – In what way is actuaries’ advice considered in policy decision-making in Member States?’, 14 December 2021**

During the webinar several important topics were presented, namely: Short and long term consequences of COVID19 pandemics on social security systems of EU member states; Role of social security actuaries in Europe and Setting-up an effective actuarial function in social security. More than 100 participants joined the webinar including some external experts for government bodies of several countries.

3. **Pensions Committee Webinar is now planned for 9th of March**

Considering the success of discussion on the Pension Tracking Services (PTS) (that took place during the PC’ meeting in Sursee) the members of PC decided to continue with analysis and further development of the topic and to organize a webinar on the PTS in March. Volunteers were selected and the initial agenda for the webinar has been prepared. We also invited as external presenter Mr. Jan Berndsen who was leading EIOPA TF on PTS.

Professionalism Committee (ProfC)

Actuarial Standards Sub-Committee (ASSC):

- **EAN on Professional Judgement:** 1st Exposure Draft of European Actuarial Note (EAN) on Professional Judgement for formal consultation until 22nd of February 2022.

Compliance Review Task Force:

- The compliance reviewer composed of members of the ProfC had two meetings to kick-off the review process on the 29th of November 2021 and 3rd of December 2021. The review is ongoing until the 14th of January 2021 deadline and the ProfC Chair will report back on the results to the AAE Board at the January AAE Board meeting.

IFRS 17:

- The Insurance Committee in collaboration with the ASSC are currently developing a “Proposal To Develop an EAN” on the EU endorsement process of IFRS 17 containing a specific European relaxation to the general requirements of the standard. As soon as the ProfC received the PDEan, it will be reviewed and opined on.

Risk Management Committee (RMC)

The last formal meeting of the RMC happened just before the start of the quarter but a joint meeting with the Insurance Committee and Pensions Committee was held on 1 October 2021 which included discussion on Covid-19 and longer-term mortality trends, an overview of the Solvency II Review and an update on the work of the Sustainability and Climate Related Risks Working Group (SCRR WG). The SCRR WG reports into the RMC. The SCRR WG was itself quite active during the quarter. Its work included drafting of a summary AAE position note on Sustainability and Climate Change and continuing development of other documents within the scope of its mandate, including one on what a sustainable economy might look like over the longer term and another on potential reputational risks stemming from sustainability issues.

During the quarter, the SCRR WG and RMC developed plans for a webinar to focus on the AAE position on sustainability, the impact on reputational risks of insurance and pension companies as a result of sustainability issues and some other aspects of sustainability and climate change in insurance and pensions. This webinar is due to take place on 1 February 2021. Members of the RMC also continued to contribute to the activities of the Solvency II WG

The RMC also prepared a very short summary of the AAE's stance on macroprudential matters, initially for the benefit of Board representatives at meetings with EIOPA, although the text has also now been included in an AAE consultation response on the EU Commission's plans in relation to the Solvency II Review.

Artificial Intelligence/Data Science Working Group (AI/DS)

- The Artificial Intelligence & Data Science Working Group operates under the Board. Member Associations are able to have one or more delegates to this Working Group. The Working Group operates totally virtually.
- The Working Group adopted its Terms of Reference which were only very slightly modified compared with the earlier ToR of the corresponding workstream under the Role of the Actuary Task Force working for the Professionalism Committee.
- In its meetings the members have gotten to know each other and the topics in the near future will be:
 - responding to EU initiatives/consultations (e.g., in the EU Digital Finance Strategy the topics of open finance/open insurance and operational resilience.
 - white papers (under preparation a paper on the tension between insurability and more efficient use of data).
 - look at court cases on breaches of regulation.
- the agendas and minutes of the Working Group are available in the AAE web site under the Board.

4) MISCELLANEOUS

- We advise you to regularly check our **website** under 'Members Only' for the latest news.
- All other (detailed) information of AAE committee meetings can be found at our website (**www.actuary.eu**) under 'Members Only' or through this **link**.
- For additional information please contact Monique Schuilenburg, Operations Manager at **moniques@actuary.eu**.

