

MEETING MINUTES OF THE PROFESSIONALISM COMMITTEE

HELD ONLINE

ON FRIDAY 1 APRIL 2022 FROM 09.00-13.00 CEST

MINUTES

Name List: BK – Birgit Kaiser / CH – Christophe Heck / FS – Frank Schiller / HM – Hillevi Mannonen / JCH – Jérôme Crugnola-Humbert / KB – Kristoffer Bork / KG – Karel Goossens.

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

1.	OPENING OF MEETING AND ADOPTION OF THE AGENDA	Owner
	<ul style="list-style-type: none"> - Round of presentation; - No notice confidential matters for item 6.5. 	CH
2.	MINUTES OF PREVIOUS MEETING	
	<p>Decision:</p> <ul style="list-style-type: none"> Meeting Minutes of the meeting held in Sursee on 01.10.2021 are approved. <p>Items:</p> <ul style="list-style-type: none"> CH raised the request from the Swiss Association of Actuaries (SAA) and adds it as agenda point 2.1 as the AAE Board is attending the first part of the meeting for any comments/questions. 	CH
2.1.	Request from the SAA on EEA vs EU requirement for Senior Officers	CH
	<p>Decision:</p> <ul style="list-style-type: none"> Creation of a TF to analyse the history of the EU requirements for Senior Officers in the Statutes and impact on the AAE of the differences between EEA and EU. The TF will be composed of Gábor, Malcolm, Esko, Birgit (chair) and Helge-Ivar. <p>Items:</p> <ul style="list-style-type: none"> CH: the ProfC received the request from the AAE Board to exchange on the request sent by the Swiss Association of Actuaries (appendix 2.1). The essence of the question is whether EEA FMAs should be treated differently from EU FMAs. Romain: France thinks there are reason for the rules. France is reluctant to amend the Statutes. One should consider the consequences in the long term of such changes and therefore this analysis shouldn't be hurried. Gábor: personal opinion resonates with the opinion of the French Institute. Such a topic needs time to be decided and if a request is submitted two days before the meeting, one cannot expect the ProfC Members to contact their FMA's Board for an opinion. 	

	<ul style="list-style-type: none"> ▪ CH: the mandate received by the Board is not to decide and to change the Statutes but to have an exchange on key considerations and recommendations as specified in the email shared with Gábor and the ProfC. ▪ Lutz: EU is also EEA and not only Norway, Iceland and Liechtenstein. ▪ Esko: to bring some history, the Groupe Consultatif's (now AAE) goals is to be as inclusive as possible and to provide technical assistance to EU bodies. While EEA countries obey Solvency II rules, it is still the EU which is the body making and deciding on the directives. The rule for the Senior Officers was to keep the AAE as credible as possible when meeting EU bodies. ▪ Wilhelm: the discussion in the ProfC is not about agreeing changes in the Statutes or somewhere else in the Governance documents but to start an exchange on whether treating EEA FMAs differently from EU FMAs is sensible. ▪ Tony: one should keep in mind that the EEA countries may join the EU in the future. Furthermore, the AAE is an expert association and our advice is asked for technical matters. When Tony was representing EIOPA there was little differences given between EEA and EU advisors. ▪ Malcolm: the leadership of the Groupe Consultatif was composed of the three Senior Officers with the Committee Chairs. There was no Board as there is today. At the time, they thought that the AAE should have no restrictions with regards to the requirements for Senior Officers but it was also about the reputation towards EU institutions. Therefore, the Statutes are a compromise between those two views. The main argument surrounding making restrictions is the credibility towards EU institutions if we don't have EU Senior Officers. Malcolm's view is that removing the EU majority rule for the AAE Board is not a problem but for Senior Officer it is. ▪ Maria: the reason that it is raised now in the ProfC is that the request came two days ago and the AAE Board had the opportunity to exchange on it during the AAE Board meeting held the day before. The goal is to raise the topic and have views from the ProfC on how to move ahead. ▪ Lutz: SAA decided to send the request as it became aware of the challenge. Furthermore, EU institutions listen to a lot of other people that only EU experts. Furthermore, some EEA countries are subject to EU rules and can't impact them. ▪ Gábor: requests feedback on what the differences between EEA and EU are and what is the impact on the AAE. ▪ Esko: AAE is composed of technicians and not politicians. Therefore, providing access to non-EU Board Members to Senior Officer positions for lobbying EU regulations is not a good argument. ▪ Lutz: Referring to Esko comments, mentions that the fact to be affected by EU regulations makes you more credible on certain regulations and it is not about lobbying EU regulations. 	
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3.	MONITORING PROFESSIONALISM AND SUPPORT TO FMAs	
3.1.	MRA	CH
	<i>Items:</i> <ul style="list-style-type: none"> ▪ Update on feedback and exchanges with FMAs. 	
3.2.	CPD Guidelines	CH
	<i>Items:</i> <ul style="list-style-type: none"> ▪ Reminder to start implementation as the CPD guidelines will be in force starting the 01.01.2024. 	
3.3.	Compliance Review Task Force	CH
	<p>Decision: Non-compliance process was approved for presentation to the AAE Board.</p> <p>Items:</p> <ul style="list-style-type: none"> ▪ CH presented the exchange from the joint ProfC and EduC meeting and the new process developed by the TF. ▪ Proposal was well received and the following amendments were made: <ul style="list-style-type: none"> ○ Unanimous vote is the best option as in worst case we have the cooling-off period. BK mentioned that it is a sensitive issue to change voting rules and it should be a rare exception. Consequently, it was decided to favour not changing voting rules and taking the risk that the process goes a couple of months longer due to the cooling-off period. ○ Lutz mentions that the Swiss law (on which AAE's governance is based) requires a vote when a situation is unclear. Therefore, the option of an automatic process (i.e. not going through a vote) is not wished. ○ Maria and Gábor mention that the process shouldn't last too long as it puts the MRA at risk. ○ Christophe mentions that there are two important dimensions, one is to keep the FMAs in the AAE as far as possible and that the FMAs must be compliant. Therefore, if the process is a bit longer but increases the chances to keep the FMA within the FMA, this process should be selected. ○ Angel mentions that one should consider what to do with an FMA having agreed a plan and voted for the changes at the FMA's GA but then, the new documents are not approved by the reviewers. 	
4.	ACTUARIAL STANDARDS	
	Work of the ASSC	HM
4.1.	<i>Items:</i> <ul style="list-style-type: none"> ▪ Presentation of the work of the ASSC, including Workplan (Appendix 4.1.1); the Workplan was approved ▪ 	
4.2.	ESAP 3 review	HM
	<i>Items:</i> <ul style="list-style-type: none"> ▪ The Committee approved the ASSC proposal relating to the ESAP 	

