



GRUPE CONSULTATIF ACTUARIEL EUROPEEN

The Actuarial Profession in Europe

25 years of the Groupe Consultatif



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John Henty

The Groupe Consultatif Actuariel Européen was established in 1978 to bring together the actuarial associations in the Member States of the European Union to represent the actuarial profession in discussions with the EU institutions on existing and proposed EU legislation affecting the profession.

The Groupe now also provides a forum for discussion amongst all actuarial associations throughout Europe. Thirty associations from twenty-seven European countries are now represented on the Groupe.

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This book is dedicated to
Max Lacroix
Chairman of the Groupe Consultatif 1978-1988
Honorary Chairman
Counsel to the Groupe 1990-

Chairman's Foreword to Groupe History

The twenty-fifth anniversary of any organisation is a significant milestone, when it is only natural to reflect on what has been achieved and to look forward to the future. It also presents an ideal opportunity to prepare a record of these achievements.

During the Groupe Consultatif's twenty-five years, it has established an enviable record in providing professional actuarial advice which has influenced the European Commission and the policy-makers in Brussels, as well as developing the profession and its standards across Europe.

Throughout this period, the Groupe has been fortunate to have the services of John Henty as its secretary. Following his retirement in 2001, John has written this history which describes, from his first-hand experience, how the Groupe has evolved from the vision conceived almost thirty years ago.

It has been my privilege to be associated with the Groupe Consultatif for much of its lifetime and, in particular, to be its Chairman during its Silver Jubilee. I hope you will derive as much pleasure as I have in reading this "biography" of the Groupe.

Norbert Heinen
Chairman
October 2003

Introduction

I retired from the Groupe Consultatif in September 2001 having had the privilege of serving as its secretary since 1978. Although not a member of the actuarial profession, I was always warmly accepted as a colleague by members of the Groupe and encouraged to contribute fully to its work. For that I will always be grateful.

I was invited by the officers of the Groupe to write this brief history marking the twenty-fifth anniversary of the Groupe, which will be celebrated at its annual meeting in Athens in October 2003. It was an invitation I found impossible to refuse.

The history is intended to give a more or less chronological overview of the Groupe and its activities since 1973, when the concept of establishing an organisation to represent the profession in the European Community was first proposed. It does not attempt to cover in detail all the technical and other issues addressed by the Groupe during that time. Rather, it provides a readable and, I hope, interesting account of how the Groupe has sought to achieve its objectives, not only of representing the profession to the various institutions of the EU, but also of acting as a focal point for the profession in Europe. It concludes with a chapter on people and places, and here I apologise in advance to members who may not be featured. Any conclusions and opinions expressed are mine, unless otherwise attributed, and do not necessarily represent the views of the Groupe.

My thanks go to Michael Lucas, secretary of the Groupe, to Deborah Rose his secretary (and formerly mine) for the constructive help and advice they have given and to Judy Slinn for her advice on editing. Special thanks go to my wife Elizabeth, who willingly allowed me to turn the dining room into a Groupe office for several months and gave me much advice and help on the use of her computer. As one who freely admits to being technically challenged, such advice was invaluable.

John Henty
October 2003

Pre-1978: From concept to first meeting

With the establishment of the European Communities (EC), notably the European Economic Community, by the Treaties of Paris (1951) and Rome (1957)* many professions and other organisations came to recognise the importance of setting up some sort of permanent liaison arrangement so that their views and influence could be brought to bear on those institutions of the Communities that would be making decisions directly applicable to the interests and well being of their members at the European level. By 1973, the actuarial profession in the EC, although relatively small with, at that time, about 6000 members in the nine EC countries, believed it could not neglect its responsibilities to its members and to those for whom it acted by remaining unrepresented in the decision making processes, particularly in view of the important professional responsibilities of its members.

On 13 June 1973, shortly after the enlargement of the EC in January that year from six to nine Member States with the admission of Denmark, Ireland and the United Kingdom, Paul Thyron, president of the Belgian actuarial association, with Abel Montador and Marcel Henry, presidents of the two French actuarial associations, wrote to their presidential colleagues in the other Member States of the EC suggesting they explore together the possibility of establishing 'un organe commun de représentation de la profession d'actuaire auprès des Communautés Européennes'. If there was general agreement to this proposal, a working group or

* The European Coal and Steel Community was established by the Treaty of Paris in 1951. In 1957 the European Economic Community was established by the Treaty of Rome to 'promote throughout the Community a harmonious development of economic activities...'. A separate treaty in 1957 established an Atomic Energy Community, and together these three communities made up the European Communities. Under a treaty signed in Brussels in 1965, the three communities were formally amalgamated and became jointly known as the European Community (EC) or sometimes the European Communities. The Treaty of European Union, the Maastricht Treaty, signed in 1991, came into force in November 1993 and strictly speaking the EC was then incorporated into the European Union (EU). Although the abbreviation EC continues to be used, it is becoming increasingly common to refer for most purposes to the European Union. In this text, reference is made to the EC until 1993 and from that date to the EU.

The Actuarial Profession in Europe

Preparatory Committee representing all the associations would take the idea forward to determine:

- whether such a permanent organisation should be established
- how it would be organised, who its members would be and how its expenses would be covered
- what the role of the organisation should be
- where it should be located

The Preparatory Committee would be asked to prepare a report to the presidents of the national actuarial associations making recommendations for their consideration.

The proposal was well received by all associations and discussed further with its authors at informal meetings during the 125th anniversary celebrations of the Institute of Actuaries, held in London later in 1973. A significant point made in the discussions was that the European dimension of the proposed organisation should be emphasised, and that it should not be directly linked with the role of the International Actuarial Association (IAA) at the international level.

At the invitation of the UK Institute of Actuaries, the first meeting of the *Preparatory Committee on the Representation of the Profession of*

Actuary with the Institutions of the European Economic Community (to give it its full title) was held at Staple Inn Hall in London on 31 October 1975. Ten representatives from actuarial associations in seven EC countries (Belgium, Denmark, France, Germany, Italy, Netherlands and the UK) were present at that meeting, which was also attended by John Henty, a member of the full time secretariat of the Institute, to provide administrative support. The Society of Actuaries in Ireland asked the UK Institute to keep it informed, whilst actuaries in Luxembourg, where no association then existed, were represented by their Belgian colleagues.



Staple Inn Hall

The chair at this first meeting of the Preparatory Committee was taken by Max Lacroix of France, who at that time was an official at the European Commission (the Commission), the executive organ of the EC. His extensive knowledge of the EC and how its institutions worked was of significant help to the Preparatory Committee and has remained so ever since.

In reviewing the task given to it by the associations' presidents, the committee decided not to address the question of the precise definition of an actuary, an issue that was to figure prominently in later discussions with the Commission on proposed legislation calling for certain actions to be taken by actuaries.



Max Lacroix, Chairman 1978-1988

Nevertheless it was important to know exactly what were the responsibilities and activities of actuaries in each of the Communities' countries, and the extent, if any, to which they had legal obligations in their country. Furthermore the committee needed to have information on the actuarial associations themselves, including their legal status, organisation, their rules of professional conduct and how the training and examination of actuaries was carried out. It was noted that no actuarial association existed at that time in Luxembourg, and in other countries there were actuaries who were not members of the national actuarial association. Each association agreed to prepare a report providing this information, arguably the Groupe's* first major project.

Even at this very early stage the committee was conscious of the need to draw a distinction between the role of actuaries when acting in a commercial capacity, for example as managers of insurance companies, and when acting in a purely professional capacity. In the former it was common practice in many EC countries for actuaries to be consulted by the authorities, but it was rare for the opinions of the profession as such to be sought through consultations with the actuarial association. In representing the professional interests of its member associations,

* This considerably abbreviated form of the full name of the Groupe Consultatif will be used throughout the text.

the Groupe has been careful to make this distinction, which is important both at the national level and at the Communities' level, to the EC institutions and other organisations.

The Preparatory Committee's second meeting, held in Brussels in September 1976, focussed on the precise role of the proposed new organisation and the powers that should be given to it by the member associations. For example, should it be able to deal directly with the Commission in Brussels without the need to refer back continually to the member associations, which could be very cumbersome? On the other hand, the new organisation could not be given *carte blanche*, and a compromise had to be reached. This was a difficult issue which the Groupe has frequently addressed, particularly in recent years as the pace of introduction of proposed legislation has noticeably quickened and the Groupe's views are sought by the Commission with little time for full and proper prior consultation with its member associations.

The information requested at the committee's first meeting on the role and responsibilities of actuaries and on the organisation of their professional associations was obtained and summarised in two comprehensive reports considered at the Brussels meeting and later made available to all associations.

After consideration of the reports, and considerable discussion on the role of the new organisation, the Preparatory Committee unanimously agreed to make a report to the presidents of the national associations recommending the establishment of a new organisation and outlining its role. The EC institutions would be informed of the new organisation, and of the important part the profession could play in providing technical actuarial advice when requested to do so by those institutions.

Two issues raised at the second meeting of the Preparatory Committee should be noted. Firstly there appeared to be no provision in the rules of the EC that technical matters might or should be discussed with professional organisations whose members were expert in such matters. The Preparatory Committee believed it was important that the profession should put itself in a position to be consulted on such technical matters if the authorities wished to do so. This issue, raised by others with the Commission in August 1977 and published with the Commission's reply in the Official Journal of the European Communities in October 1977, is reprinted at the end of this chapter. As we shall see, the Groupe has over the years forged a constructive and close relationship with the Commission, regularly discussing detailed technical issues arising out of existing and proposed legislation.

Secondly, it was proposed that each association rather than each country should be represented on the new body, foreshadowing interesting discussions on voting

rights and other issues when new Groupe statutes were being considered some twenty years later.

On 17 June 1977 the Preparatory Committee formally reported on the outcome of its work to the presidents of the national associations. It recommended the creation, on a permanent basis, of a '*Groupe Consultatif des Associations d'Actuaires des Etats Membres des Communautés Européennes*' ('Etats Membres' was soon replaced by 'Pays' and the name then remained unchanged until 2002 when it became '*Groupe Consultatif Actuariel Européen*'). The committee also recommended a basic set of rules under which the Groupe would be constituted and operate.

The new organisation, it should be made clear, was not, and is not now, a legally constituted body. It is a group to which the national actuarial associations in the EC appoint representatives on their behalf, jointly to represent the actuarial profession to the EC, its institutions and other organisations, in accordance with rules agreed by the associations. It has no formal constitution, but operates under the rules outlined in the Preparatory Committee's report of 17 June 1977 and, as will be seen later, a set of statutes implemented in 1999 covering much of the practical work of the Groupe. The 1977 rules were short and simple and have stood the test of time well. They can be summarised as follows:

- each association would appoint a representative (*membre titulaire*) and a deputy (*membre suppléant*) to the Groupe.
- the Groupe would respond to requests for advice from the EC institutions, particularly the Commission, on matters of interest to the actuarial profession, with special reference to the freedoms granted under the treaties establishing the EC for members of professions to exercise the right of movement within the Member States, to take up employment and supply services in those States, and to be established as independent consultants in any Member State.
- the Groupe was empowered to take whatever action it considered appropriate to facilitate links with the EC institutions, particularly the Commission.
- all decisions at Groupe meetings should be unanimous. If they were not, the matter would be referred to the associations for a decision.
- the Groupe would determine its own internal rules.
- the Group would meet at least once a year.
- the UK Institute of Actuaries would provide the administration for the Groupe.
- each association would bear its members' own direct costs, but other expenses would be met from a general subscription.

- the Groupe would be a forum for the exchange of views between the representatives of the actuarial associations on all questions of professional interest that the associations would wish to see examined or studied at Community level.

This last rule, with its reference to a 'forum for the exchange of views' was to provide an opportunity for the Groupe to develop a programme of colloquia, summer schools and other events bringing together actuaries from all over Europe.

The committee's report also recommended that a letter signed by the presidents of all the Groupe's member associations be sent to the presidents of the European Commission, the European Parliament, the Council of Ministers, and the Economic and Social Committee advising those institutions of the establishment of the Groupe Consultatif. It would stress the highly representative character of the signatory associations, and the opportunity provided to the institutions by the Groupe to consult with the actuarial profession, at the Communities' level, on all matters of interest to them where the profession could be of help.

The national actuarial associations enthusiastically approved the recommendations of their Preparatory Committee. Arrangements were put in hand for the first meeting of the Groupe in Paris on 11 May 1978, and the EC institutions were advised of the establishment of this new European professional organisation, a move welcomed in particular by the then Director-General of the Financial Institutions Directorate at the Commission, O.B.Henriksen, who commented that it would facilitate the study of actuarial issues at the European level.

Note: Consultation of the profession by the European Commission

The Groupe has frequently stressed the importance of presenting opinions to the EC institutions which represent the unanimous views of its member associations. Where a national association wishes to promote a view contrary to that of the member associations expressed through the Groupe, the Groupe believes it should be made through the appropriate national government authorities, and not through a unilateral approach by the association direct to the EC (although the Groupe's statutes of 1999 do however now provide for some form of majority voting). That this approach to unanimity is the right one is reflected in the following written answer given in the Official Journal of the

European Communities as long ago as October 1977 (and confirmed to the Groupe by the Commission on many occasions since):

Question

Subject: Consultation of National, European and Community Professional Associations

When the Commission embarks on consultations regarding a working document or proposal by government experts, would it not be reasonable, at the same time and on a systematic basis, to seek the opinion of the appropriate European professional organisations? At present this is not always done and it seems a pity! Indeed the government experts consulted normally obtain the advice of national professional associations only to discover at subsequent meetings that they are perhaps defending positions different from those of their colleagues from other countries. On the other hand by consulting professional community associations – and that is why they were established! – a single reply can be obtained, or at least the highest common factor in a specific sector in the EC as a whole.

Answer

The Commission agrees ... that the opinion of Community level representative professional associations should be heard. Moreover, the Commission and its departments have always maintained regular contacts with such professional associations ... Furthermore, these professional associations are represented in many advisory bodies and committees.

The formative years 1978-1984

The first meeting of the Groupe Consultatif took place in Paris on 11 May 1978 in the boardroom of the Union des Assurances de Paris. Eleven members* representing nine member associations in seven of the nine Member States of the European Communities were present, with John Henty in attendance as secretary of the Groupe. Max Lacroix (France) was elected the first Chairman, with Brian Corby (UK) as vice-chairman.

The Groupe agreed at this stage not to draw up formal internal rules of procedure as had been recommended by the Preparatory Committee to the associations in June 1977, as it was believed such rules would develop naturally as the Groupe's work progressed. In the event this worked well, with the Groupe noting the Preparatory Committee's recommendations but taking a pragmatic approach to the way in which it went about its business, an approach which remained substantially unchanged until the Groupe's first formal statutes were introduced in January 1999.

At this first meeting, the Groupe considered the important question of how it should be financed. With each association being responsible for the expenses of its own members, and the direct costs of the secretariat being met at that time by the Institute of Actuaries, it was not thought that there would be a great demand on the Groupe's financial resources. To defray common expenses it was agreed each member association would make a contribution of one-fifth of a European Unit of Account (EUA), as it was then known, for each member of their association. A bank account was opened with the Caisse d'Épargne de l'État in Luxembourg, the account being maintained in EUAs, (shortly to become known as European Currency Units (ECUs) and later, with the introduction of real money, as

* Joseph Adam (Belgium), Kjeld Villund (Denmark), Max Lacroix, Xavier Le Minor and Claude Bébéar (France), Manfred Helbig (Germany), Jan Jansen (Netherlands), Carla Angela (Italy), Douglas McKinnon, Brian Corby, and John Martin (United Kingdom). Absent were: Laurent d'Hooge (Belgium), Mario Coppini, Adriano Perone and Riccardo Ottaviani (Italy), Theo van den Heiligenberg (Netherlands) and Charles Cavaye (United Kingdom).

Euros). It is believed the Groupe's account was the first to be established and operated in units of this currency by an organisation such as the Groupe Consultatif. Arranging payment in EUAs to the Groupe by the member associations caused a number of problems with some national banking authorities which were not used to dealing at that time in this unfamiliar unit of account!

Whilst the Preparatory Committee's recommendations made no reference to language, by common consent English and French became the 'official' languages of the Groupe, with members free to use either language. In practice, English was generally used at meetings and for most correspondence within the Groupe and with the EC institutions. Although official documents are translated into all the current eleven official EC languages, most day-to-day business within the Commission is conducted in English or French. Indeed, with the pace of consultation today, it is increasingly common for working documents to be available only in English. In 1999 the Groupe's new statutes formally recognised English and French as the official Groupe languages. It is interesting to note that the abbreviated French version of its full name, Groupe Consultatif or simply Groupe, is the one by which it is universally known.

The Groupe's committee structure began to take shape at this first meeting, ad hoc committees being established as required to consider specific issues. Membership of the committees was not restricted to members of the Groupe itself, and Groupe members could attend meetings of any committee if they so wished.

There were two substantive items on the agenda for the first meeting. The first concerned the freedom given under the Treaty of Rome for members of professions to move within the Member States to take up employment or provide services in a Member State other than their own. A committee on the Freedom of Movement, Establishment and Services, popularly known as the Freedoms Committee, was established under the chairmanship of Mario Coppini of Italy to examine these freedoms and consider how they were being applied by the EC in professions similar to that of the actuaries. The committee was also charged with reviewing the actuary's position under national laws of the individual Member States, to make recommendations for action to improve that position under those laws and to seek to harmonise national legislation with Community law. Much of the information already collected by the Preparatory Committee on the actuary's position in national legislation was to form the basis for a report submitted to the Freedoms Committee at its second meeting in Cologne in 1979 on *Le Rôle de l'Actuaire dans les Pays des Communautés Européennes et l'Etendue de ses Responsabilités*, known as the Bébéar Report after its editor, Claude Bébéar of France.

Another important study undertaken for the Freedoms Committee at this time was made by John Martin, the membre suppléant of the UK Institute of Actuaries, who brought together in a synoptic table the different approaches to the education and training of actuaries in the member associations, including such information as the number of actuaries qualifying each year and the average age on qualification.

The second substantive item considered by the Groupe at its first meeting concerned the role and responsibilities of actuaries in the preparation of insurance companies' accounts. The form and content of these accounts were at that time being reviewed by the Groupe d'Etude des Experts Comptables, a working group of accountants in the EC, and there had also been discussion in some countries on this subject between accountants and actuaries. The Groupe Consultatif believed it should be involved in and contribute to the debate on this important issue. It established a committee chaired by Stewart Lyon of the UK to determine the information currently required in each Member State by statute or regulation to be given in insurance companies' accounts (both life and non-life) and what the role and responsibilities of actuaries, if any, were in the preparation of those accounts. Max Lacroix agreed to make the Groupe's first formal contact with the Comité Européen des Assurances (CEA), the organisation representing the insurance industry in Europe, which was also looking at this issue, to advise it of the Groupe's interest. He also proposed to arrange a meeting with the director of the Financial Institutions Directorate at the European Commission to inform him of the professional interest of actuaries in insurance companies' accounts and seek advice on the best way the Groupe could make its views known to the Commission on this subject at the appropriate time. This would be the first meeting between the Groupe and any of the Communities' institutions.

The Groupe has always been aware of the importance of maintaining a good relationship with the profession at the international level, not just within the (originally narrow) confines of the countries of the EC. Whilst it believed it should have a clear identity as the organisation representing the actuarial profession at the European level, it should not lose sight of the fact that many members of its member associations were at that time also part of the wider international community as individual members of the IAA. It was agreed the IAA should be advised as soon as possible of the establishment of the Groupe, its role within the EC and how the Groupe believed it could co-operate and work with the IAA on actuarial issues of mutual interest. The opportunity was taken during the IAA's twenty-first international congress in Zurich/Lausanne in June 1980 to make a short intervention during the discussion on the national reports on the training of actuaries to give brief information about the Groupe, drawing attention in particular to the similarities and differences in qualifications between the associations in the EC countries as revealed in John Martin's synoptic table.

