

PRESS RELEASE

Actuarial Association of Europe adopts the revision of model standard ESAP3

Brussels, 11 October 2023

The Actuarial Association of Europe (“AAE”) announced today that it has approved the revision of European Standard of Actuarial Practice, ESAP3, on “Actuarial practice in relation to the ORSA process under Solvency II”. This follows approval by the General Assembly formally held on 6 October 2023.

ORSA stands for the ‘Own Risk and Solvency Assessment’ which is a process required by the Solvency II Directive. Insurers must perform an assessment of their risks, overall solvency needs and forward looking compliance with the quantitative requirements of the Directive.

As per the Due Process for the Development of European Standards of Actuarial Practice, ESAPs should be reviewed at least every five years to ensure that they are still up-to-date, relevant and meet the needs of users of actuarial services and of actuaries. ESAP3 was formerly approved by the General Assembly in 2017.

The review included incorporating the ESAP3 definitions into the Glossary of Defined Terms used in European Actuarial Standards (“AAE Glossary”), as approved in 2021.

ESAP3 is a model standard intended to be suitable for adoption or adaptation by Full Member Associations of the AAE, and other actuarial standard-setting organizations which wish to adopt it. It is AAE’s intent, by publishing model standards, to encourage the creation and convergence of national actuarial standards in Europe.

The intention of a standard of actuarial practice is to promote a greater consistency of approach to actuarial practice in a given situation, so as to increase the confidence of clients and the public in the actuarial work product, but without unnecessarily constraining the exercise of actuarial judgement or creativity.

The purpose of ESAP3 is to provide guidance to actuaries who have a material involvement in or responsibility for the design or performance of the ORSA process, in order to give intended users confidence that actuarial services are carried out professionally and with due care, the results are relevant to intended users and the assumptions and methodology are appropriate and are used appropriately.

ESAP3 and the Glossary are available on the AAE website and under [this link](#).

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Notes for Note for editors

1. For further information please contact Monique Schuilenburg, Operations Manager (tel. + 32 2 274 06 61), moniques@actuary.eu
2. Copies of all AAE press releases are available on the AAE website (www.actuary.eu)
3. The Actuarial Association of Europe (AAE) was established in 1978 under the name Groupe Consultatif to represent actuarial associations in Europe. Its purpose is to provide advice and opinions to the various organisations of the European Union - the Commission, the Council of Ministers, the European Parliament, the European Supervisors and their committees – on actuarial issues in European legislation. The AAE currently has 38 member associations in 37 European countries, representing over 29,000 actuaries. Advice and comments provided by the AAE on behalf of the European actuarial profession are totally independent of industry interests.

The Actuarial Association of Europe is registered in the EU Transparency Register under number 550855911144-54