ANNEX 1

An overview of contacts with external parties, stakeholders and member associations 2021 Q4

Date	Stakeholder	Venue	Stakeholder delegate(s)	AAE delegation
6-Oct-21	EIOPA - Best Estimate conference call event	virtual		Lauri Saraste, Siegbert Baldauf
7-8 October 2021	8th Joint ESAs Consumer Protection Day	virtual		Valéry Jost, Tobias Rieck, Florence Faure
12-Oct-21	DG FISMA - Solvency II Review and Sustainability/Green Deal, Pension Adequacy	virtual	Didier Millerot, Violeta Ananieva Schneider, Laszlo Lovas and Menno Van de Pol	Mária Kamenárová, Lutz Wilhelmy, Wilhelm Schneemeier
13-Oct-21	AVÖ - Aktuarvereinigung Österreichs - 50th Anniversary AVÖ	Vienna		Wilhelm Schneemeier, Mária Kamenárová
14-Oct-21	EIOPA - EIOPA event on EU Commission's call for advice on pension tools	virtual		Tatiana Bitunska
15-Oct-21	EIOPA - Solvency II, Pensions, Sustainability, Digital agenda of the EU	virtual	Petra Hielkema (partly), Justin Wray, Ornella Caruso, Lazhare Bouldi, Carlos Guine	Wilhelm Schneemeier, Maria Kamenarova, Lutz Wilhelmy, Siegbert Baldauf
22-Oct-21	European Parliament - Solvency II Review, Sustainability/Green Deal, Role of actuaries under SII and IFRS17	virtual	MEP Luis Garicano	Mária Kamenárová, Wilhelm Schneemeier, Luis Saez de Jauregui, Rafael Moreno Ruiz
26-Oct-21	European Parliament - Solvency II Review, Sustainability/Green Deal, Role of actuaries under SII and IFRS17	virtual	MEP Eero Heinäluoma, Jan Moens (his advisor on ECON & FISC policies)	Wilhelm Schneemeier, Maria Kamenarova
4-Nov-21	IFoA - The Road to Glasgow: the global actuarial response to climate change	virtual	Louise Pryor	Falco Valkenburg (speaker)
4-5 November 2021	American Academy of Actuaries - Annual Meeting & Public Policy Forum	hybrid	Craig Hanna, Tom Wildsmith	Mária Kamenárová (virtual)
10-12 November 2021	XIII National Actuarial Congress ISOA	Rome/virtual	Giampaolo Crenca	Mária Kamenárová, Gunn Albertsen, Falco Valkenburg, Esko Kivisaari, Raffaello Marcelloni, Daniela Martini
26-Nov-21	DG FISMA - Solvency II Review	virtual	Menno van den Pol, Mr Hintze	Siegbert Baldauf, Wilhelm Schneemeier

29-Nov-21	Insurance Europe - Solvency II Review, Sustainability, Digitalisation , IFRS17 our activities - role of actuary, Value for Money	Virtual	Olav Jones, Nicolas Jeanmart, William Vidonja	Mária Kamenárová, Lutz Wilhelmy, Lauri Saraste, Matthias Pillaudin
30-Nov-21	AAE Roundtable "Solvency II Review: Expectations towards actuaries in a post-pandemic world"	virtual	Panelists: Leigh Wolfrom (OECD), Martin Merlin (EC), Angus Scorgie (Insurance Europe) Esko Kivisaari	Lutz Wilhelmy (moderator)
4-Dec-21	IAA	Madrid/hybrid	Jan Kars, Tonya Manning, Roseanne Harris, Mathieu Langelier	Mária Kamenárová, Wilhelm Schneemeier, Lutz Wilhelmy
7-Dec-21	5 th EIOPA sustainable finance roundtable	virtual		Daphné De Leval, Philippe Demol, David Dubois, Jérôme Crugnola-Humbert, Bernd Hirschfeld
13-Dec-21	EIOPA - Post public consultation event on EIOPA Reporting and Disclosure ITS amendments 2021	virtual		Daphné de Leval, Siegbert Baldauf
16-Dec-21	EIOPA 2021 Insurance Stress Test – Publication of the result	Virtual		Lauri Saraste, Siegbert Baldauf