The Groupe's first meeting concluded with a dinner for members and guests hosted by the French associations in the imposing surroundings of the Palais du Luxembourg. This tradition of the organising association hosting a Groupe dinner at the end of the annual meeting has happily continued to the present day.

As the Groupe's second meeting was tentatively scheduled for December 1978 (eventually being held in March 1979 in Cologne), there was much work to be done. In the ten months before the meeting:

- **the Freedoms Committee met three times**
- **the Insurance Companies' Accounts Committee held two meetings**
- **the Groupe's chairman and vice-chairman met the Director-General of the Financial Institutions Directorate at the European Commission**
- **Claude Bébéar completed his report on the role and responsibilities of actuaries in the EC countries**
- **contact was made with the CEA**
- **the Groupe's bank account was opened in Luxembourg**

The Freedoms Committee reported to the second meeting of the Groupe that, whilst the exercise of the freedoms of service and establishment under the Treaty of Rome raised questions of protection of the public, the European Commission would probably be happy for a profession to regulate its own affairs in a manner satisfactory to the public without the Commission's intervention. These freedoms could not be restricted on the grounds of nationality, and some Member States whose laws at that time reserved the right to practise a profession to their own nationals, would have to address this issue. The committee also found that qualifications sufficient for enjoying freedom of service and establishment in other Member States did not necessarily require equivalence of degrees or professional titles in the full academic sense. This latter point was the subject of much debate in discussions some years later when the Commission published its proposals leading to the Directive on *A General System for the Recognition of Higher Education Diplomas awarded on completion of Professional Education and Training of at least Three Years' Duration (89/48/EEC)*, referred to as the Higher Education Diplomas Directive. Subsequently the Groupe's member associations adopted their own *Agreement on the Mutual Recognition by each Member Association of Members of the other Associations*, generally known as the Mutual Recognition Agreement, which is considered in more detail in the next chapter.

At its second meeting the Groupe briefly discussed for the first time the subject of solvency margins. The Commission was preparing a report, to be published later in 1979, on the experience in non-life insurance of the application of the solvency margin rules set out in the First Non-life Directive in 1973 and informally invited the Groupe to present its views on this if it wished to do so. In the time available, the

Groupe did not feel able to prepare a credible submission and the matter was deferred to a later meeting.

The second meeting also saw the beginning of a long and close relationship with the International Accounting Standards Committee (IASC)*. Early in 1979 the IASC first sought the Groupe's views on its proposal for an international accounting standard on *Accounting for Retirement Benefits in the Financial Statements of Employers*. Much of the content was of concern to actuaries and these aspects were addressed by the Groupe in its comments on a series of Exposure Drafts from the IASC relating to its proposal. Meetings were held with IASC representatives to discuss these comments, and it was clear the combined views of the actuarial profession in the EC as expressed through the Groupe were very much welcomed. The IASC has continued to seek the Groupe's views on actuarial issues in its proposals although, as we shall see later, the Groupe now works through the IAA as the actuarial counterpart at the international level to the IASC.

The first set of Groupe accounts, covering the time from the Groupe's establishment in May 1978 to the end of that year, was presented at this meeting. With an income of 886 EUAs and expenditure of 598 EUAs, there remained a healthy credit balance of 288 EUAs. After due consideration it was agreed not to increase the contribution for 1979, which would remain at one-fifth of an EUA per member of each association!

Two other issues raised at the Groupe's second meeting are worth noting. Firstly, Groupe members emphasised the importance of keeping their national associations fully informed of discussions both in the Groupe and its committees and between the Groupe and external organisations, particularly the Commission, by, for example, commenting on and explaining the basis on which decisions and recommendations had been reached. It was recognised that internal arrangements within some member associations, particularly those which did not meet very frequently, might make this difficult, but it was essential to ensure that information flowed regularly from the representatives on the Groupe to their associations and vice versa.

Secondly, John Martin considered the exchange of views at Groupe meetings so useful and important that he proposed that the profession generally in the Member States should have a similar opportunity to meet together, where issues of mutual European interest could be discussed. With some reservations, mainly concerning the effect this might have on the Groupe's relationship with the IAA which undertook a similar exercise at the international level through its four-yearly congress, he was invited to develop his ideas and present them to the next meeting.

* The IASC was restructured in 2001 to create the International Accounting Standards Board. References throughout this text are to IASC.

Since the Groupe's first meeting, the Insurance Companies' Accounts Committee had completed its preliminary task of determining the information required by statute or regulation to be included in the accounts of insurance companies in each Member State. Further work was necessary, particularly to define the precise role of the actuary in the preparation of those accounts and the extent to which he or she was responsible for undertaking any actions concerning them.

In 1979 the Commission published a study prepared for it by the Groupe d'Etude des Experts Comptables in the form of a draft proposal for a Directive which sought to complement the Fourth Companies' Accounts Directive of 1978 by introducing special features relating specifically to insurance companies. The Groupe was invited by the Commission to submit its views which were considered at its third meeting in Amsterdam in December 1979. In the time available, the Groupe was unable to make an in-depth study of the draft, but submitted preliminary comments to the Commission, the first of many such submissions it would make on a wide range of actuarial issues. The Groupe proposed to comment further on the draft proposal after it had been able to consider it at length.

In its preliminary comments the Groupe drew attention in particular to Article 69 of the draft concerning mathematical provisions for life insurance, which it believed should be 'determined under the responsibility of' (not 'calculated by') an actuary. It was more important that the actuary should have the responsibility for establishing the basis for the provisions and the procedures for computing them than that he or she should themselves undertake the arithmetical calculation.

The Groupe also proposed that a second paragraph be added to the text of Article 69 to define the actuary as a member of (one of) the national association(s) in the country concerned. It considered widening the scope of the definition so that the actuary could be a member of an association in any of the EC countries, not just in the country concerned, but at this stage believed the narrower definition was preferable and stood more chance of being accepted. For the same reason the Groupe was also prepared to accept for the time being 'such other persons as the national supervisory authority regard as being qualified', although in later submissions it sought a much narrower definition of the actuary.

A second submission was made some two years later, addressing technical issues not covered in the first submission and drawing the Commission's attention again to the proposed definition of the actuary made in its first submission. However, little further progress on the draft proposal was then to be made until 1987.

In March 1980 the Istituto Italiano degli Attuari was to celebrate its fiftieth anniversary and the Groupe was invited to hold its fourth meeting in Rome before joining the celebrations as guests of the Istituto. The invitation was particularly

welcomed by the Groupe as the theme of the technical session during the celebrations was solvency margins, a subject already under discussion in the Groupe.

EC regulations on solvency margins, for both life and non-life insurance, raised questions of great importance to the profession, whose members were responsible for determining the technical factors to be taken into consideration in deciding the level of the solvency margin and the effectiveness of different levels of the margin. The Groupe was careful to draw the distinction between the actuary's responsibility and the responsibility the management of a company had for determining the actual level, having regard to any regulations laid down by national and EC authorities. A Solvency Margins Committee under the chairmanship of Brian Corby, the Groupe's vice-chairman, was established at the Rome meeting to take the discussion forward, having in mind the earlier invitation from the Commission to comment on the solvency rules in non-life insurance.

Four proposals were made in Rome for new activities to be undertaken by the Groupe, three relating to written work and one to a possible seminar for actuaries in the EC countries. The Groupe was asked to consider sponsoring three studies:

- **an investigation into the mortality experience of life assurance companies in the EC, and the standard mortality tables used for actuarial purposes in those countries**
- **an investigation into the general concepts and funding arrangements of retirement benefit schemes provided by the state and occupational pension funds in the EC countries**
- **a study on the actuarial profession in the EC countries, including training, role and responsibilities, and relationship with the EC institutions and other organisations**

The fourth proposal developed the ideas suggested by John Martin at an earlier meeting, that the Groupe should organise a seminar or colloquium for actuaries from the EC countries which he believed might help to 'encourage a gradual harmonisation of approach to professional and technical matters within the European Communities, particularly on the part of younger actuaries'.

This all represented a potentially heavy workload on the Groupe. The minutes record the concerns of the chairman Max Lacroix who, whilst he believed there was great merit in each of the proposals, one of which he had in fact himself recommended, nevertheless had the 'serious duty of reminding the Groupe that its resources were small, that the time available to each member was limited, and that the Groupe had just decided to address itself to the study of actuarial aspects of solvency margins – not a small matter. In two years the Groupe had done much; it should be careful not to attempt more than it could do, as this could damage its

credibility'. However, there was considerable interest in the proposals, especially for the seminar, and whilst noting the chairman's concerns the Groupe agreed they should be developed.

It was at the Groupe's fourth meeting that the momentous decision was taken to increase the fee paid by the associations to the Groupe by 25%, from one-fifth Ecu to one-quarter Ecu per member! The Groupe's finances, which have not unnaturally been the subject of much debate and discussion over the years, will be considered later in more detail.

The Zurich/Lausanne congress of the IAA in 1980, when the Groupe formally announced its establishment to the wider international actuarial community, also provided it with the opportunity to bring together at an informal lunch the presidents and officers of its member associations with their representatives on the Groupe who were attending the congress. Many of the associations' officers were not directly involved in the work of the Groupe and may not have been fully aware of the important role it was beginning to play in the EC. The lunches continued to be held at subsequent congresses until the Brussels congress of 1995, by which time it was agreed their original purpose was no longer valid. The Groupe was by then very well known within its member associations and widely respected and recognised as representative of the profession in the EC. Many of the presidents and officers of its member associations are now fully involved in the work of the Groupe at the highest level.

Greece became the tenth Member State of the EC on 1 January 1981. The Hellenic Actuarial Society was immediately admitted a full member association of the Groupe and was represented for the first time at the fifth meeting in Edinburgh in November that year.

The Groupe also took the decision in Edinburgh to join SEPLIS, the Secrétariat Européen des Professions Libérales, Indépendantes et Sociales, an organisation representing the communal interests of many, but not all, professions in the EC. SEPLIS made representations to the EC institutions and other organisations on broad issues affecting all, or a number of, its members. It did not act in the more narrow interests of individual professions, important though they may have been to the professions concerned.

Whilst some Groupe representatives considered membership of SEPLIS to have a positive effect on the standing of a professional body in the EC, others questioned whether there really was a need to belong. The membership fee was substantial for a small profession and the benefits not readily apparent. Although the Groupe continued to remain a member for some years the decision was eventually taken in 1995 to withdraw.

In June 1982 the Groupe presented to the presidents of its member associations its *Communication on Improvement of the Recognition of the Role and Responsibilities of Actuaries in each of the Communities' Countries*. The Communication, which set out a number of findings and made suggestions for action at the national and European level, was based on the report and recommendations made by Claude Bébéar in 1979, which itself expanded on information collected on the profession in the Member States by the Preparatory Committee. The Groupe's Communication found that:

- **there was a considerable degree of homogeneity in the role and responsibilities of members of the profession in the Member States**
- **the actuarial associations were highly representative of the profession, admitting only those with relevant professional qualifications. However in some countries not all actuaries belonged to the national association**
- **recognition of the profession by the national authorities and the role and responsibilities of actuaries in legislative and regulatory texts varied a great deal from one country to another**
- **the degree of consultation, if any, of the profession by the national authorities varied from country to country**
- **there was no provision in the Treaties establishing the Communities which specifically gave competence to the Communities' institutions to bring about a general and uniform recognition of the role of the actuary and his or her responsibilities in the Member States**

In its Communication, the Groupe made a number of suggestions for action that could be taken by the associations to improve the position of the actuary at both the national and European level. At the national level they could, for example, focus on introducing requirements, where they did not already exist, for actuarial reports to be provided when an insurance company or pension scheme was established, and to introduce a regular evaluation of the company's or scheme's financial liabilities and corresponding assets, verifying the matching requirements. Members of the profession should also seek to be consulted by government when technical actuarial issues in its fields of activity were under discussion and reforms proposed. At the European level, whilst there was no specific requirement for the EC institutions to consult with or have regard to the profession when framing its legislation, this did not mean that no action by the profession was possible. For example, as mentioned earlier, the proposed Insurance Companies' Accounts Directive provided for certain interventions by an actuary, and in its submissions on the proposal the Groupe had suggested how the actuary should be defined.

The Communication was well received by member associations. The Belgian association had recently been recognised by the authorities as a 'professional union' and the Communication proved very helpful in getting its members to see their association as a professional, rather than a purely technical and scientific body. The Groupe has constantly sought to improve the recognition by national and European authorities of the role and responsibilities of actuaries in those technical, professional areas of concern to them.

During 1981 the Commission had published a discussion paper on its proposals for a Directive on the *Implementation of the Principle of Equal Treatment for Men and Women in Occupational Social Security Schemes*. There were a number of actuarial issues in the proposals, including article 6 which stated that 'Provisions contrary to the principle of equal treatment shall include those which discriminate on grounds of sex, directly or indirectly, by ... making a distinction as regards the level or method of calculation of benefits, and taking into account different actuarial or other components, with regard to morbidity, absenteeism, mortality or life expectancy'. The actuarial profession had not been consulted on the actuarial implications of this or other professional issues in the proposals. The Commission was advised of the Groupe's close interest and that it intended to submit its comments in due course.

With the publication by the Commission of its proposed Directive on equal treatment in 1983, discussion now moved swiftly ahead in the Commission, the Economic and Social Committee (ESC) and the European Parliament. The Groupe made a significant contribution to the debate at meetings of a study group of the ESC before formally submitting its comments in November 1983. The first two paragraphs of its submission neatly sum up the Groupe's general approach to this particular issue, but are also relevant to other legislative proposals from the Commission:

- '1. It is for the legislators, not for the actuarial profession, to define equal treatment.
2. It is incumbent on actuaries to determine the conditions of equilibrium of a scheme, and therefore incumbent on the profession to call attention to points relating to technical actuarial matters which are affected by the proposed Directive.'

Paragraph 7 of the Groupe's submission forcefully made the point that it had not been consulted on aspects of the proposed Directive of concern to the profession:

- '7. We are concerned that the draft Directive and even more so the unpublished Explanatory Memorandum include references to technical actuarial matters without consultation having taken place with the group representing the profession at the European Communities' level. We should mention that certain of the statements and arguments are erroneous and might be misleading.'

Despite making further representations and attending meetings at the ESC and the Parliament, and being advised that its submission 'would be borne in mind', the Groupe was unsuccessful in getting any of its points accepted before the Directive was finally adopted by the Council of Ministers in 1986. Nevertheless Max Lacroix observed that 'the Groupe was cited, as the authoritative source for certain information, in paragraph 5 of the European Parliament's resolution (after considering the proposed Directive). Even in a footnote, and not on the main issue, this is perhaps a precedent useful to the profession!'

John Martin's proposal in 1980 for a meeting for EC actuaries had been enthusiastically taken up and planning for the Groupe's first colloquium was now well in hand. Organised by the Institute of Actuaries in London in November 1982, it took as its topical theme *Some Actuarial Aspects of Insurance Companies' Accounts*. To cover expenses, a registration fee of £12 (approximately 18 euros) was charged. By comparison, the registration fee for the Groupe's colloquium in Barcelona in 2002 was 425 euros.

In 1982, Brian Corby retired as vice-chairman of the Groupe. At the annual meeting in Copenhagen the following year he was elected an honorary vice-chairman of the Groupe 'in recognition of services rendered to the profession, in the new environment of the European Communities, with exceptional competence, wisdom and energy'. He had been a member of the Preparatory Committee between 1974 and 1977, vice-chairman of the Groupe from 1978 to 1982, and chairman of the sub-committee on solvency margins since 1980, a position he continued to hold until 1985. The tradition of electing honorary chairmen and members continues and a full list can be found in Appendix IV.

Brian Corby was succeeded as vice-chairman of the Groupe by John Martin. The chairman of the Insurance Companies' Accounts Committee, Stewart Lyon, also retired in 1982 and was replaced by Theo van den Heiligenberg of the Netherlands. There were no rules then regarding the length of time the Groupe's chairman, vice-chairman and committee chairmen could continue in office, an issue not addressed until 1988, following the retirement of Max Lacroix as Groupe chairman.

The Groupe did not meet in 1982, the only 'missing' year in the Groupe's schedule of annual meetings since it was established in 1978. Apart from 1979, when there were two meetings, there has been one meeting of the Groupe every year, that in Athens in October 2003 being the twenty-sixth in the twenty-five years of the Groupe's existence.

In his introductory remarks to the sixth meeting in Copenhagen in November 1983, Max Lacroix outlined progress made in carrying out the mandate given to the

Groupe in 1977 by the national associations. 'There had', he said, 'been successes and shortcomings'. He spoke of 'the strain felt in carrying out the ambitious programme set forth by the Groupe for itself'. He believed the Groupe should in future take more carefully into consideration 'the priority to be given to the discharge of our specific mandate of professional representation towards the institutions of the European Communities, under the guidance of our associations, with all the difficult, delicate, extensive and at times urgent work which this involves'. He stressed the importance of 'making our mother associations, officers and membership alike, conscious of the challenges to the profession implied in the European Communities' treaties, regulations, jurisprudence and Directives, bearing either on the industries in which actuaries exercise their activities or directly on the profession'; he concluded by asking the Groupe to be aware of 'the limitations of our possibilities, all based on voluntary work by colleagues who have heavy duties in companies or as consultants'.

Whilst the chairman was no doubt correct to draw the attention of the Groupe to the dangers of overstressing the limited resources of a small organisation, the enthusiasm of its members continued to be reflected in the increasing amount of work it was undertaking. The Groupe was conscious that its priority lay in the discharge of its specific mandate of representing the profession to the institutions of the EC, but it was increasingly concerned with what may be regarded as actions supporting that role. The organisation of colloquia, publication of studies sponsored by the Groupe and, in more recent years, the work of its Education Committee in the development of a core syllabus for the training of actuaries in Europe and other education activities were becoming a significant part of its activities.

The Groupe's developing relationships with the EC institutions were strengthened at its seventh meeting in December 1984, which was held by invitation of the ESC at its office in Brussels. Roger Louet, secretary-general of the ESC, welcomed the Groupe and presentations were made during the meeting by William Pool, head of the insurance division of the Commission's Financial Services Directorate, and Philip Calderbank, of the Commission's Employment, Social Affairs and Education Directorate.

William Pool spoke generally about the Commission's work to bring about a common market in insurance and an effective realisation of freedom of services in that field. He welcomed future co-operation with the Groupe in discussing general matters of mutual interest as well as specific current issues and suggested this should take place on a regular basis. The opportunity was immediately taken to arrange a meeting for the following week, marking the beginning of the Groupe's long, friendly and constructive association with officials at the Commission, in particular in its insurance division.

In a letter to Max Lacroix following the meeting William Pool set out the areas where he sought the Groupe's help. He welcomed its offer to provide information to help the Commission understand the problems that were bound to arise in connection with the introduction of effective freedom of services in life assurance and added that the Commission could not easily find elsewhere the experience and knowledge which the Groupe's members undoubtedly possessed of some of the most important aspects of the matter. The assistance of the Groupe was greatly valued and he believed the international role of qualified actuaries was bound to assume new importance as the EC moved towards a common market in life assurance.

Philip Calderbank's presentation focussed on the Commission's work on social security policy and its current activities including equal treatment between men and women in occupational social security schemes. He also looked forward to future co-operation with the Groupe in these areas.

With the increasing number of submissions being made by the Groupe to the EC, Max Lacroix took the opportunity in his opening remarks at the seventh meeting to remind members how it was most important that when submissions were made by the Groupe to any of those institutions on behalf of the national associations they were supported by the associations themselves at the national level. The associations should also seek such support from their national authorities. The mechanism of decision taking in the EC includes discussion with government experts and representatives of the national authorities and it is essential that they are well acquainted with the views of the profession as presented by the Groupe.

