ACTUARIAL ASSOCIATION OF EUROPE

Non-Life Working Group Update

Insurance Committee, Rome

6th October 2022

Presenter: Cyriaque TEGUIA

Updated membership

- Since March 2022, the composition of the Non-Life Working Group has been stable in terms of the number of participants.

- There is a core group of about five active and involved members. This is very appreciable compared to the past.

Workplan

- In addition to the usual work of responding to EIOPA consultation, a workstream is opened on "how to deal with inflation in a non-life insurance company?“

- The end of the work is planned for this workstream **in March 2023**, as a survey needs to be conducted.

A few words on the year's achievements

Responses to EIOPA consultations

- Since January 2022, the Non-Life Working Group has responded to 3 of the four EIOPA consultations sent to it and that were related to non-life activities:
  - Climate change
  - Cyber insurance
  - Differential pricing

A few words on the year's achievements

Survey on inflation (work in progress) [1/2]

- As previously mentioned, the working group is working in parallel on a study that will provide an overview of inflation risk management approaches within non-life insurance companies.

- This study is based on a survey in the form of a questionnaire. It is still being developed and will be sent to the Insurance Committee by **October 2022**.

A few words on the year's achievements

Survey on inflation (work in progress) [2/2]

The questionnaire, in its current working version, includes the following components:

- **Inflation risk monitoring and management**, including: risk appetite, ORSA, consequences on the strategy of sustainable inflation, etc.
- **Solvency**, including: modeling of inflation in internal models and impacts on solvency)
- **Reserving** (including reserving methods & parameters, future inflation projection approaches, etc.)
- **Reinsurance** (including specific reinsurance treaties to cover the inflation crisis)
- **Interest rate** (this part will be done in coordination with IR WG).

Perspectives

- Regarding the EIOPA consultation activities, the Working Group would like to find a means to obtain national responses (e.g., from national actuarial institutes).

- This information will help to enhance the relevance of the NLWG responses to EIOPA.

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