

PRESS RELEASE

Actuarial Association of Europe publishes AAE Discussion Paper “Risk Mapping for Social Security Pension Systems”

Brussels, 25 March 2024:

The Actuarial Association of Europe (AAE) announces the publication of a paper titled [“Risk Mapping for Social Security Pension Systems”](#).

Risk management has become an integral aspect of organisational governance and operations. This is particularly crucial for entities tasked with ensuring the financial stability and long-term sustainability of their sectors. While Enterprise Risk Management (ERM) principles are widely adopted as standard practice, certain institutions have unique characteristics that necessitate specialised risk management frameworks. Moving closer to our focus, within the financial sector, banks adhere to the Basel Accords, while insurers operate under the principles of the Solvency regime. These regulations, predating international ERM standards, effectively manage risks specific to their operations. However, they also integrate ERM into their risk management strategies as organizations. These risk management systems share common elements and may contribute to establishing a social security risk management framework.

In this paper, considering the similarities with other financial institutions, we highlight the differences between them and pension funds. Pension funds, entrusted with safeguarding the financial security of many individuals in their retirement years, are often perceived to be similar to insurance products or savings plans, despite their intricacies and crucial societal role.

Furthermore, mandatory social security pension schemes, designed to provide a safety net for the working population, add an additional layer of complexity to risk management practices. A universally applicable, comprehensive risk management framework tailored specifically to social security pension systems remains an underdeveloped area of study.

The objective of this paper is, accordingly, to address the critical gap in social security risk management, aiming to assist actuaries working in this field in establishing their risk management (RM) system.

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Notes 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 primary 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