A formal report covering the first six years of its work was presented in November 1984 by the Groupe to the presidents of its member associations. Although the associations were being kept informed on a regular basis of the Groupe's activities through the minutes of the various meetings and by consultation on the many issues considered by the Groupe, it was felt it would be helpful to them for a better understanding of the Groupe's work if this could all be brought together in a comprehensive way. In their letter accompanying the report, Max Lacroix and John Martin drew particular attention to the very constructive working relationships established with the EC institutions, to which the Groupe had presented the profession's views on a wide range of issues, thus fulfilling the principal reason for which the Groupe had been established of responding to requests for advice from the institutions of the EC on questions of interest to the actuarial profession. All of this, and much else besides, had, they wrote, been achieved with limited resources by the Groupe thanks to the dedication of its members in the interests of their profession.

1985-1992: Completion of the internal market

By 1985, the Groupe Consultatif could feel justifiably proud of its achievements since its first meeting in 1978. Close and fruitful working relationships had been established with the Communities' institutions, particularly the Commission, which very much welcomed the impartial professional expertise that actuaries could bring to the technical aspects of its legislative proposals. It had embarked on an ambitious programme of publishing technical studies prepared by its members, and had held its first colloquium. Its reputation and influence were growing so much so that it was not normally found necessary in conversation or, indeed, in writing, to qualify the words 'Groupe Consultatif' by adding specific reference to actuaries or the actuarial profession.

The increasing amount of consultation of the Groupe by the Communities' institutions, leading inevitably to requests by the Groupe to the national associations for information, guidance and instructions was however causing some concern. Comments and advice given by the Groupe had to be made in good time to meet deadlines set by those institutions, but they also had to reflect the considered views of its member associations if the Groupe was to remain a credible and effective organisation. It was also important that associations themselves responded promptly to requests for information. Some associations were already well placed to do this, whilst others were establishing internal procedures to enable them to do so. Common experiences were discussed and shared at the eighth meeting in Cologne in November 1985, where Max Lacroix made, with regret, his memorable remark that it had not been possible to fulfil the hope expressed when the Groupe was established, that it would be a 'Groupe without papers'! He urged the importance of making every effort to keep the volume of documents flowing from the Groupe, its committees and secretariat as low as possible, and to aim at the greatest conciseness and clarity. But even then it was clear that the volume of work was unlikely to be reduced in the foreseeable future, and the burden falling on the Groupe and the national associations could only increase.

During 1985 a Groupe working party *Differences in Practice in Life Insurance* led by Dirk van Berlaer, at that time the membre titulaire of the Belgian association, had been considering the request for information made to the Groupe after its last annual meeting by William Pool of the Commission's insurance division, seeking the Groupe's views on the technical aspects of life insurance in the context of a liberalisation of services in that industry. The Commission had recently published its White Paper *Completing the Internal Market* spelling out the programme and timetable for achieving by 1992 its aim of 'creating a more favourable environment for stimulating enterprise, competition and trade'. The information sought from the Groupe would help it prepare future legislation to achieve these aims in relation to life and non-life insurance. The working party's report, completed later in 1985, on *A Comparative Summary of Actuarial Factors related to Life Insurance Practices in the EC Countries* was very much welcomed by the Commission, which gave its consent and encouragement to its subsequent publication by the Groupe.

As a step towards completing the internal market for the free movement of people and services, the Commission published in July 1985 proposals setting out the principle that a community citizen qualified to practise a particular profession in one Member State must be considered equally eligible to exercise the same profession in another Member State, which led eventually to the adoption in 1988 of the Higher Education Diplomas Directive. The Groupe was happy in principle with the proposals, which it believed would provide an opportunity to move towards a more unified profession in the EC and lead to national authorities in the Member States giving formal recognition to the profession where this was not already the case. Nevertheless, in many countries at that time there was little or no restriction on who could undertake actuarial work and the proposals would have little immediate effect in practice on the actuarial profession. It was suggested that a longer-term aim for the Groupe at the national level should be to secure recognition of the association(s) of actuaries in each of the EC countries by their national authorities. At the professional level a member of one association working in another country should be able to become a full member of the association in the country where he or she was working, and be subject to any code of conduct and disciplinary arrangements of the local association.

The Commission did not apparently consult any profession before publishing its proposals, but was prepared to take into consideration views they now wished to express. A preliminary submission made by the Groupe welcomed the proposals, recognising that they 'may well encourage member governments to move towards harmonisation of the legal recognition of the actuarial profession within the EC'. Although the Groupe made no further submission before the Directive was adopted, it continued to keep the Commission informed of its thinking on how the actuarial profession was likely to be affected. The Groupe's attention was now

beginning to focus on a proposal first put forward by David Wilkie of the Faculty of Actuaries in Scotland at the annual meeting in 1986 for the mutual recognition between its member associations of those actuaries of Groupe associations who were working in another (host) Member State. This proposal will be considered later in more detail.

Since 1980 the annual fee paid by member associations to the Groupe to defray common expenses had remained at one-quarter Ecu for each full member of their association. At the eighth meeting in Cologne in 1985 the Institute of Actuaries, which provided accommodation, personnel and other support for the Groupe secretariat, proposed that the financial costs of this support should begin to be shared amongst all member associations. The Groupe was happy to agree to this, although it would lead in due course to a sharp increase in the amount of the annual fee, and the new arrangement began modestly in January 1986.

The Solvency Margins Committee had been established in 1980 to carry out a study of the actuarial and other factors relevant to the determination of the appropriate solvency margin for life and non-life insurance undertakings, and generally to put the Groupe in a position to respond to requests for views on the solvency margin from the EC and other organisations. Work on the project continued steadily for the next five years, under the chairmanship first of Brian Corby then, from 1985, of Terry Clarke, a UK member of the committee. The committee's report was eventually submitted to the Groupe meeting in Dublin in 1986 but, in view of a number of sensitive issues surrounding the solvency margins issue at that time, it was decided not to publish it but to make the technical annexes available to member associations, including a note on the shortcomings of the EC solvency margin regime in both life and non-life insurance. The general question of the EC solvency margin regime would be kept under review with the aim in due course of drawing attention to the generally recognised inadequacies in the current rules.

Responsibility for the solvency margin issue was taken over by the Groupe's new Insurance Committee in 1988, to which a solvency working party chaired by Terry Clarke now reported. However, no further work was undertaken until it was decided in 1995 effectively to reconvene the working party. A major review of the EC solvency margin regime was then being undertaken by the Commission, and the working party was asked to consider, from an actuarial point of view, the operation of the current regime in the Member States and make recommendations in the light of any proposals that might be made by the Commission. A working group of the Conference of Insurance Supervisors was established under the chairmanship of Helmut Müller of Germany (the Müller working group) to review the experience of the existing solvency margin regime in the Member States to

enable the Commission to determine whether any further harmonisation was needed. The Groupe's solvency working party initiated a dialogue with him to discuss the profession's approach. In 1996 the Groupe commented on a Commission consultation paper and questionnaire on the solvency of insurance undertakings and submitted a general report on the current solvency regime, with an offer to undertake further work if requested to do so by the Commission.

Over the next few years the Groupe, through its Insurance Committee and solvency working party, continued to comment on numerous Commission working documents and to discuss them with Commission officials. Some members of the committee and working party presented a paper in June 1998 to the international congress of actuaries in Birmingham on the ongoing revision of the EU solvency margin regime.

The Commission's work on solvency developed in two parts, Solvency I (a review of the current regime based on the work of the Müller group mentioned above) and Solvency II (a fundamental reassessment of the regime). On Solvency II, a working document '*A Review of the Overall Financial Position of an Insurance Undertaking*' was published in 1999 and, as we shall see in chapter five, heavy demands were to be made on the Groupe's resources over the next few years as it continued to play its full part in the debate on this crucial issue.

In January 1986, following the admission of Spain and Portugal as Member States of the EC, the Instituto de Actuarios Españoles and the Instituto dos Actuarios Portugueses became full member associations in the Groupe, being represented for the first time at the ninth meeting in Dublin in October that year.

As a follow-up to the Directive on equal treatment adopted in 1986, the Commission published in 1987 a proposal for *Completing the Implementation of the Principle of Equal Treatment for Men and Women in Statutory and Occupational Social Security Schemes*. The Groupe again became closely involved in the discussions on the proposals, attending meetings of an ESC study group, but progress was slow and detailed comments were not made by the Groupe until the beginning of 1990, when pensions issues again took on a high priority at the Commission. The Groupe was invited later in 1990 by the Commission's Employment and Social Affairs Directorate to examine the feasibility of developing a European standard actuarial basis for transfer payments in pension schemes between EC countries. In its reply, the Groupe advised the Commission that it did not see the introduction of a standard basis as a practical way forward at that time, given the very wide diversity of practice existing in Member States. It suggested it might be possible to agree some actuarial principles for the calculation of transfer values, rather than a standard basis. The Groupe later carried out its own survey on current practices in EC countries on cross-border transfers, making the results

available to the Commission in 1995 in its publication *Actuarial Standards for Cross-border Transfers between Pension Schemes in the EC*, which has since been updated to include other European countries.

A Commission working paper of October 1990 on completion of the internal market for private retirement pensions addressed the issues of cross-border membership of pension funds and the freedom of cross-border management and investment of pension funds. Subsequently, the Commission's proposals for a Directive focussed only on cross-border investment and management of pension funds, where it saw no specific actuarial issues arising, although the Groupe was welcome to comment if it wished to do so. The more important issue, as far as the Groupe was concerned, of cross-border membership of pension funds was not addressed by the Commission until a later date.

In considering the proposals in the Commission's working paper, the Groupe believed it would be useful to seek to introduce into legislation a system of actuarial principles for the valuation of assets and liabilities of pension funds similar to the principles it had successfully submitted recently for the Third Life Directive (see below). The Commission indicated it would welcome this, as well as a set of actuarial principles on the investment of pension funds. In the event, matters moved very quickly on the two issues of management and investment of pension funds and the Commission wanted a reaction in a very short time from the Groupe only on the question of actuarial principles of investment. The Groupe's *Statement of Principles of Investment for Pension Schemes* was submitted to the Commission and substantially incorporated in the final wording of a proposal for a Directive published in October 1991 on *Freedom of Management and Investment of Funds held by Institutions of Retirement Provision*. Unfortunately this was later abandoned by the Commission and replaced in 1994 with a Commission Communication which served merely to clarify its intentions covering the fundamental principles in relation to pension funds of the freedom of services and establishment and movement of capital in the EC.

The Groupe nevertheless continued its work on drafting actuarial principles for the valuation of assets and liabilities of pension funds, including a definition of an actuary in line with what it had sought to achieve earlier in the Insurance Companies' Accounts Directive. Its report *On a System of Actuarial Principles for the Valuation of Liabilities and Assets of Institutions for Retirement Provision throughout the European Communities* was submitted to the Commission in April 1993. Article I (iii) stated

'The calculation should be made by a qualified actuary, that is a person who is a full member of a recognised association of actuaries within the EC and who acts professionally under generally accepted codes of conduct and guidelines'.

With the abandonment of the earlier proposal relating to cross-border investment and management of pension funds, little further progress was then made on cross-border membership of pension funds in relation to which the Groupe had submitted its system of actuarial principles. As we shall see, it was not until the Commission published its Green Paper on *Supplementary Pensions in the Single Market* in 1997 that matters began to move again.

Although the Groupe's first colloquium took place in London in 1982, doubts continued to be expressed on whether to hold another. It was not until the Dublin meeting in 1986 that it was unanimously decided to organise a second colloquium, recognising that in the absence of an EC section of the IAA or of any other formal organisation representing the profession in Europe, the Groupe was best placed to do this on behalf of the national associations of actuaries.

The Groupe's second colloquium was held in Brussels in September 1987 at the offices of the ESC, which provided a good opportunity to invite senior officials in the Communities' institutions to meet the Groupe and make presentations during the morning session on how the Institutions worked and the contribution organisations such as the Groupe could make to the legislative processes. Whilst Max Lacroix believed the colloquium would have lasting positive effects for the credibility of the Groupe in fulfilling its main responsibility to represent the profession to the European Communities, he again reminded the Groupe, after the colloquium, of the strain imposed in organising such an event, particularly in a year which had seen the Groupe having to make urgent interventions on a number of important Commission proposals. The enthusiasm of members for holding future colloquia on a regular basis however remained and, since 1990, there has been a Groupe colloquium every year.

At the opening of the tenth meeting in Madrid in October 1987 the Groupe was honoured to be addressed by His Excellency Pedro Solves Mira, Secretary of State for European Affairs, who welcomed the Groupe and spoke about the economic and financial consequences of the recent accession of Spain to the EC and how these were being addressed by the Spanish government.

In a general discussion at the Madrid meeting on the role and responsibilities of actuaries, UK members referred to the importance of guidance notes issued by the profession to its members covering defined areas of actuarial work. UK legislation made reference to these guidance notes, with which members of the Institute and the Faculty had to comply under their codes of conduct. The Groupe expressed interest and a note setting out the advantages of guidance notes was sent to the national associations for their consideration; this led in 1992 to the introduction by the Groupe of its own recommendations for guidance for life insurance, non-life insurance and pensions.

In a personal statement made at the end of the Madrid meeting, Max Lacroix informed the Groupe that after careful consideration he had decided not to continue as chairman and wished to resign with effect from 31 January 1988. He had, he said, been honoured to lead the Groupe for almost ten years, after being heavily involved in the work of the Preparatory Committee, but the calls on his time had now become excessive. He believed the time had come to pass on the heavy responsibilities of chairman but he intended to continue to represent his national association as an active member of the Groupe. John Martin expressed the sadness of all members at this decision. He paid tribute

to the enormous amount of work Max Lacroix had done for the Groupe which, under his guidance, had made steady and valuable progress year by year particularly in its relations with the Communities' institutions and other organisations. As vice-chairman, John Martin agreed to become acting chairman of the Groupe from February 1988 until a new chairman could be elected at the annual meeting to be held in November that year in Amsterdam. Later, at the Groupe's meeting in 1990, Max Lacroix, who by then had ceased to represent his association on the Groupe, was elected an honorary chairman and invited to become counsel to the Groupe on issues on which it might wish to seek his advice from time to time. He readily agreed to this and



John Martin, Chairman 1988–1991

his wise advice and valuable experience have been made available to the Groupe to this day.

Shortly after becoming acting chairman, John Martin made a number of proposals on the administrative structure of the Groupe which were approved at the Amsterdam meeting. In particular, the tenure of office for the Groupe's chairman, having no previously agreed limit, was fixed at two years, reduced to one year in 1990. John Martin was elected chairman with Theo van den Heiligenberg of The Netherlands as first vice-chairman and chairman-elect and Carla Angela of Italy as second vice-chairman.

The Groupe's committee structure was also reviewed in Amsterdam. The three existing committees (Insurance Companies' Accounts, Solvency Margins, and Freedoms) were replaced by an Insurance Committee, responsible for both life and non-life insurance, including the work on insurance companies' accounts and solvency margins, a Pensions Committee, and a Freedoms and General Purposes Committee which, in addition to the matters covered by the existing Freedoms Committee, would normally be responsible for all matters that did not fall within the remit of the other two committees. Theo van den Heiligenberg (Insurance), Klaus Heubeck (Pensions), and Mario Coppini (Freedoms) were elected chairmen of the committees, roles for which there was at that time no fixed term of office.

This restructuring led to most of the detailed work of the Groupe taking place within the committees, with a consequent change in the nature of the annual meeting. Hitherto, it had been a very long meeting, extending over two days, concerning itself in detail with issues currently being discussed by the committees on which they might be seeking the Groupe's advice and approval to recommendations they were making. Committee meetings now began to be held on the day before the annual meeting (as well as at other times of the year), which gave Groupe members the opportunity to take part and so avoid lengthy debate at the annual meeting. That meeting could now focus on receiving formal reports from the committees and considering their recommendations, acting more as a decision making forum and for determining overall strategic policy. As a result the annual meetings became much shorter and business could be covered in one day.

In 1987, the Commission published its long-awaited proposal for a Directive on the *Annual Accounts and Consolidated Accounts of Insurance Undertakings*. As we have seen, the Groupe had already made two submissions on earlier drafts of the proposal and further comment now had to be made with some urgency as the matter was under discussion in the ESC and European Parliament. The Groupe was able to attend and participate in discussions at meetings of an ESC study group considering the proposal and in July 1987 made its third submission to the Commission, the ESC and the Parliament. Whilst this addressed a number of technical issues it focussed on what it saw as the crucial question of the actuary's role in the valuation of the technical provisions and matching of assets and how to define the actuary for this purpose.

In its first submission in 1979, the Groupe had sought to define the actuary as 'a member of the actuarial association(s) in the country concerned, listed in the annex (to the Directive), or such other person as the national supervisory authority shall regard as being qualified'. Its latest submission on the same proposal amended this definition to 'a member of a national association of actuaries in the Member State concerned or in another Member State when

arrangements are made for implementing the freedom of services of actuaries in the Communities, or of such other persons as the supervisory authority of the Member State concerned shall accept, in a particular case, as being qualified'. The Groupe's submission was later made available to a working group of the Council of Ministers which began to consider the proposed Directive in 1988, and members were urged to seek support for the Groupe's position at the national level through their government experts on the Council's working group.

Following consideration of the opinions of the Parliament and the ESC, an amended proposal for a Directive was published by the Commission in 1989. The Article which sought to define the actuary now included reference to the recently adopted Higher Education Diplomas Directive (89/48/EEC). Computations had to be made annually 'by an external actuary or one employed by the reporting insurance company recognised as such by virtue of Directive 89/48/EEC on the recognition of higher education diplomas on the basis of recognised actuarial methods', not as strong a definition as the Groupe would have wished, but better than nothing! Unfortunately reference to that Directive was later removed by the European Parliament. The Groupe strenuously lobbied the Commission and the Parliament to reintroduce a more precise explanation of who could be regarded as an actuary for the purposes of the Directive and submitted a revised proposal which is worth quoting in full to gauge its strength of feeling on the issue of defining the actuary where Communities' legislation called for certain actions to be undertaken by an actuary:

'A computation must be made annually in accordance with recognised actuarial principles by an actuary. The actuary may be employed by the insurance undertaking or may be a consulting actuary and shall be a full member of a national association of actuaries in the country of the insurance undertaking or in another Member State (under the provisions of Directive 89/48/EEC on the recognition of higher education diplomas). In particular cases, where permitted by national law, the computation may be made by such other person as is accepted by the supervisory authority of the home Member State as having adequate qualifications and experience for the purpose'.

Despite its efforts the Groupe failed to convince the legislators. Indeed, some Member States were still reluctant to include any specific reference to an actuary, and certainly how the actuary should be defined. From the Groupe's point of view, the absence of any reference to an actuary, and more particularly at the very least of a concise definition of actuary, would make it very difficult to seek to introduce such a definition into future legislation, particularly in the proposed Third Life Directive. It would be better to try to compromise now and seek to strengthen the

wording in later Directives. The final version of the Directive, adopted in December 1991, simply states that 'The computation shall be made annually by an actuary or other specialist in this field on the basis of recognised actuarial methods'. For all the Groupe's hard work, at the end of the day no account was taken of any of its submissions on this particular issue, and the version as adopted was actually much weaker from the Groupe's point of view than the earlier drafts! It has to be said it remains far from clear what other specialists currently exist who could undertake actuarial work.

When the Commission published its proposed Directive on insurance companies' accounts, a proposal made by the Commission in 1986 for a Directive relating to the compulsory winding-up of direct insurance undertakings was already under consideration by the Groupe. It believed the two proposed Directives should be co-ordinated as far as possible, particularly to ensure consistency between the valuation of provisions and assets for a going insurance undertaking and one that was being compulsorily wound up, and drew specific attention to this in its submissions of July 1987 on the accounts proposal and October 1987 on the winding-up proposal.

However, it proved extremely difficult to progress the winding-up Directive, mainly due to the complexity of the different insolvency regimes of the Member States, and although an amended proposal was published in 1993, this did not contain any issues of professional concern to actuaries and no further input was made by the Groupe. It was not until 2001 that a considerably amended proposal on the reorganisation and winding-up of insurance undertakings was finally adopted.