	3 review (Appendix 4.2.1.) <ul style="list-style-type: none"> Jean-Claude De Pooter (ASSC) was appointed as a member to the ESAP 3 Review Task Force. 	
4.3.	EAN on Prof Judgement	KG
	<p>Decision: Approved by ProfC to proceed to approval by General Assembly.</p> <p>Items:</p> <ul style="list-style-type: none"> Presentation of updates (Appendix 4.3.1); AAE to contact IAA and Yvonne Lynch on collaborating on ProfJ. 	
4.4.	IFRS 17 in the EU	KB
	<p>Decision: The proposal to develop an EAN on IFRS 17 was approved (Appendix 4.4.1)</p> <p>Items:</p> <ul style="list-style-type: none"> The TF will write an EAN which will add some European specificities to the IAN100 where those are required. Lutz asks the TF to refer to a specific version of the IAN100 when writing the EAN. Maria asks to inform the IAA on what we are doing to ensure a good coordination. The TF needs to finalize the first steps in the due process and then the ProfC will need to approve the exposure draft for FMA consultation by the summer in order for the EAN to be ready for Rome. The TF will submit a survey to ask how insurance companies can use the SII methodology and calculations for IFRS 17. 	
	Coffee break	
5.	ROLES OF ACTUARIES	
5.1.	Fit and Proper	CH
	<p>Items:</p> <ul style="list-style-type: none"> Update on Fit and Proper (Appendix 5.1.1); Gábor: Because of actuarial judgement, being fit and proper will be important for IFRS 17. The nature of the work requires actuarial input and judgement. Professional judgement is part of an actuary's work. We should refer to the framework where actuarial judgement will be needed but the actuarial activity is not reserved as for example the reporting actuary. Lutz: we should start with core actuarial activity and then extend and not go too far. Karel: to mention that it is a follow up to the document on legal recognition which was published. AAE Board promised to publish the report on legal recognition. Régis de Laroullière made a document on "Fit and proper". Maria: the document referred by Karel was published and presented at the President's meeting. Esko: important to differentiate the old world idea of what is Fit and Proper to the new world. What is coming from banking union and ECB is more and more stringent. Rules which are set for 	

	<p>leadership positions are really demanding. As a consequence, EIOPA is taking a strong position with regards to those requirements. There are currently differences between countries but we are heading to a much more harmonized way of considering “Fit and proper” and we need to take that seriously and take it in our agenda with EIOPA.</p> <ul style="list-style-type: none"> ▪ Jules: the report should refer to ESAP 2 and NL have worked on “Fit and Proper” on Solvency II. Jules will share the document with Christophe. ▪ Christophe to send a request for volunteers. 	
5.2.	Sustainability and Climate-related Risks Working Group	JCH + FS
	<p>Items:</p> <ul style="list-style-type: none"> ▪ Presentation of work done by the working group and coordination with Professionalism topics; ▪ Support to the webinar programme proposed by Frank and Jérôme. ▪ Gábor made a request to coordinate the work between the IAA and AAE as it is an international activity. 	
6.	GENERAL BUSINESS	
6.1.	Meeting with External Organisations and Stakeholders	CH
	<p>Items:</p> <ul style="list-style-type: none"> - Overview of meetings held between delegations of the AAE and the respective stakeholders. 	
6.2.	Future Annual and Spring Meetings	CH
	<p>ECA 2022: LINK</p> <ul style="list-style-type: none"> - 2022 – Madrid, Spain – 2/3 June 2022; <p>Annual Meetings</p> <ul style="list-style-type: none"> - 2022 – Rome, Italy – 7 October 2022 (LINK); - Offers to host other Annual meetings from 2023 onwards will be discussed. <p>Spring Meetings</p> <ul style="list-style-type: none"> - 2023 – Bratislava, Slovakia – 19-21 April 2023 (dates tbc); - Offers to host other Spring meetings from 2024 onwards will be discussed. 	
6.3.	Information Exchange	CH
	<p>Items:</p> <ul style="list-style-type: none"> ▪ Portugal: Lourdes asked whether someone was interested to teach Professionalism in Lisbon for 1.5 days in front of a class of 30 persons. Any interested person should reach out to Lourdes Afonso. 	
6.4.	Any Other Non-Reserved Business	CH
	<p>Items:</p> <ul style="list-style-type: none"> ▪ Future of actuary: <ul style="list-style-type: none"> ○ Gábor asks what was the decision with regards to establishing a future of the actuary task force. ○ Maria mentioned that the Board developed a list of strategic topic for the AAE during the strategic Board meeting and is working on various initiatives in the wider 	