During 1988 discussions were held with the Commission on issues arising out of proposals for the liberalisation of life insurance services as part of the move towards completing the internal market by 1992. The Groupe was asked to prepare a report on technical reserves in life insurance and the current methods used in the treatment of those reserves in the different EC countries. Theo van den Heiligenberg and David Wilkie prepared a draft paper outlining current practice and in August 1989 the Groupe submitted its *Preliminary Notes on Technical Provisions for Life Insurance* to the Commission with an offer to undertake a more comprehensive review of the subject. The Groupe was reminded of this offer late in 1989 when the Commission asked for the more comprehensive review by the spring of 1990, a request which placed considerable pressure on the Groupe. Nevertheless the deadline was met and a report on *The Calculation of Technical Reserves for Life Insurance in the Countries of the European Communities* was sent to the Commission in May 1990. It recommended that any future life Directive should contain a statement of actuarial principles for the calculation of technical reserves for life assurance for supervisory purposes and suggested a number of

principles that might be included. The report, to which the Commission attached much importance, remains a valuable source of reference both for the Commission and the Groupe.

Arguably of greater importance for the Groupe was its publication in October 1990, after further discussion with the Commission of its earlier report of May 1990, of *A System of Actuarial Principles for the Calculation of Technical Provisions for Life Insurance throughout the European Communities*, popularly referred to by Groupe members as the Schiphol Principles as they were substantially drafted at a meeting held at Schiphol airport between David Wilkie, Theo van den Heiligenberg and Harry Horsmeier, who was later to become chairman of the Insurance Committee. The principles drafted at Schiphol were subsequently extended and amended at long meetings of the Insurance Committee in smoke-filled rooms. At one meeting, probably for the first and only time in the Groupe's history, the members came very close to voting on a particular issue. But after much give and take and compromise the Groupe was able to send its system of actuarial principles to the Commission as representing the unanimous views of its member associations.

The October 1990 report set out in much more detail the principles recommended in the report of May 1990 and this was exactly what the Commission was seeking. After some redrafting by the Commission, and further comments by the Groupe, the principles were eventually carried through as a major part of the Third Life Directive adopted in November 1992, representing probably the Groupe's greatest achievement to date in its relations with the EU institutions in Brussels.

The Groupe made a determined effort to include in the Directive a definition of the actuary similar to that which it had suggested earlier for the Insurance Companies' Accounts Directive, but again its efforts were unsuccessful, the Directive merely requiring the amount of the technical life assurance provisions to be calculated 'by a sufficiently prudent prospective actuarial valuation...'

With the adoption of the Higher Education Diplomas Directive in 1988, the Freedoms Committee could now turn its attention fully to the proposal first made by David Wilkie in 1986 for an agreement amongst member associations for the mutual recognition of members of other associations who wished to practise in another Member State. The Directive provided that, as a general rule, a professional recognised in one Member State through possession of a diploma, as defined in the Directive, must be so recognised in the other Member States. David Wilkie's proposal was for the Groupe to have its own internal agreement which, whilst meeting the objectives of the Directive, would facilitate the movement of actuaries within the EC without the need for tests or adaptation periods, emphasising the use of codes of conduct to regulate and control professional activities. Under his

proposal, a member of one association practising in another EC country would be required to join the local (host) association as a full member and be bound by its rules and observe any local code of conduct.

The proposal was broadly accepted by the Groupe and member associations and the Mutual Recognition Agreement was implemented in 1992. Its main features can be summarised as follows:

- each association in a Member State of the EU designates a class of full member to which any actuary who is a full member of another Groupe association in an EU Member State and who wishes to pursue the profession of actuary actively in the country of the host association must be admitted on certain conditions
- there are no further conditions as to training, passing of examinations or periods of experience, except that in certain circumstances, the host association **may** require the applicant to undergo an adaptation period or pass an aptitude test, at the applicant's choice.
- the applicant will have all the rights of a full member of the host association.
- each association must require its members through its code of conduct or otherwise to join the local association where that member may be providing services, and no member should undertake any duties for which they do not have the relevant knowledge and experience.

A number of practical issues arising out of the interpretation of the Agreement were considered by a working party in 1994 and recommendations made in a letter sent to the presidents of member associations in May of that year by the then chairman, Klaus Heubeck (still referred to as the "Heubeck letter"). These recommendations were reviewed in 2000 and generally the Agreement has worked well in practice with members being welcomed into their host association and being able to use the designatory letters or title of members of the association where they exist. It is reviewed every five years and was instrumental in the development of the Groupe's code of professional conduct, as we shall see later in chapter six.

At the twelfth meeting in Lisbon in 1989 Carla Angela proposed that a summer school should be organised each year or every two years by a member association under the auspices of the Groupe bringing together a small group of European actuaries to discuss in depth over a period of several days an actuarial issue of common interest. The Italian associations, she said, would be honoured to host the first summer school. The Groupe was happy in principle to support this Italian initiative, which it saw as a step forward in the development of its educational role,

on the understanding that, unlike the Groupe's colloquia, no financial liability should fall on the Groupe. The Italian associations were encouraged to go ahead with their plans and the first summer school was held in Rome in July 1990 to discuss the position of the actuary in the supervision of insurance and the technical characteristics of control and methodologies adopted in each country.

The Groupe's first newsletter, published in September 1989, aimed to serve as a communication vehicle between the Groupe and individual members of the national associations, being sent by the secretariat, with the consent of the member associations, direct to each member. The Groupe had planned to develop a database of members of all its associations but given the time and expense of maintaining such a list and keeping it up to date, and the relatively few occasions on which it would be used, it was decided not to go ahead with this. The newsletter continued to be published until 1998 when it was felt that this was not the most practical means to keep members up to date with EC and Groupe issues. Associations were encouraged to make use of their own internal communication procedures to do this. More recently, the development of electronic means of communication and the internet has provided an opportunity to introduce an e-newsletter on the Groupe's web site giving news from the Groupe 'as it happens'.

From 1985 the Groupe had been contributing towards the cost of secretariat facilities provided by the Institute of Actuaries and although this amount increased each year it covered only a small part of the full cost of reimbursing the Institute for the services it provided. In 1989, the Institute proposed that the contribution should in due course reach 50% of the actual costs it was incurring. However the Groupe decided that, as a matter of principle, 'the total contributions from all the national associations represented on the Groupe should, as soon as possible, generate receipts sufficient for the Groupe's purpose without relying on financial support from one of these associations'.

With the increasing amount of Groupe activities, and therefore the time spent on the administration of the Groupe by the secretary, who at that time also had other responsibilities as an employee of the Institute, this 'subsidy' provided by the Institute was also increasing. In a paper discussed at the Groupe's fourteenth meeting in Athens in October 1991 it was argued that if the Groupe was to become self financing a dramatic increase in the annual subscription payable in respect of each full member to the Groupe to as much as fifteen Ecus was required. As the fee for 1991 was only three and a half Ecus per member, such an immediate increase was clearly out of the question. In some associations, for internal reasons, the fee payable by their members was very low, and an increase in the Groupe subscription to the suggested figure would represent a high percentage of that fee.

The Groupe believed that the principle that it should be self financing was right and that the necessary steps should now be taken to achieve this position as quickly as possible. Nevertheless it recognised the difficulties facing some member associations. As a first step it was agreed to recommend to the associations that the fee for 1993 should be increased to ten Ecus per member, provided this did not represent more than 25% of the national subscription. After consideration by the associations this was formally approved by the Groupe at its meeting in Florence in November 1992.

The Groupe's financial position was further reviewed the following year in London when the chairman, Klaus Heubeck, noted the considerable increase in the activities of the Groupe since it was established. It had a responsibility to its member associations to justify the need for the current level of fees and the move towards even higher fees if it was to reach its agreed goal of being self financing. It had to take a close look at its financial strategy to ensure that its costs were necessary and properly incurred. A paper on future financial strategy was considered at the Copenhagen meeting in 1994 and recommendations aimed at achieving the goal of being self financing were approved; that position was finally reached in 1997.

Two other matters discussed at the twelfth meeting in 1989 are of interest. Firstly the Groupe considered whether there should be any change in its name (perhaps by deleting the word 'Consultatif!') and whether the style used on its stationery should be changed to a more modern one. After much discussion on these most important issues, it was decided not to make any changes. Secondly, the Groupe's 'constitution', as set out in the Preparatory Committee's letter of 17 June 1977, was reviewed. Members felt that whilst this might appear unduly restrictive, the Groupe 'had in practice not been limited in fulfilling what it considered to be its role and responsibilities on behalf of the national associations of actuaries in the EC'. In other words, it felt free to do whatever it considered appropriate to fulfil the broad terms of its mandate. So no change there either!

A proposal in 1989 by the French associations to establish a new Groupe committee to consider matters relating to finance and financial risks from a European point of view was agreed by the Groupe at its Paris meeting in 1990. This new committee, the Financial Risk Committee, was also charged with making a positive contribution to the Groupe's practical efforts in putting across its views on professional issues in relation to financial risk but to avoid becoming a technical debating forum!

The committee's first meeting, held in Paris under the chairmanship of Arnaud Clement-Grandcourt, a French actuary working in the banking sector, considered issues of capital adequacy, investment services and financial aspects of the Third

Life Directive. In 1995, when David Wilkie became chairman of the committee, it contributed to the Groupe's submission on the Commission's Green Paper *One Currency for Europe* and to discussions early the following year with the Commission's working group looking at the effects of the changeover to the single currency in banking, insurance and other financial institutions. In 1998 the committee joined the pensions and insurance committees in responding to the Commission's Green Paper on supplementary pensions.

With David Wilkie's retirement as chairman of the Financial Risk Committee in 1998, the opportunity was taken to appoint a working party under the chairmanship of Jean Berthon of France to review the role of the committee and its terms of reference. Whilst recognising the well-established function of all the Groupe's committees in commenting on aspects of EU legislation, the Groupe believed the committee needed to take a more proactive stance in promoting and encouraging the development of actuarial skills in investment and financial risk within the actuarial profession in Europe, and in developing position papers for submission to the European Commission and other interested organisations. At the Groupe's meeting in Vienna in 1999, recommendations on the future role of the committee were approved, its name was changed to the Investment and Financial Risk (IFR) Committee and Jean Berthon was confirmed as chairman.

During 1989 Max Lacroix was approached by actuarial associations in non-EC countries, Austria, Finland, Norway, Sweden and Switzerland, who had shown an interest in the work of the Groupe and wished to be kept informed of its activities. The Groupe was happy to agree to this but it would be another five years before these associations were admitted to the Groupe.

At the Lisbon colloquium in October 1991, informal discussions were held with Commission officials present on the possibility of the Groupe obtaining financial assistance to make contact with and provide actuarial assistance to central and eastern European countries. The Groupe agreed to explore this further with the Commission but in the meantime the arrangements already in place in the Groupe for keeping actuarial associations in European countries outside the European Union informed of Groupe activities were extended to those central and eastern European countries which had established or were establishing their own actuarial associations. In due course these contacts developed without financial assistance from the Commission.

At the conclusion of the fourteenth meeting in Athens in 1991, John Martin retired as chairman of the Groupe, having held the position for the past three and a half years. His successor, Carla Angela, paid tribute to John's efforts on behalf of the Groupe during a period of rapid acceleration in its work. He had, she said, 'been in tune with the spirit of the times and, in his vision of a pan-European actuarial

profession, was looking to the longer term future of the actuarial profession in Europe, as well as promoting the role of the Groupe in Europe at the present time'.

1992 was a significant year for the Groupe. The Commission's aim of completing the internal market by the end of the year saw the adoption of the Directive on Annual Accounts of Insurance Undertakings (the Insurance Companies' Accounts Directive) in December 1991, the Third Non-Life Directive in June 1992 and the Third Life Directive in November 1992. Meetings had been held, both formally and informally, with the Commission and with working parties and study groups of the European Parliament and the ESC on technical actuarial aspects of these Directives. Numerous submissions had been made, often with some urgency. Internally,

- the Groupe's code of conduct, and guidance notes in life insurance, non life insurance and pensions were finalised at the fifteenth meeting in Florence in October,
- the Education Committee was established under the chairmanship of Chris Daykin and began its work,
- actuarial associations in the countries of the European Free Trade Association were invited to join the Groupe as observer associations after those countries had ratified the European Economic Area Agreement between the EC and EFTA countries which came into force on 1 January 1994 (see chapter four), and
- the first meeting between the Groupe and representatives of the insurance supervisory authorities in the EC countries was held in Brussels in April.



Carla Angela, Chairman 1991–1992

The Groupe's Education Committee was established following a very successful seminar on actuarial training in the EC organised in Dublin in September 1992 by the Society of Actuaries in Ireland. The committee's chairman, Chris Daykin, in remarks he made at the Florence meeting, saw the role of the new committee as being to:

- collect information on the current education processes for the training of actuaries in the different countries,
- follow up the work of the Dublin seminar in developing proposals for what was desirable in the education process, and
- make suggestions as to further action relating to education in which the Groupe might be involved.

He emphasised that, whilst it had no wish to prescribe how member associations should operate their own educational structure, the Groupe had a wider role in

defining a core syllabus for actuarial training in Europe which it could recommend to the national associations and on which they could build. It was however aware that in a number of countries actuarial education was under the control of the universities, not the actuarial associations, and the Groupe would need to work closely with them if its proposals for a core syllabus were to be successfully implemented. The profession could determine what basic actuarial education it expected of students wishing to enter the profession but in some countries it was for the universities to provide that education. Individual associations could then add to this basic academic qualification their own professional requirements before admitting students as full members. The committee established



Klaus Heubeck, Chairman 1992-1994

a number of working parties which began to look in detail at the content of subjects within each association's examination system with a view to determining the key elements of specific core subjects for a common syllabus.

In April 1992 the Groupe's Insurance Committee organised a meeting in Brussels with representatives of the EU insurance supervisory authorities to discuss the Commission's proposals for its Third Life Directive. The meeting was informal and the supervisors welcomed the Groupe's helpful approach and its willingness to work with the supervisors in the practical implementation of the Directive. It was important to build on the goodwill that existed between the profession and the

supervisory authorities and the annual meeting between the Groupe and the insurance supervisors has been a permanent fixture on the Groupe's calendar ever since.

The success of this meeting led the Groupe's Pensions Committee to arrange a similar meeting in 1996 with the pensions supervisory authorities, which it seemed sensible to hold immediately before or after the meeting with the insurance supervisors, particularly as in some countries the same individuals are involved. With many supervisors and Groupe members remaining overnight in Brussels to attend both meetings, there is the added benefit of enjoying an informal social evening together.

1993-1999: A wider role for the Groupe

At its annual meeting in London in 1993 the Groupe first became involved in discussions on proposals to establish a new international organisation for associations of actuaries which aimed to complement the existing International Actuarial Association. The IAA at that time was an association for individual actuaries, with a specific role focussed on the congress it organised for its members every four years and on technical and research activities through its sections ASTIN (non-life insurance) and AFIR (financial risks). John Martin outlined discussions held between a number of actuarial associations, mainly from North America, on the proposed establishment of an International Federation (later International Forum) of Actuarial Associations (IFAA) to recognise the important and increasingly international role of the actuary. This new organisation would seek to promote, across international boundaries, high standards of professionalism and scientific development within the world's actuarial organisations.

An objective of the IFAA was that 'all actuarial organisations should aspire to attain the requirements for IFAA membership and, having attained those, join for the mutual benefit of their constituents and their member actuaries'. It would be a forum for debate about education, codes of conduct and discipline, and standards of practice. It would look at accreditation, though not mutual recognition, and represent the views of its member associations in discussion with international bodies. With the establishment of the IFAA as an association of associations, the existing IAA 'would be enhanced in its continuing role as a membership organisation open to all individual actuaries, fostering world wide discussion and scientific enquiry among its member actuaries through its colloquia and congresses'.

In the discussion that followed, it was evident that whilst there was a large measure of support within the Groupe for the idea of creating an international 'association of associations', there were nevertheless strong reservations, particularly in relation to the Groupe's own position and the special role it played in responding to issues affecting the profession in Europe. Would the IFAA expect to play any part in this? Some members feared a split in the loyalty of member

associations to the Groupe if some joined the IFAA and others did not. Others favoured a form of regional representation within the IFAA, the Groupe being one such regional organisation. One member, with considerable foresight, suggested that the IAA should be developed and adapted to fulfil the purposes of the proposed IFAA, with the IFAA becoming, in effect, a professional section of the IAA.

The IFAA was formally established in September 1995 as a section of the IAA. The Groupe believed its concerns about the IFAA's relationship with regional groups such as the Groupe Consultatif had been addressed in the IFAA's objectives and regulations in a way acceptable to it. The IFAA for its part recognised the special responsibilities the Groupe had within the EU, and where appropriate would work with the Groupe on issues where the international role of the IFAA might have implications at the EU level. John Martin believed the Groupe could be proud of the role it had played in the discussions leading to the establishment of the IFAA and their future relationship should be positive and constructive. Chris Daykin, speaking as vice-chairman of the IFAA, saw the Groupe playing a significant part in the work of the IFAA, which could build internationally on what the Groupe was doing at the European level. The IAA was later restructured in 1998 from an association for individual actuaries to an association of associations, when in addition to its existing responsibilities it assumed the professional role of the IFAA which then ceased to exist.



Paul Kelly, Chairman 1994-1995

Until 1992 there was no national actuarial association in Luxembourg and actuaries there were kept informed of what was happening in the Groupe by their Belgian colleagues. With the establishment of the Association Luxembourgeoise des Actuaire in that year and its admission to the Groupe as a full member association at the beginning of 1993, actuaries in Luxembourg could now play their full part in the Groupe and attended their first meeting in London in October 1993.

In 1992 the EU Member States signed an agreement extending the benefits of the Single Market to the countries of the European Free Trade Association (EFTA). The

European Economic Area (EEA) Agreement, which came into force on 1 January 1994, was intended as a stepping-stone for EFTA countries wishing to join the EU, in return for which they had to accept many of the obligations of the Member States. Following ratification of the Agreement by the EFTA countries, with the exception of Switzerland, the actuarial associations in Austria, Finland, Norway and Sweden became observer members of the Groupe in 1994. The Swiss association was also invited to become an observer association even though Switzerland had decided not to take up the link with the EU through the EEA Agreement. Representatives of all five associations attended their first Groupe meeting in Copenhagen in October 1994. With the admission of Austria, Finland and Sweden as Member States of the EU on 1 January 1995, the associations in those countries became full member associations from that date, and, with Iceland being a signatory to the EEA Agreement, the Icelandic Society of Actuaries was admitted to observer membership in 1995.

Through their countries' participation to the EEA Agreement the associations in Norway and Iceland are able to enjoy the benefit of all Groupe agreements, including that on Mutual Recognition of Qualifications. As Switzerland was not a signatory to the EEA Agreement, a separate agreement on mutual recognition has been made with the Association Suisse des Actuares.

The chairman of the Freedoms and General Purposes Committee, Mario Coppini, retired in 1995. He had chaired the committee since it was established at the Groupe's first meeting in 1978, and represented his association on the Groupe since 1978, as well as on the Preparatory Committee before that. Tribute was paid to his work both for the committee and the Groupe. He was succeeded as chairman of the committee by Carla Angela.

The Groupe was invited in 1995 by the IASC to comment on its Issues Paper *Retirement Benefits and other Employee Benefit Costs*. Although the timescale for comment was short, the Pensions Committee submitted a response in good time, co-ordinating its work with the IFAA at the international level. In discussions with the IFAA, the Groupe agreed that, in principle, the IFAA should be responsible for commenting on actuarial issues raised at that level by the IASC and other international organisations. In future the Groupe would co-ordinate any comments it wished to make with the IFAA which would make any appropriate submissions unless there were issues on which the Groupe felt its views were not properly reflected or where there might be specific European implications.

Since 1978, and indeed for some years before that during the time of the Preparatory Committee, the task of administering the Groupe's affairs had been undertaken by John Henty, a member of the staff of the UK Institute of Actuaries, as part of his wider Institute duties. Initially this took up a relatively small amount

of his time but with the rapidly increasing volume of work undertaken by the Groupe it became apparent that it required the full-time attention of its secretary. After discussion with the Institute, proposals concerning the future of the Groupe secretariat were considered at the eighteenth meeting in Edinburgh in 1995 when it was agreed that, with effect from October 1996, John would cease to be employed by the Institute and from that time would be employed by, and work exclusively for, the Groupe Consultatif. The Institute would continue to provide other secretariat services, including office accommodation and administrative support for the Groupe secretary, for which the Groupe would reimburse the Institute.

The Commission's Green Paper *One Currency for Europe*, looking at the practical arrangements for the introduction of the single currency, was published in May 1995 and considered by the Groupe at its Edinburgh meeting. Comments made to the Commission in October 1995 focussed on a number of professional issues, mainly concerning interest rates, which the Groupe was invited to discuss informally early the following year with a Commission working party looking at the change over to the single currency in the areas of banking, insurance and other financial institutions.

In his 'State of the Groupe' review at the opening of the nineteenth meeting in Cologne in October 1996, the chairman, Willem Meijer, observed how a 'cautious approach of gradual 'convergence' between European actuaries has been a trademark of the Groupe Consultatif. It has led us to the present situation, a rather smoothly operating loose federation without too much emphasis on organisational structures and formal procedures. We all seem to feel this set-up as quite comfortable and suitable to our needs'. He went on to compare the Groupe's role with that of the new IFAA, with its more structured arrangements, a subject considered in some detail by the Groupe later during the meeting. Whilst the establishment of the IFAA had caused some members to question the Groupe's future role, all agreed the Groupe should remain an independent organisation continuing to have an important part to play in commenting on proposed or existing EU legislation and helping to foster and



develop a strong actuarial profession in Europe, particularly through the encouragement of a more European approach to the actuarial education process.

Good progress was being made by the Education Committee and draft proposals for a core syllabus on actuarial training were first considered at its meeting in July 1996. During its investigation of the current education systems in the member associations, it had already discovered, as it reported earlier in 1994 to the Groupe's annual meeting, that 'a picture is emerging of increased state recognition of the role of the actuary and a move towards a requirement of membership in the local actuarial association as a prerequisite for undertaking those actuarial duties required

by law'. This was a very welcome state of affairs from the Groupe's point of view, having in mind in particular the Communication sent by the Groupe to the presidents of the national actuarial associations in June 1982 on how the associations might achieve a more official recognition of the role and responsibilities of actuaries in each of the EC countries.



Willem Meijer, Chairman 1995-1996

A recommended structure and draft contents for a core syllabus were presented to the Groupe and approved in October 1996. The committee's report stated that 'an important part of the rationale for carrying out this work has been to cement and put on firm foundations the Groupe Consultatif's Mutual Recognition Agreement. Although this currently relies on the deemed similarity of the content of

actuarial education programmes in the countries of the EU, combined with the overriding requirement contained in our codes of conduct to ensure adequate knowledge and experience before undertaking an assignment, in the longer term it is desirable to try to align content as much as possible and work toward common standards'.

As the process of implementing a core syllabus, and the part the Groupe could play in assisting member associations to achieve this, would be so important, a seminar was organised in Zandvoort in the Netherlands in July 1997 to give educationalists in the universities and representatives of the actuarial associations an opportunity

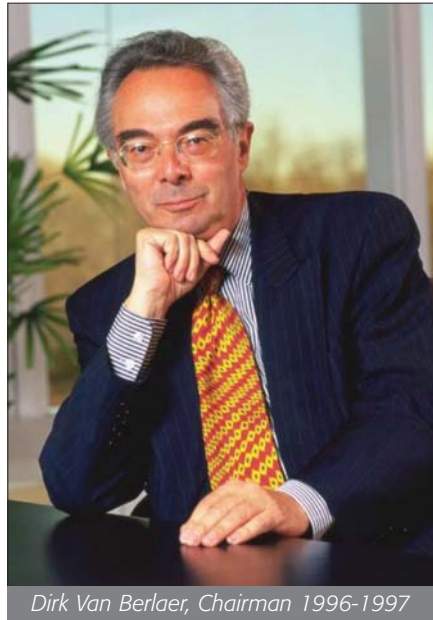
to discuss the matter. In view of the increasing interest in actuarial education in the countries of central and eastern Europe, the opportunity was taken, with financial assistance from the IAA's International Promotion and Education Fund, to invite representatives from those countries to take part.

The seminar revealed a great deal of support for the idea of a core syllabus, which was eventually finalised in December 1998 and adopted by member associations the following year. Although it was hoped that most associations would be able to implement the syllabus by 2001, each association was asked to do so as soon as possible, recognising the constraints on making changes quickly, particularly where universities needed to be persuaded to take the core syllabus into consideration when planning their teaching programmes.

Applications for membership of the Groupe were made in 1997 by the Union Strasbourgeoise des Actuaire (USA) and the Col.legi d'Actuaris de Catalunya. As the Groupe's rules allowed for the admission of any properly constituted association in an EU Member State, without any criteria for selection, the USA and the Col.legi were immediately admitted as full members. At the same time the Groupe decided to review the general procedures for admission to membership and established a Membership Working Party under the chairmanship of Norbert Heinen of Germany to make recommendations to the Groupe

on admission criteria and other issues such as voting rights, the status and privileges of observer associations and subscriptions. The working party's recommendations, in the form of a set of statutes covering much of the day to day operation of the Groupe, were adopted at the annual meeting in Stockholm in 1998 and came into force on 1 January 1999. The current version of the statutes, which are reviewed every three years, can be found on the Groupe's web site.

One important Article in the new statutes introduced criteria enabling the Groupe to broaden its membership by inviting applications from associations in any European country, including those in central and eastern Europe, which led to the



Dirk Van Berlaer, Chairman 1996-1997

admission in 1999 and 2000 as associate or observer members of the associations in the Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania and Slovenia, as well as Cyprus and the Channel Islands. The Association des Actuaire de Bretagne of France was admitted a full member in 1999.

In July 1997 the Insurance Committee organised a seminar in Edinburgh to compare the different approaches to monitoring trends in mortality in the EU countries, and the education workshop mentioned earlier took place in Zandvoort, with strong participation by actuaries and educationalists from central and eastern Europe.

Following publication in June 1997 of its Green Paper *Supplementary Pensions in the Single Market*, the Commission pushed ahead once more with its pensions proposals. Comments on the Green Paper were required by the end of that year and as there were aspects of the proposals which concerned all three of the Groupe's technical committees (insurance, pensions, and investment and financial risk), it was decided that a co-ordinated response should be made. The important comments made by Harry Horsmeier, chairman of the Insurance Committee, to a joint meeting of the committees called to discuss the Green Paper, well illustrate the unique contribution the Groupe can bring to the EU's legislative process. 'The Commission' he said, 'valued the Groupe's professional approach and its technical expertise. It also valued the unanimity of the Groupe's submissions'. He recognised that there were cultural differences within the Groupe, but felt that 'it was possible to reach a compromise as had always been the case previously, thereby presenting the Commission with a single view from the actuarial profession. It was these two strands, professionalism and unanimity, which contributed to the Groupe's strength vis-à-vis the Commission'.

The Groupe's response to the Green Paper was made in December 1997 and in April the following year Manuel Peraita, chairman of the Pensions Committee, attended a meeting in Brussels called by the Commission to discuss the various responses. With more than 150 people present it was hardly possible to have a constructive discussion at a meeting that was political, rather than technical, but there would be opportunity later for the Groupe to make a more positive contribution to the debate.

The results of the Commission's consultations on the Green Paper were published in May 1999 in its Communication *Towards a Single Market for Supplementary Pensions* and discussed at another joint meeting of the Groupe's committees in Vienna in October that year before further detailed comments were sent to the Commission. At the end of 1999 the Commission shared a working document on its proposal for a Directive on *Supervision of Institutions for Occupational Retirement Provision* with the Groupe, on which comments were raised and discussed with the Commission in the period up to May 2000. Although

the attempt by the Pensions Committee, of which Paul Thornton was now chairman, to introduce a comprehensive definition of an actuary was unsuccessful, many of its comments were taken into account when the proposed Directive was published later on in October 2000. The Groupe's input and willingness to meet the Commission to discuss the proposal were clearly valued and it continued to comment on the proposal and subsequent discussions around it in the following two years.

With the increasing move towards electronic communication, the Groupe established a web site in 1998, accessed initially through the UK institute's own site. In 2002 the Groupe launched its own independent site at www.gcactuaries.org. As well as providing general information about the Groupe, it includes Groupe publications and surveys, consultation documents from the European Commission with the Groupe's responses, and the regular Groupe e-newsletter. A members' only section includes the agenda and papers for Groupe and committee meetings.

With much of its work now conducted by e-mail or via the web site, perhaps the day is approaching when Max Lacroix' vision of the Groupe as "a Groupe without papers" at last becomes a reality.

Through an initiative of the UK Institute of Actuaries, a meeting was held at Staple Inn Hall in London in October 1998 for the permanent staffs of the Groupe's member associations to discuss how they helped to administer and organise the affairs of their associations and contributed in providing professional and technical support to their members. Sixteen members of staff from nine associations, including the Groupe, were present to share experiences at what was judged to be a successful and worthwhile meeting. A second meeting was held at the offices of the Dutch association at Woerden in October 2000 and further such meetings are planned. Actuaries responsible in an honorary capacity for the administration of those associations that have no permanent staff, particularly the smaller associations, now also attend these meetings.

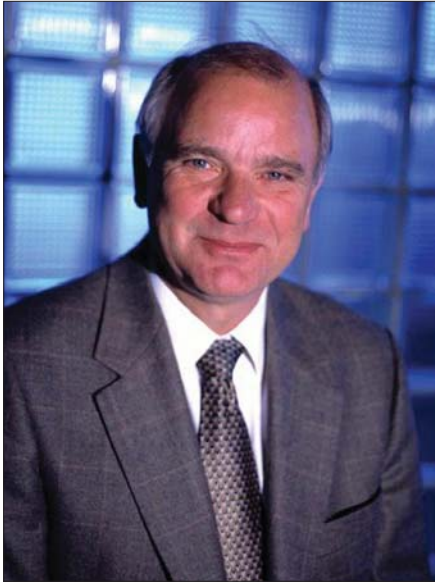


Henri Laurent, Chairman 1997-1998

An approach was made to the Commission in 1999 by the American Academy of Actuaries about a possible mutual recognition agreement with the EU that would enable American actuaries to practise in the EU and vice versa. It was not concerned with mutual recognition of qualifications. The Commission's department responsible for regulated professions considered the Groupe, as the representative organisation for the national actuarial associations in the EU, to be the appropriate body to discuss this approach with their North American colleagues, although it was prepared to take it up at the EU/government level if the Groupe wished it to do so. The Groupe indicated it would prefer to pursue the matter at the professional level

and proposed to hold informal discussions with representatives of the Academy and other North American associations later in the year.

Following these discussions, drafts were prepared of a memorandum of understanding and a mutual recognition agreement conferring rights on members of the Academy wishing to practise in the EU and on members of Groupe associations wishing to practise in North America. The position of the Enrolled Actuary in the USA, who has to pass state examinations and not those of the professional actuarial bodies to qualify as a pensions actuary, was however causing concern, as under the proposed agreement an Enrolled Actuary who was a member of the Academy would be able to practise in



Holger Dock, Chairman 1998-1999

the EU but an EU actuary would not be able to practise as a pension scheme actuary in the USA unless he or she had passed the state examinations.

Whilst it is the intention of the Groupe and the Academy to progress this issue, it awaits the outcome of discussions on the position of the Enrolled Actuary. In the meantime, an approach from the Canadian Institute of Actuaries about mutual recognition of qualifications is being considered.

Current processes in the Groupe for making submissions and comments in good time to the Commission and other organisations were considered at length at the Groupe's twenty-second meeting in Vienna in October 1999. Generally the

processes were working well, but it was sometimes difficult to obtain the views, perhaps at very short notice, of all member associations. The Freedoms Committee was asked to consider whether there should be some sort of written procedure for making submissions, with an agreed process in the event of a failure to respond. The principal procedures it recommended and which were accepted by the Groupe at its meeting in Bilbao in 2000, were to:

- circulate documents for comment as far as possible ahead of deadlines
- stipulate a time limit for comment
- encourage associations to give authority to their representatives to enable them to comment on proposals without continually referring back to their association
- treat an absence of comment as agreement to the proposals in a consultation document or draft response

Whilst provision was made for settling any disagreements and allowing for majority voting, member associations were again urged to recognise that the best way to influence legislation at the EU level was through collective and unanimous decisions.



Ad Kok, Honorary Treasurer 1999-2002

The Vienna meeting also approved the appointment of Ad Kok as the first honorary treasurer of the Groupe. Apart from the routine business of giving advice and support to the Groupe secretary who acts as accountant to the Groupe, the honorary treasurer maintains a general overview of the Groupe's financial position and makes recommendations on overall financial strategy. Following his appointment as Chairman of the Freedoms Committee in 2002, Ad Kok was succeeded as honorary treasurer by Alf Guldberg, the immediate past chairman of the Groupe.

As the 20th century drew to a close, the Groupe could reflect with quiet satisfaction on its achievements over the past twenty-two years. With thirty-one member associations in twenty-five European countries (soon to be increased to

thirty-three associations in twenty-seven countries), it could speak for the actuarial profession on European issues from a position of considerable strength. It commanded the respect of the EU institutions and other organisations for the impartial professional approach it brought to technical actuarial issues, and its influence in other areas such as the education and training of actuaries was significant. Whilst aware of its role in the wider actuarial community the Groupe remained a strong focal point for the profession in Europe and could look forward to the new millennium with enthusiasm and much expectation.

2000: A new millennium

In his opening remarks to the Groupe's twenty-third meeting in Bilbao in October 2000, the chairman, Manuel Peraita, summarised the Groupe's achievements over the past year in carrying out the professional role given to it by its member associations. 'We have', said Manuel, 'had two informal meetings with officials in the Directorates at the Commission most closely concerned with our professional activities in insurance, pensions and investment. We have been invited to make presentations on technical actuarial issues at two open days organised by the Commission, and to a working group of the Conference of Insurance Supervisors. We were asked to discuss with Commission officials on a bilateral basis our thoughts on fair value accounting and, later, the submissions we made on the Commission's working documents on its proposals for a Directive on the Prudential Supervision of Supplementary Pension Funds... We continue our annual meetings with the EU pensions and insurance supervisors. The Groupe was represented at two meetings of the Commission's Pensions Forum... and at two meetings of a representative body of interested organisations on the implementation of the Commission's action plan for financial markets. All of this in addition to the numerous submissions we have made during the year'.

Manuel concluded his remarks with reference to the growing membership of the Groupe. In 1994 the first associations from non-EU countries were admitted observer members of the Groupe through their countries' special relationship with the EU under the EEA Agreement. More recently the Groupe had taken the decision to admit as associate or observer members recognised actuarial associations from any country in Europe, which again raised the question first asked in 1989 whether the name *Groupe Consultatif des Associations d'Actuaires des Pays des Communautés Européennes* should be changed. The Groupe's influence and membership now extended beyond the countries of the European Union and the present name no longer reflected the actual composition of its membership. In any case, it was much too long!

Member associations consulted on this very important question made it clear that they were most reluctant to lose the words *Groupe Consultatif* from the name.

They were very well known to the Commission and other organisations, as well as to the member associations themselves, and the Commission increasingly referred to the Groupe as the *Groupe Consultatif des Actuaire Européens*. And so, at the twenty-fourth meeting of the Groupe in The Hague in September 2001, it was unanimously agreed to change the name to *Groupe Consultatif Actuariel Européen*, familiarly known henceforth as... the *Groupe Consultatif*! Plus ça change...

The decision by the Groupe in 1989 to become financially independent of the UK Institute of Actuaries has already been noted. This was achieved in 1997 when it began to reimburse the Institute in full for the cost of the services provided to the

Groupe by way of office accommodation at the Institute's premises in Oxford, overhead charges and secretarial support for the Groupe secretary. This management charge represented a major expense for the Groupe which, coupled with changes being made to the membership base by the exclusion of members resident outside Europe, saw a rapid reduction in the Groupe's reserves and a sharp increase in the subscription from thirteen euros per member in 1999 to sixteen euros in 2000. To avoid the possibility of a negative reserve position at the end of 2000 member associations agreed to pay a supplementary fee for that year of four euros per member, taking the fee to twenty euros, at which it remained for 2001 and 2002.



Manuel Peraita, Chairman 1999-2000

A report on the Groupe's financial position and long-term financial strategy was presented to the annual meeting in 1999 by the Freedoms Committee, its main recommendation being that solvency reserves should be established against the possibility of income in any year being insufficient to meet expenditure and against a loss on the annual colloquium, where the financial risk was carried by the Groupe. The Groupe's financial structure was further considered in 2000 with discussion focussing on the management charge made by the Institute of Actuaries which some members believed appeared high by comparison with similar arrangements elsewhere. Whilst the arrangements for the location and operation of the secretariat were very good, the economic consequences were giving cause for

concern. Following constructive and friendly discussions, the Institute agreed to review the management charge. The new agreed amount considerably reduced the Groupe's annual expenditure to the extent that it was able to offset the fee of twenty euros for 2002 by considering the supplementary fee of four euros already agreed for 2000 as 'on account' of the fee for 2002. By the end of 2002 the solvency margins had been achieved and from 2003 the Groupe was able to reduce its fee to sixteen euros per member for the foreseeable future. This level of annual fee, coupled with the surplus in the Groupe's accounts, is expected to provide a sufficient contingency margin to absorb any reasonable additional expenditure arising in future from increasing commitments the Groupe might undertake.

To strengthen the Groupe's relationship with its member associations, an agreement was approved in 2000 formally setting down the respective financial obligations of the Groupe and the associations, which did no more than confirm what was already happening in practice. At the same time the Groupe also approved a paper on the respective obligations and financial responsibilities between it and the host association in relation to colloquia and summer schools, which made it clear in particular that the financial risks of the annual colloquium are borne by the Groupe whilst financial responsibility for the summer school lies with the host association.

At one of its regular informal meetings with Commission officials in November 1998 the Groupe learnt that the Conference of Insurance Supervisors had established a working group under the chairmanship of Giovanni Manghetti, president of the Italian insurance supervisory authority, to provide an up-to-date overview of the procedure then being used to calculate technical provisions in non-life insurance in the EU countries. The Groupe offered its help and was invited to lead a discussion at a meeting of the working group in Rome in April 2000 on the actuary's role in the calculation and control of technical reserves in non-life insurance. A report was prepared by the Groupe and presented to the meeting by Carla Angela and her colleague Nino Savelli, who led the subsequent discussion. The Groupe's contribution was well received and its report annexed to the Manghetti working group's own report later that year on Technical Provisions in Non-life Insurance.

During 1999 the Commission published for comment a series of working documents on a review of the overall financial position of an insurance undertaking, its long-term Solvency II project. The Groupe was invited with other organisations to present its views at a Commission open day in June 2000, and submitted further comments later in the year.

With work on Solvency II now well under way, two working parties were established by the Commission to consider life and non-life issues, including technical

provisions. The Groupe was invited to join both working parties as the only non-supervisory representative organisation, thus providing a significant opportunity for it to influence the debate. The reports made in 1990 by the Groupe on the calculation of technical provisions in life assurance and on a system of actuarial principles for the calculation of those provisions (the Schiphol Principles) were made available to the life working party.

In discussions within the Groupe's Insurance Committee on the solvency review it was emphasised it was not merely sufficient for the Groupe to respond to consultation papers, important though that was. It should adopt a more proactive stance and take the initiative in seeking to develop a unified approach to the linked issues of solvency and fair value. It was important to work closely with the IAA on these issues to ensure a consistent and co-ordinated approach, whilst emphasising areas of key significance for Europe and the EU.