	<p>fields for actuaries. The future of the actuary is split and represented in the various strategic topics. She also mentioned that the ProfC can also create a TF on this topic, if wanted.</p> <ul style="list-style-type: none"> ○ Christophe mentioned that currently the ProfC is working on several fronts and have a limited number of volunteers. Furthermore, the key topics are encompassed in various AAE initiatives in the wider fields. 	
6.5.	Reserved (Confidential) Business – If any	CH
	<p>Items:</p> <ul style="list-style-type: none"> ▪ No reserved confidential business 	

Annex 0.1

Participants Professionalism Committee meeting Virtual | 1 April 2022

	Last name	First name	Member Association	Country	Role
1	Hirhager	Karin	AVÖ	Austria	Delegate
2	Sorger	Hartwig	AVÖ	Austria	Observer
3	Goossens	Karel	Institute of Actuaries in Belgium	Belgium	Delegate
4	Bitunska	Tatiana	Bulgarian Actuarial Society	Bulgaria	Observer
5	Videnov	Angel	Bulgarian Actuarial Society	Bulgaria	Delegate
6	Zornitsa	Zaharieva	Bulgarian Actuarial Society	Bulgaria	Observer
7	Cesarec	Mirjana	Hrvatsko Aktuarsko Društvo	Croatia	Delegate
8	Bork	Kristoffer	Den Danske Aktuarforening	Denmark	Delegate
9	Kivisaari	Esko	Actuarial Society of Finland	Finland	Delegate
10	Mannonen	Hillevi	Suomen Aktuaariyhdistys	Finland	Chair ASSC
11	Béhar	Thomas	Institut des Actuaire	France	Observer
12	Durand	Romain	Institut des Actuaire	France	Delegate
13	Kaiser	Birgit	Deutsche Aktuarvereinigung	Germany	Vice-chair
14	Schiller	Frank	Deutsche Aktuarvereinigung	Germany	Observer
15	Schneemeier	Wilhelm	Actuarial Association of Europe	Germany	AAE Board-Observer
16	Hanak	Gabor	Magyar Aktuárius Társaság	Hungary	Delegate
17	Zsabó	Zoltán	Magyar Aktuárius Társaság	Hungary	Observer
18	Crenca	Giampaolo	ISOA	Italy	AAE Board-Observer
19	Kars	Jan	IAA	Netherlands	Observer
20	Krijgsman van Spangenberg	Jules	Koninklijk Actuarieel Genootschap	Netherlands	Delegate
21	Magnussen	Helge-Ivar	Den Norske Aktuarforening	Norway	Delegate
22	Krzykowski	Marcin	Polskie Stowarzyszenie Aktuariuszy	Poland	Delegate
23	Afonso	Lourdes	IAP	Portugal	Delegate
24	Jeffery	Tony	Society of Actuaries in Ireland	Rep. of Ireland	Delegate
25	Kamenarova	Maria	Actuarial Association of Europe	Slovakia	AAE Board-Observer
26	Ferrando Piñol	Alberto	Col·legi d'Actuaris de Catalunya	Spain	Delegate
27	Campbell	Malcolm	Svenska Aktuarieföreningen	Sweden	Delegate
28	Lundgren	Maryna	Svenska Aktuarieföreningen	Sweden	Observer
29	Blanco	José	Association Suisse des Actuaire	Switzerland	Delegate
30	Heck	Christophe	Swiss Association of Actuaries	Switzerland	Chair
31	Crugnola-Humbert	Jérôme	Swiss Association of Actuaries	Switzerland	Observer
32	Wilhelmy	Lutz	Swiss Association of Actuaries	Switzerland	Observer
33	Stewart	Emma	Institute & Faculty of Actuaries	UK	Delegate
34	Gilpin	Emma	Institute & Faculty of Actuaries	UK	Observer
35	Wasserman	Simon	FRC	EK	Observer
36	Wildsmith	Tom	American Academy of Actuaries	USA	Observer