Reports in 2002 from the Commission's two working parties represented the end of the first phase of work on Solvency II. The second phase would address in greater depth more complex technical issues and present the Groupe with a major challenge to its ability to find the resources to provide support for co-ordinated in-depth work on the project. The Groupe's continuing involvement would require a clear commitment to contribute to a number of working groups being established by the Commission. At a meeting with the Commission in March 2003 the Groupe discussed its response to recent consultation papers and the extent to which it could contribute resources to the working groups. The Groupe was seen by the Commission as being able to provide independent advice and whilst it would be a major strategic challenge for the Groupe to participate in all the working groups the Freedoms and Insurance Committees were in no doubt that resources had to be found. The opportunity to have long-term influence on the Solvency II project had to be grasped.

The Groupe has now received a number of offers of pro bono assistance from actuarial consulting firms, as well as commitments from a number of member associations to find resources. A framework for organising the work has been agreed by the committees, and at the time of writing the Groupe is waiting on proposals from the Commission and the Conference of Insurance Supervisors as to how they propose to proceed. Work on the project is expected to start at the beginning of 2004.

For some years before the turn of the century the IASC had been working on a major project leading to the establishment of a system of fair value accounting for insurance liabilities and a method of arriving at a fair market value for a life assurance operation. By 1999 it was about to publish an Issues Paper. The IAA was closely involved at the international level in developing its own position and

as the outcome would have important consequences for the life assurance industry in the EU the Commission was also taking a close interest in order to develop and agree an EU view. At a meeting with the Commission in March 1999 the Groupe was invited to discuss these issues with an accounting sub-group of the Commission's Insurance Committee with particular reference to the IASC's proposed Issues Paper. The Groupe gladly accepted the invitation and its Insurance Committee immediately began to consider a series of internal notes aimed at developing a clear position on fair value accounting in insurance, particularly in relation to technical provisions, which would form the basis of a presentation to the Commission's accounting sub-group. The Groupe also aimed to include in its presentation a set of actuarial principles for the calculation of the technical provisions, similar to the Schiphol Principles. It was important to link actively with the IAA and at a joint meeting in Paris in December 1999 it was agreed there should be a common approach on the issue of fair value accounting by the Groupe and the IAA to the Commission and IASC respectively.

The IASC's Issues Paper was published late in 1999 and the Groupe's presentation to the Commission's accounting sub-group took place in May 2000, followed by a lengthy discussion. It was well received and the Groupe offered further assistance to the Commission.

A lengthy and detailed response to the Issues Paper was made by the IAA. As this was fundamentally an international issue the Groupe did not make a separate response. In considering further involvement in the work on fair value the Groupe recognised that whilst the IASC was looking to the IAA for help there would nevertheless be strong input from Europe as all EU associations were members of the IAA. It would be important to co-ordinate the EU position in discussions with the IAA to achieve maximum influence.

At the European level the establishment of a European Financial Reporting Advisory Group (EFRAG) in 2001 provided the Groupe with a further opportunity to be closely involved in the debate on accounting standards and financial reporting. EFRAG, a private sector initiative to advise the Commission on international accounting standards, set up an insurance sub-committee to influence the development of international financial reporting standards in relation to insurance matters and their application within Europe, including any changes to the EU's Insurance Companies' Accounts Directive. The Groupe was invited to nominate a member of this sub-committee. It continues to monitor and contribute to the discussion on fair value and new international financial reporting standards through the IAA at the international level and, at the EU level, through its membership of EFRAG's insurance sub-committee.

The Commission's proposal for a Directive on *Supervision of Institutions for Occupational Retirement Provision* was published in October 2000. We have seen that many of the Groupe's comments on earlier drafts were taken through to the proposed Directive, including reference to the technical provisions being certified by an actuary or other specialist in this field. The Groupe had tried to define the actuary as being a full member of one of the Groupe Consultatif associations, subject to a code of conduct and disciplinary arrangements, but this proved politically unacceptable, albeit the Commission accepted that in practice it was not aware of experts other than actuaries. Not all actuaries however were members of the local actuarial association and they could not therefore be brought within the scope of any code of conduct or disciplinary arrangements.

In March 2001 the Groupe was invited to another bilateral meeting with the Commission to discuss the details of the proposed pensions Directive and offered to assist the Commission by making a presentation on the Groupe publication *Actuarial Methods and Assumptions used in the Valuation of Retirement Benefits in Countries of the EU and other European Countries* which had recently been updated. The offer was taken up and the presentation made in February 2002 to the Commission and a working group of pensions experts of the Council of Ministers. The opportunity was also taken to introduce the Groupe's recent survey on the professional responsibilities of pensions actuaries.

After a first reading in the European Parliament, which resulted in 130 proposed amendments, the Council adopted a common position on the draft Directive in November 2002. With some minor adjustments this common position and the Directive were adopted in the Parliament's second reading in March 2003.

The first meeting of a Pensions Forum established by the Commission to consider how barriers to cross-border labour mobility relating to supplementary pensions could be addressed was held in Brussels in January 2000. The Forum is not an advisory body but a discussion group, bringing together representatives of government, the social partners, pension funds and other organisations active in the field that are represented at the level of the EU institutions. The Groupe is an active member of the Forum and its working groups, seeking to ensure a good understanding among its members of the technical issues involved. It has, for example, made a presentation to a transferability working party of the Forum on the Groupe's survey *Actuarial Standards for Transfers between Pension Schemes in the Countries of the EU and other European Countries*, and in 2003 presented a set of proposals to the Forum for actuarial principles that could be used in the calculation of transfer values for supplementary pensions. The transfers survey was also presented in June 2001 to a task force of the Centre for European Policy Studies (CEPS) on the portability of pensions and taxation of pension schemes.

The Groupe keeps in close touch with CEPS, an independent research group established in 1983, and is involved in relevant working parties.

A new link between the Groupe and the Commission was opened in 2001 with the publication by the Tax and Customs Union Directorate of a Communication on *Elimination of Tax Obstacles to the Cross-border Provision of Occupational Pensions*. Contact had already been established with representatives of that Directorate at the Groupe's regular meetings with Commission officials.

In a working document of December 1998 *The Supervision of Reinsurance Undertakings – an Assessment* the Commission initiated a project to determine whether current EU policy regarding reinsurance undertakings was still appropriate. It also sought comments on a questionnaire seeking to clarify current supervisory practice in the Member States and obtain an indication of key market characteristics of reinsurance business written. The Groupe's response to this questionnaire in July 1999 marked the beginning of a period of intense activity for it on this important issue, beginning with a Commission open day in September 2000 when the Groupe made a presentation on the actuarial perspective of the establishment of claims reserves by a reinsurance company. Comments were made early the following year on actuarial issues raised in a Commission discussion paper *Approaches to Reinsurance Supervision – Follow up and Structure of Work Programme* and on a series of associated working documents. The Groupe is also represented at meetings of the reinsurance subcommittee of the Commission's Insurance Committee.

A small group of actuaries, the Reinsurance Actuaries Group (RAG), led by Peter Boller of Germany, and reporting to the Groupe's Insurance Committee, has been established to respond to the steady stream of documents from the Commission on its reinsurance proposals and generally to assist the Commission in any way it can. It has made a presentation on technical provisions in reinsurance to a reinsurance subcommittee of the International Association of Insurance Supervisors, and is assisting a technical working group of the Commission examining the solvency of reinsurance undertakings.

At the Groupe's meeting in Bilbao in 2000 Bruce Maxwell became chairman of the Insurance Committee, taking over from Harry Horsmeier, who was chairman from 1994-2000, the longest serving Insurance Committee chairman. He held office during a period of intense activity for the committee, when it was heavily involved in discussions on actuarial issues arising out of the introduction of the single currency, the review of the EU solvency margin regime, and the Commission's work on fair value accounting and reinsurance supervision, much of which has yet to be completed. He led presentations to the Commission on fair value accounting and at Commission open days on solvency and reinsurance supervision, and worked

hard and successfully to maintain a close and friendly relationship with Commission officials which he believed to be of paramount importance to the Groupe.

The Groupe's Investment and Financial Risk Committee, under its chairman Jean Berthon, has been closely involved in considering consultative papers from the Basel Committee on Banking Supervision on its proposed new capital adequacy framework, and on the Commission's review of regulatory requirements for EU credit institutions and investment firms, complementing the Basel Committee's proposals. It responded in April 2000 to a Commission consultative paper on its review and continues to monitor this and further consultations by the Basel Committee.



Peter Clark, Chairman 2000-2001

The IFR Committee is currently undertaking a study on mismatching between assets and liabilities in insurance, pensions and banking, with a view to establishing an actuarial measure of risk. It is also gathering information on the construction and use of yield curves by actuaries to evaluate insurance and banking liabilities in Europe, one aim of which is to promote the use of actuarial techniques by insurance companies in the evaluation of yield curves. The committee is also providing input to the Groupe's Insurance Committee on asset liability management issues in relation to the Commission's solvency project.

The Groupe's twenty-fourth meeting in The Hague in 2001 was overshadowed by the terrorist attacks of 11 September in New York. The chairman, Peter Clark, referred to the close connections between European actuaries and the World Trade Center which was destroyed in the attacks, and read out a message of sympathy which all Groupe members present signed before it was sent to the American Academy of Actuaries, the Society of Actuaries and the Casualty Actuarial Society. A minute's silence was observed.

The meeting in The Hague was significant for being the last to be attended by the Groupe secretary John Henty, who retired at the end of the meeting having been present at all meetings of the Preparatory Committee and the Groupe since 1975. His successor, Michael Lucas, was introduced to members by the chairman.

In a paper presented to The Hague meeting, Ad Kok, the membre titulaire of the Dutch association and then honorary treasurer of the Groupe, reviewed the Groupe's aims as defined in its articles, and considered how its future strategy might be developed. He posed six questions:

- should the Groupe seek to develop new relationships with the EU, in particular the European Parliament and Eurostat?
- should the Groupe seek to establish itself as the leading provider of actuarial (statistical) information in the EU?
- should the Groupe seek to establish links with other international bodies (eg OECD)?
- should the Groupe consider establishing direct representation on the IAA independent of its individual member associations?
- what should the Groupe's attitude be to countries that are not members of the EU?
- does the Groupe's present approach to summer schools and colloquia require review?

Reservations were expressed on whether it was appropriate for the Groupe to pursue some of the proposed objectives, and on the ability of the Groupe properly to resource all the proposals. There was also a feeling that as the existing strategy was working well why change it? Nevertheless after consultation with member associations, the following strategic objectives were approved at the twenty-fifth meeting in Saariselkä, Finland, in September 2002:

- to examine the scope to extend the Groupe's sphere of influence to other European organisations (exploring fully with the European Commission how it might best provide professional actuarial input to those organisations)
- to investigate a possible role for the Groupe as a unique source of actuarial data
- to review professional development and educational activities, particularly for central and eastern European countries (ensuring consultation and collaboration with the IAA to achieve a consistent approach without duplication of effort).

There would be resource implications for the Groupe in carrying out these objectives. Ad Kok underlined the importance of full participation by all members of the Groupe and its committees in contributing to this and other work for the Groupe through attendance at meetings and responding to requests for information. Member associations were encouraged to develop small support groups for their representatives so that key issues could be discussed more readily.

The third objective emphasises the importance of working with the IAA in education matters. The education committees of the Groupe and the IAA were already working closely together in developing their core syllabuses for the training of actuaries to achieve consistency, as far as possible, in the overall structure. In December 1999 a joint meeting of both committees took place in Paris, followed by a joint international education conference and meeting in Estoril in 2001. It is planned to hold further such conferences and meetings on a regular basis in the future, the next being in Berlin in November 2003. Chris Daykin, chairman of the Groupe's Education Committee, reporting to the Groupe in Bilbao in 2000 on a

meeting he had recently attended in Budapest organised by the IAA to help the development of the profession in central and eastern Europe, commented that 'many of the new associations in those countries regarded the Groupe's core syllabus as a benchmark for the education process in their countries'.

An unsuccessful attempt was made by the Education Committee in the late 1990s to secure funding under the EU's SOCRATES programme to establish a thematic network for universities teaching actuarial science in Europe which would develop generic European tuition material to be used in actuarial science courses. In discussions with the Commission it was suggested the Groupe should instead seek a grant under the same programme to establish and



Michael Lucas, Secretary 2001

implement a programme of curriculum development. As it seemed that any grant was likely to be relatively small and require considerable bureaucratic procedures to obtain and administer, the committee decided at its meeting in The Hague not to pursue the application. Instead, it would draw up its own plans for the further harmonisation of actuarial education across Europe to reflect the activities that might have been progressed under the SOCRATES programme. These ideas were discussed at an education seminar held in Brussels in April 2002, which identified a number of issues relating to the core syllabus and to a need to develop a comprehensive and coherent strategy across the Groupe for continuing professional development (CPD). Changes have already been agreed clarifying the

treatment of various topics in the core syllabus and a longer-term review is in hand to determine more fundamental changes needed to the content, which it is hoped to implement by 2005.

A CPD sub-group of the Education Committee has been established to look at post-qualification education, identifying key topics to be considered for the development of structured CPD learning activities and how they should be disseminated, and to consider the establishment and maintenance of a European CPD data base. The Committee is also currently identifying textbooks that could be used to promote an understanding of European ideas in actuarial work and areas not presently covered by existing textbooks, and is undertaking a survey of the Groupe's member associations covering details of their education programmes, qualifications, their approach to the Groupe's core syllabus, and information on textbooks.

In January 2002, for the first time in its history, the number of member associations represented on the Groupe actually fell. The four French associations, the Institut des Actuaire Français, the Association des Actuaire Diplômés de l'ISFA, the Union Strasbourgeoise des Actuaire and the Association des Actuaire de Bretagne, came together to form a single new Institut des Actuaire Français. The total number of member associations thus fell from thirty-three to thirty, although the number of countries remains, of course, at twenty-seven.



Alf Guldborg, Chairman 2001-2002

In March 2002 the Pensions Committee considered a discussion paper from the Organisation for Economic Co-operation and Development (OECD) on a "prudential person rules" standard for the investment of pension fund assets. This was likely to have an impact on the proposed pensions Directive and it seemed appropriate the Groupe should respond to it, even though it had not been invited to do so. The OECD indicated it would welcome the Groupe's comments, which were submitted later that year. The Pensions Committee is currently developing guidelines for the implementation of the "prudent person principle", which although very familiar in Anglo-Saxon countries with large funded pension schemes is less

well understood elsewhere. It could assist in the learning process now taking place by developing concepts to address both assets and liabilities and to clarify the meaning of “prudence” in actuarial matters. A presentation on the subject was made to the annual meeting with the EU pensions supervisors in Brussels in April 2003.

As they look back over the last twenty-five years, two current members of the Groupe in particular will have good cause to reflect on its achievements during that time. Max Lacroix, counsel to the Groupe, and Carla Angela, membre titulaire of the Istituto Italiano degli Attuari, were both present at that memorable first meeting in Paris in May 1978, and have remained at the heart of the Groupe’s

work ever since. They have seen the number of representatives from the Groupe’s associations present at the annual meeting grow from eleven in Paris to nearly eighty who came to Saariselkä in 2002 for meetings of the Groupe and its committees, a figure which is less than half the total number of those now officially accredited by their associations to the work of the Groupe.

We have already noted the words of Max Lacroix and John Martin in 1984 when sending the Groupe’s report covering the first six years of its work to the presidents of its member associations. They are worth repeating in full as they are no less true today than they were nearly twenty years ago:



Norbert Heinen, Chairman 2002-2003

‘Votre Groupe Consultatif, avec prudence et détermination, a pu mener à bien un travail considérable avec des moyens très faibles, grâce au dévouement de ses membres aux intérêts de leur profession’.

A platform for the actuarial profession within Europe

We have followed the progress of the Groupe from its establishment twenty-five years ago to its position today as a homogeneous European-wide organisation. As such, it is widely respected for its impartial approach and the professional advice it gives to the EU and other institutions on technical actuarial issues without regard to commercial, political or other considerations. It has been instrumental from an early stage in strengthening professionalism among its member associations, notably through the introduction of its Mutual Recognition Agreement, code of conduct and guidance notes. In education, its core syllabus for the training of actuaries in Europe has served to strengthen the education process and provide a model for many associations, particularly the new associations of central and eastern Europe, on which they can build. Its programme of colloquia, summer schools and publications contribute in their own way to that education process. It is widely respected at the international level and works closely with the IAA on many issues to the mutual advantage of both organisations. It has established links with other European representative organisations.

In this chapter we will try to assess the achievements of the Groupe in these areas and the extent to which it has been able to fulfil the aspirations of its founding fathers not only in representing the profession to the EU institutions but also, in a much wider context, in acting as a platform for the actuarial profession within Europe.

The Groupe's influence on the EU's legislative processes

The EU's legislative processes are complicated but generally legislation is initiated by the Commission which submits a proposal to the Council of Ministers and, in some cases, to the European Parliament for consideration, usually after lengthy debate and consultation with government officials in the Member States, industry, special interest groups and sometimes technical experts. The opinions of the Parliament and the Economic and Social Committee are sought on the proposal and the Commission has further opportunity to amend it until eventually it is adopted as a Directive by the Council.

It is important that those seeking to influence the legislative process should enter the debate and make their views known at the earliest possible opportunity. The Commission's consultation process may well go through a number of stages where this can be done, from Green Papers to working documents, through preliminary drafts and draft proposals before a proposal for a Directive is finally submitted to the Council. There will be further consultation, discussion and amendments as the proposal passes through the various stages of the legislative process in Parliament, the ESC and the Council before it is finally adopted by the Council and published in the Official Journal.

The earlier in this consultation process the debate can be joined, the greater the chance there is of influencing the outcome. The further through the legislative process the proposal goes, the less chance there is of changing entrenched positions. After the proposed Directive has been submitted to the Council, having gone through many of the Commission's consultation stages, it is often difficult for organisations such as the Groupe to influence further changes at the Parliament or ESC level where decisions often have a political basis. We recall the comments of Max Lacroix during discussions on the proposed Insurance Companies' Accounts Directive on the importance of giving advice at the Commission level, whenever possible, although he did add that doors were not closed at the ESC or at the committee stages of the European Parliament. As its first chairman Max Lacroix knew how to focus the Groupe's efforts on where they were likely to have the most effect. It was a sharp learning curve which the Groupe enthusiastically embraced.

The Groupe's original rules spoke of it 'responding to requests from the EC institutions' but from a very early stage it did not sit back and wait to be consulted but took the initiative in seeking to make its views known to the Commission on technical actuarial issues. Indeed, at its very first meeting in 1978 it agreed to make the Commission aware of the profession's interest in its proposal on insurance companies' accounts, and of its intention to respond to it at the appropriate time. The Commission welcomed the Groupe's first formal submission in 1979 on this subject. As Max Lacroix commented subsequently to Stewart Lyon, then chairman of the Groupe's Insurance Companies' Accounts Committee, 'My definite impression is that the Commission's department rather wishes to rely on the Actuaries' Consultative Group for independent explanation on some important technical problems'.

Whilst a good working relationship was soon established with Commission officials, particularly in its insurance division, the Groupe was also represented at meetings of ESC study groups and Parliamentary committees. In time however this relationship with the ESC and Parliament came to assume a much lesser

significance for the Groupe as it began to focus more on the practical advantages of being directly involved in the early stages of discussion on the Commission's legislative proposals before they were adopted for submission to the Council. The advantage of this was clearly demonstrated in the work undertaken by the Groupe in response to the assistance sought in 1984 by William Pool, head of the Commission's insurance division, on a wide range of insurance issues. This led eventually to the development in 1990, at the Commission's request, of the Schiphol Principles, the *System of Actuarial Principles for the Calculation of Technical Provisions for Life Insurance*, a pillar of the Third Life Directive.

With the rapidly increasing amount of consultation of the Groupe by the Commission, it seemed sensible to consolidate this relationship by meeting on a regular basis to review ongoing issues and discuss future proposals where the Commission believed the Groupe's expertise could be of help. In January 1995, the first in a series of regular meetings took place in Brussels with officials in the insurance division of Directorate-General XV (Internal Market and Financial Services), now known as Internal Market DG. The Groupe was represented by Paul Kelly and Willem Meijer, its chairman and chairman-elect, and by Harry Horsmeier, then chairman of the Insurance Committee. Two Commission officials were present at this first meeting, where the friendly and informal discussions covered a wide range of pensions and insurance issues. The meetings are now held on a regular twice-yearly basis and last all day, with no formal minutes being taken so as to encourage full and frank discussion. The importance attached to them today, both by the Groupe and the Commission, is reflected by the presence of the Groupe chairman and the chairmen of its three technical committees, and by the head of the Commission's insurance division and other senior colleagues, who may be joined by officials from other divisions or Directorates for discussion on specific issues.

Although the Groupe continues to comment formally where appropriate on Commission consultation papers and other documents, it is by working increasingly closely with the Commission in the early stages of its planning that the Groupe can more effectively contribute to the debate and make its views known. Its recent involvement, at the Commission's invitation, in working parties under the Solvency I and, more importantly, the Solvency II project, will enable it to make a significant contribution to the technical issues and have considerable influence on any changes to the solvency regime the Commission might eventually propose. The recent open days organised by the Commission on reinsurance supervision and solvency have also provided opportunities for the Groupe to bring its views to a wider audience.

The experience of members, particularly those directly involved in the recent discussions on reinsurance supervision, solvency, fair value accounting and other

issues on which the Commission has sought and welcomed the independent approach the Groupe is able to bring, emphasises the key role the Groupe has in advising the Commission. Many consider the dialogue the Groupe has established with the Commission and the possibility it has to offer strategy proposals, particularly in the early stages of the consultation process, to be more valuable than simply responding formally to discussion papers and consultation documents, important though they are.

Finally, we should note the important and constructive relationship that exists between the Groupe and the pensions and insurance supervisory authorities in the EU. In most Member States the profession has always enjoyed good relations with their national supervisory authorities but it was not until 1992, as we saw earlier, that the initiative was taken by the Groupe's Insurance Committee, during the final stages of the debate on the proposed Third Life Directive, to arrange a meeting with the insurance supervisory authorities in the EU to discuss the Directive and its implementation. The meeting was highly successful and much welcomed by the authorities. Meetings continued thereafter on an annual basis, and since 1996 have also been held by the Pensions Committee with the pensions supervisory authorities. To encourage open and frank debate no notes are taken although prepared papers may be circulated. There is an opportunity for further informal discussion over lunch or dinner.

Arrangements for these meetings are made with the individual authorities in each Member State rather than through their representative body, the Conference of EU Insurance Supervisors. Some concern has been expressed in the last few years that the level of participation by the authorities has not been as high as it used to be, and that it would be preferable for the Groupe to arrange its meetings to coincide with one of the twice-yearly meetings of the Conference, thus giving its representatives the opportunity to meet the heads of the supervisory authorities. After discussions with the supervisors, members of the Groupe were invited to make a presentation at the formal six-monthly meeting of the Conference in Copenhagen in November 2002 on the latest developments in the Solvency II review. This was considered to be a success by both the Groupe and the Conference and further presentations are planned for the future. With this direct link having been established, there is the likelihood of increased co-operation with the Conference, particularly through work on the second phase of Solvency II. In the meantime, the traditional annual meeting held in Brussels and attended by senior staff from the supervisors' offices will continue.

Hitherto no organisation such as the Conference has existed for pensions supervisors but as part of the agreement on the proposed pensions Directive, the Commission plans to establish a Conference of EU Pensions Supervisors and its

proposals are awaited. The Groupe's Pensions Committee hopes to develop a relationship with this new organisation similar to that enjoyed by the Insurance Committee with the Conference of Insurance Supervisors.

The professional and educational role of the Groupe

We have seen how the rules of the Groupe outlined in the Preparatory Committee's report in 1977 concluded, almost as an afterthought, by providing that, independently of its role in representing the profession to the EC institutions, the Groupe should also be a forum for the exchange of views between member associations on any question of professional interest they might wish to raise. This somewhat all-embracing rule, loosely interpreted by the Groupe, has enabled it to work with its member associations in pursuing a range of actions that have seen the introduction of its Mutual Recognition Agreement, a code of conduct, guidance notes, and the development of an education process through its core syllabus. The colloquia and summer schools bring members of the profession in Europe closer together, and its technical publications underpin the reputation the Groupe has acquired as an authoritative voice on actuarial issues in Europe.

The Groupe's Mutual Recognition Agreement, introduced in 1992 following the adoption in 1988 of the Higher Education Diplomas Directive, has been fully described in chapter three. At an early stage in the discussions on the proposed Directive it was hoped that it would be a step towards getting the profession more formally recognised by the authorities in those countries where such formal recognition did not exist.

John Martin's synoptic table of 1979 on the training of actuaries in the EC had shown that training was sufficiently similar within each member association to make it possible for each association to recognise as actuaries those who had completed that training. The Mutual Recognition Agreement was intended to make it as easy as possible for actuaries to move between Member States without the need for further training or tests, as are permitted under the Directive. By being required to join the association in the country where they were working, actuaries would have to abide by local rules and regulations, in particular a code of conduct where it existed. But as not all member associations at that time had a code of conduct, a proposal was made in 1991 by John Martin that a strong code of professional conduct common to all member associations should be introduced by the Groupe stating the professional standards by which an actuary was expected to abide. Each association would have to have or adopt rules having at least the substance of these standards in their own codes, although possibly expressed in different words, and they could of course adopt rules in addition to those in the Groupe's code of conduct.

The code was adopted by the Groupe in 1992 and subscribed to by all the then member associations. The Groupe's statutes of 1998 now require all associations applying for full or associate membership to have in place a code of conduct that reflects at least the requirements of the Groupe's own code. As the code has to be capable of being enforced it must be backed by a strong disciplinary process. The final article of the Groupe's code provides that an actuary shall be subject to the disciplinary procedures prescribed in the rules of his or her association, and to back this up, the statutes require that within eighteen months after applying for full or associate membership each association has to have in place a formal disciplinary process meeting specified criteria.

The Groupe's code of conduct, with its reference to disciplinary procedures, has had a strong influence particularly on recently established associations when drawing up their own internal rules and regulations. It also encourages a move from observer status in the Groupe, where no professionalism or other special criteria are required, to associate status.

At the same meeting in Florence in 1992 when the Groupe adopted its code, drafts of guidance notes for life assurance, non-life insurance and pensions were considered and approved. Unlike the code, it is not mandatory for associations to adopt the guidance notes, which are recommended practice with which associations are not obliged to comply. They contain a core common to all of them, with additional paragraphs relating to the three specific practice areas. Associations are, of course free to add to them to reflect local conditions if they wish.

The introduction of the Agreement on Mutual Recognition, the code of conduct and the guidance notes marked an important step forward for the Groupe. The Agreement, currently undergoing its second five-year review, is generally working satisfactorily and effectively, although it has been suggested that some of its rules may be more onerous than permitted under the Higher Education Diplomas Directive and may need to be reconsidered.

In presenting its draft of a core syllabus for the training of actuaries in Europe to the Groupe in 1996, the Education Committee saw it as 'cementing and putting on a firm foundation the Groupe Consultatif's Mutual Recognition Agreement'. Member associations could feel confident that actuaries from other associations, practising in their country under the terms of the Agreement would possess qualifications that covered at least the subjects in the core syllabus. Implementation of the core syllabus, following its adoption by the Groupe in 1998 and acceptance by the associations, has proceeded satisfactorily, albeit slowly. As one of the criteria for full and associate membership requires compliance by 2005 with minimum educational standards as reflected in the core syllabus, an *Agreement for Implementation of the Core Syllabus by 2005* was approved by the Groupe in

2001 to which all full and associate member associations were required to subscribe. This agreement will reinforce the process of implementation and be of practical help to associations where government lays down the syllabus, as it could be used in discussions on change.

A review of the core syllabus is currently in hand, focussing on a revision of the style and format to clarify what exactly is core material and what represents additional specialist (or optional) material, as well as on more fundamental changes to the content to reflect recent developments. The Education Committee, as we have seen, is also looking at post-qualification education and continuing professional development, textbooks, and member associations' education programmes and qualifications.

The educational role of the Groupe in a broader sense is not confined to those activities undertaken by the Education Committee and briefly outlined above. Even before the Groupe was established there was a need for members of the Preparatory Committee to educate themselves on the role and responsibilities of actuaries in each of the Member States and how their actuarial associations were organised, information that was not then available in any comprehensive and up-to-date form. Claude Bébéar's report and John Martin's synoptic table were of invaluable help to members as reference sources in these early days, but Max Lacroix believed the information should be made available to a much wider audience. David Wilkie took on the task of editing this first 'official' publication of the Groupe and *The Actuarial Profession in the European Communities* appeared in 1985 priced at five Ecus! More than 1500 copies were eventually sold, with a further 250 complimentary copies being made available to member associations, the EU institutions, libraries and other organisations.

A second major work was also in preparation at this time. *An Actuarial Study of Mortality in the Countries of the European Communities*, edited by Professor John McCutcheon, a Fellow of the Faculty of Actuaries in Scotland, was published in 1986, later to be revised in 1997 to include other European countries. In 1989 *Actuarial Factors related to Life Insurance Practices in the EC Countries*, based on Dirk van Berlaer's working party report of 1985 for the Commission, was published.

These early publications were driven by the Groupe, either as projects for new Groupe work or developed from work it undertook in response to a request for information from the Commission. Following their establishment in 1988, the Insurance and Pensions Committees began to take the initiative in developing papers and undertaking surveys which were not only of considerable interest and value to the Commission and other organisations but would also serve as authoritative reference sources for actuaries throughout Europe. For example, we

have seen how the current version of the publication edited by David Collinson on *Actuarial Methods and Assumptions used in the Valuation of Retirement Benefits in the Countries of the EC*, first prepared as a discussion paper for the Lisbon colloquium in 1991, was used as the basis for a presentation in 2002 to the Commission and a group of pensions experts of the Council of Ministers. More recent work includes important surveys on the professional responsibilities of pensions actuaries and insurance actuaries.

Most of the Groupe's early publications were available for sale, but the policy now is to make all publications and surveys freely available on its web site. A full list of publications since 1985 can be found in Appendix VII, with an indication of those currently available on the web.

We have seen how, as long ago as 1979, John Martin put forward the idea of arranging a Groupe seminar, or colloquium, to bring together actuaries in the EC to exchange views and encourage a gradual harmonisation of approach to professional and technical matters in Europe. The outcome resulted in the first colloquium being held in London in 1982. Whilst the colloquia may not be educational in the strict sense of the word, they have addressed such topical issues as *The Actuary and Fair Valuation*, and also covered broader themes such as *The Actuary in the Twenty-first Century: Challenge and Change*.

The Groupe's summer schools, on the other hand, are intended to provide a much more in-depth consideration of subjects of specific concern to actuaries, in a sense a form of continuing professional development. As Carla Angela wrote in 1989 when promoting her idea for a Groupe summer school, 'The experiences of the Groupe Consultatif have confirmed the legislative, fiscal and market differences amongst the EC countries, and therefore we need to develop a common background of knowledge and keep ourselves up-to-date with current thinking and practices'. Lasting for up to three days, and generally held in an academic environment, the summer schools are intended for about 50 participants, providing an opportunity for detailed and in-depth discussion of each subject.

A full list of past Groupe colloquia, summer schools, and other conferences is given in Appendix VI.

The Groupe and the IAA: working together

In the late 1970s when the Groupe was established, the IAA was based in Brussels and appears to have been regarded with some suspicion by non-Europeans as being too Euro-focussed. When John Martin made his proposal in 1979 that the Groupe should organise an open meeting or seminar for European actuaries, reservations were expressed that such a meeting might cause difficulties for the IAA

amongst some of its members, even though it was not intended in any way to duplicate the work of the IAA or of the international congresses it organised.

We have seen in chapter two how the Groupe recognised it was essential to let the international actuarial community know as soon as possible of its establishment and *raison d'être*, partly to avoid any suspicion, particularly amongst actuaries outside Europe, that it was trying to establish itself as an association for European actuaries to the detriment of the wider international organisation. Accordingly, it made a presentation to the IAA's congress in Zurich/Lausanne in 1980 and has since intervened at subsequent congresses, contributing to the debate on the national reports.

Before the establishment of the IFAA in 1995 the IAA had not been involved in any of the practical issues facing the profession at that time at the international level. In 1979, for example, the IASC approached the Groupe, and not the IAA, for views on its Exposure Draft *Accounting for Retirement Benefits in the Financial Statements of Employers*. At a Groupe meeting as early as 1983, when its relationship with the IASC was being discussed, John Martin observed that the IASC was an international body whilst the Groupe represented associations in the EC countries. The IAA, he said, did not seem to be in a position to express the views of the profession at the international level, a position that remained substantially unchanged until the establishment of the IFAA in 1995. At that same meeting in 1983 it was noted that no formal relations existed between the Groupe and the IAA and none was proposed. Informal contacts were being maintained at that time with the president of the IAA by the Groupe chairman, Max Lacroix, who again reminded the Groupe that 'care must continue to be taken by the Groupe (in its relations with the IAA) when considering such matters as arranging a colloquium'.

Apart from the Groupe's contribution to the four-yearly congresses, there was little other formal contact with the IAA until the situation changed dramatically after 1993 with the proposals put before the Groupe by John Martin following meetings he had attended on the establishment of an International Forum of Actuarial Associations.

We have already noted the strong concerns felt by some associations that the Groupe's special role within the EU should not be diluted, and that the position of regional bodies such as the Groupe should be respected in any new international organisation. On the other hand it was recognised there was a void in representation at the international level which the IFAA could fill and thus be able to promote the profession at that level on professional issues. The Groupe's concerns were addressed and the IFAA was established in 1995, later, in 1998, to become subsumed in the IAA when that organisation was restructured to become an association of associations, not an association for individual actuaries.

In a discussion in 1996 on the future role of the Groupe following the establishment of the IFAA, few doubted it would continue to play an important role in commenting on EU legislation and helping to foster and develop a strong actuarial profession in Europe. There were no plans for it to be represented directly at IFAA meetings; they were both independent organisations which in practice would need to work closely together on many issues.

Indeed they had already begun to do this. At its founding meeting, the IFAA established four committees, including those on education and pensions. The first task of its pensions committee was to respond to the IASC's Issues Paper *Retirement Benefits and other Employee Benefit Costs*. The Groupe had already been invited to do this and Paul Thornton, a member of the Groupe's Pensions Committee, who at that time was also chairman of the IFAA's new sub-committee on IASC issues, co-ordinated the independent responses for both the Groupe and the IFAA. The Groupe quickly recognised however that comments and submissions on international issues should generally be made by the IFAA. When the IASC later issued an Exposure Draft following on from its Issues Paper, the Groupe's comments were again co-ordinated by Paul Thornton but fed into a single response from the IFAA. Nevertheless, whilst acknowledging and welcoming the input it could make through the IFAA, the Groupe reserved the right to make its own submissions direct to the IASC if it felt its views had not been properly addressed in the IFAA's response.

The pattern was now set for future co-operation in pensions, insurance and education, in much of which there would be a European dimension. For example, the Groupe's Insurance Committee began to work closely with the IFAA's insurance accounting standards committee on proposals by the IASC in relation to its insurance accounting project, in which there was a major EU interest since the outcome would affect current EU legislation on insurance companies' accounts. A joint meeting of the two committees to discuss the project was held in Paris in December 1999.

In education, the chairman of the IFAA's education sub-committee was co-opted on to the Groupe's Education Committee and there is close co-operation between the committees in work on their respective core syllabuses. We have already seen that a joint meeting of the two committees was held in Paris in December 1999, and a joint seminar and committee meeting took place in Estoril in 2001. Another seminar and meeting are planned for Berlin later in 2003.

With the development of such close co-operation between the Groupe and the IAA, and having in mind the complexity of many of the technical issues involved, both organisations have taken steps to co-ordinate their work to avoid duplication of effort. The active involvement of many members of the Groupe and its committees

in the work of the IAA greatly facilitates this process, and the relationship generally between the Groupe and the IAA has been strengthened in recent years by the election as presidents of the IAA of Chris Daykin and Jean Berthon, currently chairmen of the Groupe's Education and IFR Committees respectively, and the recent appointment of Alf Guldberg, immediate past chairman and currently honorary treasurer of the Groupe, as president-elect of the IAA.

In addition to this long and close relationship with the IAA, the chairman of the Groupe has also been invited in recent years to attend meetings of the council of presidents of actuarial associations in North America, including Mexico, and meetings of presidents of associations in the English speaking countries.

Links with other European representative organisations.

We have seen in chapter two how the Groupe was quick to seek to develop contacts with the CEA, the representative body for the insurance industry in Europe, and with the Groupe d'Etude des Experts Comptables, a group representing European accountants, specifically in relation to the issue of insurance companies' accounts. Meetings were held with the CEA, who welcomed the opportunity for an exchange of information on this subject and later on other issues such as solvency and equal treatment. But at an early stage the Groupe was conscious of the respective professional and commercial roles of the two organisations and agreed with the CEA they would approach questions of common interest independently whilst continuing to maintain contact and share information.

Links were also made with two other European representative organisations. The European Federation for Retirement Provision (EFRP) was established in 1981 and an informal meeting arranged at which it was agreed it would be in the interest of both organisations to maintain contact on a regular basis as was already happening with the CEA. In 1987, the Fédération Européen des Experts Comptables (FEE) was established, its committee on communities' affairs effectively replacing the Group d'Etude des Experts Comptables. There had been little further contact with the Groupe d'Etude since the Groupe Consultatif's second submission on insurance companies' accounts in 1981, but a good relationship was established once more by Max Lacroix with the chairman of FEE's communities' affairs committee.

Although there continued to be some dialogue with the three organisations, particularly the CEA, by the early 1990s these links were not strong and there was little contact. It was not until 2000 that a further meeting was sought with the Groupe by the CEA which was seeking to strengthen its academic and professional links and believed closer co-operation with the actuarial profession was important. The approach was welcomed by the Groupe and meetings have

been held on the basis of an exchange of opinions with mutual respect for each other's position. In 2001 the link with FEE was re-established when Jean Berthon, chairman of the Groupe's IFR Committee, met representatives of FEE to discuss future co-operation. A recent approach from FEE for a meeting to discuss how the new international reporting standards might be audited is being followed up. Contact has also been re-established with the EFRP, with a meeting being held in July 2002 to discuss the respective roles of the Groupe and the EFRP.

It is clear from these fairly informal meetings that these organisations value the link with the Groupe, which it will continue to seek to strengthen whilst keeping the detachment appropriate to its professional perspective.

People and places

We have seen that the Groupe concluded its first meeting in Paris in 1978 with a dinner hosted by the French associations in the Palais du Luxembourg, a tradition that continues to the present day. This dinner is now attended not only by Groupe members but also by committee members present for meetings on the day before the annual meeting, and of course by husbands, wives and partners, familiarly known as the accompanying persons. With members attending from all over Europe, other activities surrounding the annual meeting are now arranged by the host association to give everybody an opportunity to meet socially in a relaxed and friendly atmosphere. These activities include the much loved 'accompanying persons' day out', which takes place while the annual meeting is in progress, and a very informal event on the evening before the annual meeting.

The Groupe's colloquia provide similar opportunities to get together at the colloquium dinner and other events organised around the colloquium.

The following pages record some of these occasions.



Carla Angela, Groupe chairman, and John Martin, then president of the Institute of Actuaries, with the Lord Mayor of London before the opening of the Groupe's colloquium at the Institute in London in 1992



The Lord Mayor opening the London colloquium

The Actuarial Profession in Europe



Colloquium participants.



The Groupe's colloquium in Berlin in 1993 coincided with a state visit to Germany by the Emperor and Empress of Japan. On the day after the colloquium, the Groupe's secretary, John Henty, was sightseeing outside the town hall when he was given some Japanese flags to wave. The Emperor and his wife then arrived and began a walkabout amongst the crowd, stopping very close to where John was standing. A great opportunity to bring the Groupe's greetings to the Emperor of Japan was missed by a few metres.



Informal dinner on board the Hispaniola, moored on the River Thames, during the annual meeting in London in 1993



Paul Kelly, chairman of the Groupe, being greeted by the mayor of Lyon at a reception in the town hall before the colloquium in 1994. Henri Laurent looks on



Lunch during an excursion following the Lyon colloquium



Menu

Abbaye's Appetizers

♦♦♦

Salmon at sorrel

♦♦♦

Turbot on Pouilly Fuisse sauce

♦♦♦

Pigeon in puff pastry with foie gras

Mushrooms fricassee

♦♦♦

Saint Marcellin "Mère Richard"

and baratte de chèvre

♦♦♦

Delices

Petits Fours

The colloquium dinner in Lyon was held at Paul Bocuse, the famous three Michelin star restaurant



Iris Blackwood, Sandy Thornton, Sandra Maxwell and Diana Clarke on the accompanying persons day out during the annual meeting in Copenhagen in 1994



Patricia Wilkie, Paul and Aileen Grace, and Emmy Meijer in Copenhagen 1994

The Actuarial Profession in Europe



The Faculty of Actuaries attempts to introduce Scottish dancing to the Groupe at the annual meeting in Edinburgh in 1995



Members being entertained after the colloquium dinner in Il Campadoglio in Rome, 1995



At dinner in the Gästehaus Petersberg after the annual meeting in Cologne in 1996



Dinner in the Gästehaus Petersberg

The Actuarial Profession in Europe



Gästehaus Petersberg, Königswinter. Here, in 1949, the Chancellor of the Federal Republic of Germany, Konrad Adenauer, signed the Petersberg Agreement which restored the sovereignty of the republic after the second world war. It is now used as a guest house for high ranking state visitors and at the time of the Groupe dinner in 1996 the President of Peru was staying there



Bruce Maxwell and Carla Angela demonstrate the importance of establishing warm and friendly relations among Groupe associations during the Colloquium in Dublin in 1996



Chris Daykin chairs the education seminar in Zandvoort in 1997



An "educational" trip along the canals of Amsterdam during the seminar in Zandvoort



Max Lacroix presenting prizes for the best papers in a competition held in conjunction with the colloquium in Barcelona in 1997



Harry Horsmeier and Ron Akhurst discussing a very serious point during the Barcelona colloquium



Henri Laurent making a retirement presentation to John Martin after dinner in Dublin Castle during the annual meeting in 1997



Harvie Brown, Ad Kok, Anne Moeglin and John Henty at dinner in Dublin Castle



Jaako Tuomikoski, Terry Clarke and Willem Meijer enjoying an evening at the Abbey Tavern in Howth, near Dublin, during the 1997 annual meeting



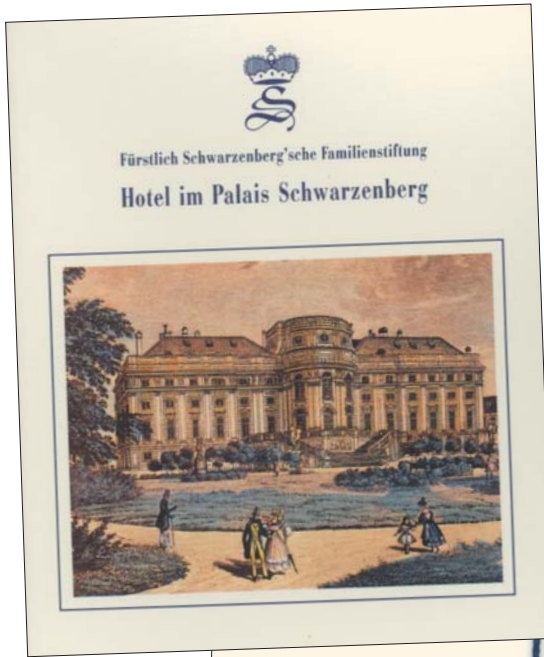
Henri Laurent, Sandy and Paul Thornton



An unusual arrangement of wine glasses at a reception before the colloquium dinner in Luxembourg in 1998



The Groupe's dinner after the annual meeting in Vienna in 1999 was held in the Hotel im Palais Schwarzenberg



Menu for the
Groupe dinner at
Hotel im Palais
Schwarzenberg
1999

Grüner Veltliner Federspiel 1997
Rotes Tor
Franz Hirtzberger, Spitz

Sauvignon Blanc 1997
Steirische Klassik
E&M Tement, Berghausen

Blaufränkisch 1997
Ried Johanneshöhe
Engelbert Prieler
Schützen am Gebirge

Beerenauslese 1997
Weinlaubenhof
Alois Kracher, Illmitz

Vienna, 8 October 1999

*Aspic of "Tafelspitz"
with tomato vinaigrette*

*Potato creamsoup
with slices of bacon*

*Roasted fillet of pike-perch
on pumpkin Hungarian style*

*Larded fillet of beef
"Viennese style"
on creamed root sauce
with homemade dumplings*

*"Dukatenbuchteln"
with vanilla sauce*



Members of the Freedoms Committee sightseeing in Lisbon, 2000



Informal dinner the night before the meeting of the Freedoms Committee in Lisbon

The Actuarial Profession in Europe



The Education Committee met in Lausanne in 2000 and had lunch at the International Olympic Committee's museum, with Lake Geneva in the background



The Education Committee in Lausanne, 2000



Group members and their partners enjoying an informal dinner in Bilbao during the annual meeting in 2000



The Groupe's fourteenth Colloquium was held in Copenhagen in 2001

The Actuarial Profession in Europe



Deborah Rose and Mogens Andersen in conversation before the Colloquium dinner in the Tivoli Gardens in Copenhagen in 2001



Esko Kivisaari, Kathryn and Will Morgan, and Bruce Maxwell in the Tivoli Gardens



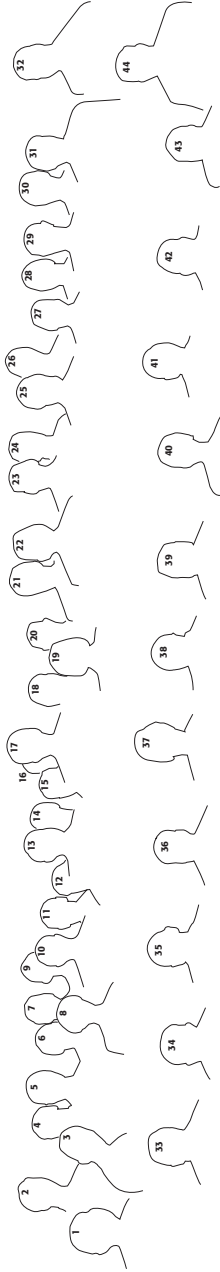
*Feel the quality! Lone and Mogens Andersen after dinner
in Tivoli Gardens with Peter Clark*



*Finn and Ellen Heerwagen enjoying
dinner in the Tivoli Gardens*

Participants at the annual meeting in The Hague 2001

- | | | | | | |
|-------------------------|--------------------|------------------------|------------------------|---------------------|----------------------|
| 1 Marie Louise Wenander | 9 Petr Mandl | 17 Peter Clark | 25 Peter Prieler | 33 Felix Arias | 41 Marc Chuard |
| 2 Gijs van Isjtel Smits | 10 Bruce Maxwell | 18 George Psaras | 26 Rainer Fuehrhaupter | 34 Juan Echeverria | 42 Fulco Lock |
| 3 Deborah Rose | 11 Eamon Heffernan | 19 Maria da Luz Fialho | 27 Manuel Peraita | 35 Ermanno Piacco | 43 Thierry Poincelin |
| 4 Gabor Hanak | 12 Pat Merriman | 20 Terry Clarke | 28 David Paul | 36 Horst Zimmermann | 44 Ad Kok |
| 5 Ed Levy | 13 Alf Guldberg | 21 Matthias Feehr | 29 Chris Daykin | 37 Paul Thornton | |
| 6 Ricardas Kudzma | 14 Michael Lucas | 22 Costa Koutsopoulos | 30 Karel Coossens | 38 Norbert Heinen | |
| 7 John Henry | 15 Richard Deville | 23 Bjarni Thordarson | 31 Henri Laurent | 39 Jukka Rantala | |
| 8 Carla Angela | 16 Paul Grace | 24 Tor Eivind Hoyland | 32 Jean Berthoin | 40 Angie Felipe | |



The photographs on pages 95-100 were taken during the Groupe's annual meeting in The Hague in 2001



Margareta and Felix Arias, with Fulco Lock



UK and Irish members at dinner



Agnes Matits, Gabor Hanak, Petr Mandl and Ricardas Kudzma



Horst and Gabi Zimmerman with Joyce Kelly



Ed Levay, Carla Angela and Jean Berthon



Juan Echeverria, Maria da Luz Fialho, Milena and Manual Peraita



*Marie-Claude and Alain Martini, Ermanno and Clara Pitacco,
Stefano Visintin and Cristina Vindigni*



Jill Martin, John and Elizabeth Henty, and John Martin



The French Connection. Jean Berthon, Henri Laurent and Thierry Poincelin



Richard Deville with Alf Guldberg

The Actuarial Profession in Europe



The "older" generation of the Groupe. From left to right: Costa Koutsopoulos, Manfred Helbig, Kjeld Villund, John Henty, Carla Angela, Jan Jansen, Dirk van Berlaer, Paul Kelly, John Martin and David Wilkie



John Henty retired at the end of the meeting in The Hague. He is seen here being toasted by five members present at the first Groupe meeting in Paris in 1978, Jan Jansen, John Martin, Kjeld Villund, Carla Angela and Manfred Helbig. They are joined by Dirk van Berlaer, who "only" attended his first meeting in 1980.



An evening in Saariselkä, 2002



Now, which way do we go? Carla Angela gets everybody organised for the Nordic walk in Saariselkä, 2002



*How do I look?
Carla Angela all ready to go*



*The intrepid Deborah Rose
leads the way*



The Auberge des Chapeliers, the “Groupe restaurant” in Brussels, a favourite haunt of members for many years



Paul Grace, Rolf Stölting and Norbert Heinen in the Auberge des Chapeliers during the annual meetings with the supervisory authorities in 2003



Carel Hammer and Peter Prieler in the Auberge des Chapeliers

Appendix I

Groupe Consultatif: Member Associations

Year of Admission	Association	Country	Current Membership Status
1978	Association Royale des Actuaire Belges/ Koninklijke Vereniging van Belgische Aktuarissen	Belgium	Full
	Den Danske Aktuarforening	Denmark	Full
	Institut des Actuaire Français	France	Full*
	Association des Actuaire Diplômés de l'Institut de Science Financière et d'Assurance de l'Université de Lyon	France	Full*
	Deutsche Aktuarvereinigung	Germany	Full
	Het Actuarieel Genootschap	Netherlands	Full
	Istituto Italiano degli Attuari	Italy	Full
	Consiglio Nazionale degli Attuari	Italy	Full
	Institute of Actuaries	United Kingdom	Full
	Faculty of Actuaries	United Kingdom	Full
	Society of Actuaries in Ireland (Until 1983, when it was first represented at a Groupe meeting, the Society was kept informed of Groupe matters by the UK Institute of Actuaries).	Ireland	Full

Note: Although Luxembourg was a Member State of the European Communities at this time there was no actuarial association in the country. The ARAB/KVBA agreed to keep actuaries in Luxembourg informed of Groupe activities. The Association Luxembourgeoise des Actuaire was established in 1992 and admitted a full member of the Groupe in 1993.

The Actuarial Profession in Europe

Year of Admission	Association	Country	Current Membership Status	
1981	Ελληνική Αναλογιστική Εταιρεία	Greece	Full	
1986	Instituto de Actuarios Españoles	Spain	Full	
	Instituto dos Actuarios Portugueses	Portugal	Full	
1993	Association Luxembourgeoise des Actuaire	Luxembourg	Full	
1995	Aktuarvereinigung Osterreichs	Austria	Full	
	Suomen Aktuaariyhdistys	Finland	Full	
	Svenska Aktuarieföreningen	Sweden	Full	
	Den Norske Aktuarforening	Norway	Associate	
	Association Suisse des Actuaire	Switzerland	Associate	
	Felag Islenskra Tryggingast Aerdfraedinga	Iceland	Associate	
	Union Strasbourgeoise des Actuaire	France	Full*	
	Col.legi d'Actuaris de Catalunya	Spain	Full	
1999	Association des Actuaire de Bretagne	France	Full*	
	Σύνδεσμος Αναλογιστών Κυπρου	Cyprus	Associate	
	Ceská Spolecnost Aktuáru	Czech Republic	Associate	
	Hrvatsko Aktuarsko Društvo	Croatia	Observer	
	Eesti Aktuaaride Liit	Estonia	Associate	
	Latvijas Aktuāru Asociācija	Latvia	Observer	
	Lietuvos Aktuarijų Draugija	Lithuania	Observer	
	Slovensko Aktuarsko Društvo	Slovenia	Associate	
	2000	Magyar Aktuárius Társaság	Hungary	Associate
		Channel Islands Actuarial Society	Channel Islands	Observer
2002	Institut des Actuaire Français	France	Full*	

*Note: From January 2002, the four French actuarial associations came together as a single new association, the Institut des Actuaire Français

Appendix II

Chairmen of the Groupe Consultatif

1978-1988	Max Lacroix	France
1988-1991	John Martin	United Kingdom
1991-1992	Carla Angela	Italy
1992-1994	Klaus Heubeck	Germany
1994-1995	Paul Kelly	Ireland
1995-1996	Willem Meijer	Netherlands
1996-1997	Dirk van Berlaer	Luxembourg
1997-1998	Henri Laurent	France
1998-1999	Holger Dock	Denmark
1999-2000	Manuel Peraita	Spain
2000-2001	Peter Clark	United Kingdom
2001-2002	Alf Guldberg	Sweden
2002-2003	Norbert Heinen	Germany

Secretaries of the Groupe Consultatif

1978-2001	John Henty
2001-	Michael Lucas

Appendix III

The Groupe's Committees and Committee Chairmen 1978-2003

Committee	Chairman	Term of Office
Insurance Companies Accounts (1978-1988)	Stewart Lyon Theo van den Heiligenberg	1978-1982 1982-1988
Solvency Margins (1980-1988)	Brian Corby Terry Clarke	1980-1985 1985-1988
Insurance (In 1988 the Insurance Companies Accounts and Solvency Margins Committees were brought together as the Insurance Committee)	Theo van den Heiligenberg Dirk van Berlaer Harry Horsmeier Bruce Maxwell	1988-1989 1989-1994 1994-2000 2000-
Pensions (Established 1988)	Klaus Heubeck Paul Kelly Paul Knip Manuel Peraita Paul Thornton	1988-1992 1992-1994 1994-1997 1997-1999 1999-
Freedoms and General Purposes (Established in 1978 as the Freedoms Committee)	Mario Coppini Carla Angela Norbert Heinen Ad Kok	1978-1995 1995-1999 1999-2002 2002-
Education (Established 1992)	Chris Daykin	1992-
Investment and Financial Risk (Established in 1991 as the Financial Committee)	Arnaud Clement-Grandcourt David Wilkie Jean Berthon	1991-1995 1995-1998 1999-

Appendix IV

Honorary members of the Groupe Consultatif

1983	Brian Corby**
1985	Manfred Helbig
1988	Kjeld Villund
1989	Jan Jansen
1990	Max Lacroix*
	Theo van den Heiligenberg
1995	David Wilkie
1997	Dirk van Berlaer*
	John Martin*
	Willem Meijer*
1999	Klaus Heubeck*
	Paul Kelly*
2000	Mario Coppini
2001	John Henty

* Honorary chairmen

** Honorary vice-chairman

Appendix V

Annual meetings of the Groupe Consultatif

1975	London*
1976	Brussels*
1978	Paris
1979	Cologne
1979	Amsterdam
1980	Rome
1981	Edinburgh
1983	Copenhagen
1984	Brussels
1985	Cologne
1986	Dublin
1987	Madrid
1988	Amsterdam
1989	Lisbon
1990	Paris
1991	Athens
1992	Florence
1993	London
1994	Copenhagen
1995	Edinburgh
1996	Cologne
1997	Dublin
1998	Stockholm
1999	Vienna
2000	Bilbao
2001	The Hague
2002	Saarisekä
2003	Athens

* Meetings of the Preparatory Committee

Appendix VI

Colloquia, summer schools and other seminars and conferences of the Groupe Consultatif

Colloquia

Year	Venue	Subject
1982	London	Some actuarial aspects of insurance companies' accounts
1987	Brussels	Developments in individual life insurance products in the countries of the European Communities
1989	Amsterdam	Supervision of insurance and the role of the actuary – a general discussion Harmonisation of actuarial reserves for life insurance within the European Communities- a general discussion
1991	Lisbon	Actuarial methods for valuing retirement benefits in the European Communities Recent developments in the pensions field in the European Communities
1992	London	A European profession- the actuary and insurance after 1992
1993	Berlin	A free European market and consumer protection – a contradiction in itself?
1994	Lyon	Financial risks: new opportunities for actuaries
1995	Rome	The actuary, the life insurance company and the supervisor: what should their relationship be?
1996	Dublin	The unit-linked actuary – a single market opportunity
1997	Barcelona	Interest risk in insurance and pensions – an actuarial approach
1998	Luxembourg	Actuaries and the trend towards privatisation of supplementary state pension schemes
1999	Brussels	The actuary faced with the introduction of the euro and fluctuations in interest rates

The Actuarial Profession in Europe

Year	Venue	Subject
2000	Oxford	The actuary in the 21st century: challenge and change
2001	Copenhagen	The actuary and fair valuation
2002	Barcelona	Risk management and capital needs
2003	Budapest	Pension models in Europe

Summer Schools

Year	Venue	Subject
1990	Rome	The actuary in the supervision of insurance: technical characteristics of control and methodologies adopted in each country.
1991	Edinburgh	The actuarial management of a life office
1992	Dublin	Actuarial training in the EU
1993	Brussels	Health insurance: medical care, sickness and disability
1994	Madrid	Policies and techniques designed to guarantee financial soundness of pension schemes
1995	Oxford	Financial mathematics for actuaries
1996	Amsterdam	Ordering of risks
1999	Lausanne	Modelling extremal events for insurance and finance
2001	Bergisch-Gladbach	The impact of an ageing population on health insurance and long-term care
2002	Milan	Finance of insurance

Other Seminars and Conferences organised by the Groupe Consultatif

Year	Venue	Subject
1992	Dublin	Workshop on actuarial training in the EC (organised by the Society of Actuaries in Ireland on behalf of the Groupe Consultatif)
1997	Zandvoort	Proposals for a core syllabus on actuarial training in Europe and its implementation
1997	Edinburgh	To compare and discuss the different approaches to monitoring future trends in mortality in the countries of the EU
2001	Estoril	International education conference co-sponsored by the Groupe Consultatif and the International Actuarial Association
2002	Brussels	Groupe education conference

Appendix VII

Groupe Consultatif Publications

Title	Date of publication	Author/Editor
Insurance		
An Actuarial Study of Mortality in the Countries of the European Communities	1986	John McCutcheon
Actuarial Factors relating to Life Insurance Practices in the European Communities Countries	1989	Dirk van Berlaer
The Second Actuarial Study of Mortality in the Countries of Europe 	1997	Angus Macdonald
Professional Responsibilities of Insurance Actuaries in Europe 	2002	Ad Kok and Mariano Garcia
Pensions		
Solvency Standards for Occupational Pension Schemes in the European Union	1996*	David Collinson
Pensions Aspects of Corporate Transactions in the EU	1998	David Collinson
Defined Contribution Arrangements in Europe 	2003*	Harvie Brown
Actuarial Methods and Assumptions used in the Valuation of Retirement Benefits in the Countries of the European Union and other European Countries 	2001*	David Collinson
Actuarial Standards for Transfers between Pension Schemes in the Countries of the European Union and other European Countries 	2001*	Philip Shier
Professional Responsibilities of Pensions Actuaries in the EU and other European Countries 	2002*	Bart de Smet
Education		
The Actuarial Profession in the European Communities	1985	David Wilkie
Core Syllabus for Actuarial Training in Europe 	1998	

 Available on the Groupe's website. *Date of current edition

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