

ENGAGING WITH EUROPE'S POLICYMAKERS

# THE VALUE OF CONSULTATION

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One of the AAE's strategic priorities is to maintain a strong presence in European policymaking. Strategic Objective 1 – 'Enhance relations with European institutions' – commits the AAE to establishing and maintaining relationships with key European institutions so that the AAE can effectively provide them with high-quality professional advice to improve the soundness of decisions from an actuarial perspective.

This includes playing a prominent role in shaping new European legislation and in reviewing and refining existing legislation that affects actuarial work in both traditional and emerging areas. It also means reinforcing relationships with the European Commission, EIOPA, and other European stakeholders.

Public consultations are a key mechanism for achieving these aims. They provide a transparent forum for expert input and allow the AAE to help ensure that policy and regulation are grounded in sound actuarial principles. Each consultation response reflects the profession's expertise and commitment to the public interest.

Our ability to respond effectively relies on the support of our Member Associations and volunteers who contribute time, knowledge, and insight. The AAE thanks all those involved in recent consultation work for their continued dedication and professionalism.

## RECENT CONSULTATION RESPONSES

Over the past quarter, the AAE has responded to several European Commission and EIOPA consultations of direct relevance to our profession:

- European Commission: Solvency II Technical Review
- Joint ESAs Guidelines on integrating ESG risks in stress tests
- European Commission: Supplementary Pensions
- European Commission: High-risk AI Systems
- EIOPA: Insurance Recovery and Resolution Directive (IRRDR) – (i) Pre-emptive Recovery Plans and (ii) Content of Resolution Plans

Together, these represent our most recent contributions to European consultations. ➤

## SOLVENCY II: PRESERVING PRINCIPLES-BASED SUPERVISION

**S**olvency II has served Europe well as a robust, risk-based framework that has supported policyholder protection and financial stability through varying market conditions. The European Commission's 2025 review of the Delegated Regulation is the next step following agreement on the revised Directive earlier in the year.

The AAE welcomed the objective of keeping the framework effective and forward-looking. The review seeks to ensure that Solvency II continues to support long-term investment and that proportionality is applied more consistently. At the same time, we emphasised that these aims should be delivered while preserving the principles that underpin Solvency II: sound governance, professional judgement, and evidence-based calibration.

In our response, we supported the overall direction but cautioned that any capital relief from technical changes must not compromise resilience. Policyholder protection and financial stability should remain the guiding priorities. We also noted that proportionality should lead to genuine simplification rather than parallel new obligations, and that further work is needed to ensure interest-rate and volatility-adjustment elements remain appropriate for today's more volatile markets.

Above all, we encouraged policymakers to preserve Solvency II's principles-based nature, which very often relies on the professional judgement of actuaries and risk managers rather than overly prescriptive formulae. Implemented in this spirit, the revised Delegated Regulation can modernise the framework while keeping it robust and proportionate – supporting long-term investment in the economy.

## SUPPLEMENTARY PENSIONS: TOWARDS ADEQUACY AND INCLUSIVENESS

**T**he European Commission's consultation on supplementary pensions covered the design of pension tracking systems and dashboards, the potential role of auto-enrolment, and the future of the Pan-European Personal Pension Product (PEPP). The combined aim is to make retirement saving more transparent, accessible, and effective across the EU.

The AAE underscored the importance of transparency and comparability in helping citizens plan for retirement. Well-designed tracking systems can give individuals a clear picture of accrued and projected benefits across all pillars, while dashboards with forward-looking indicators can help policymakers monitor adequacy, sustainability and fairness. ➤

On auto-enrolment, we supported its use to widen coverage – provided it complements rather than replaces statutory pensions – and stressed the importance of effective governance and fair incentives. Regarding the PEPP, we reaffirmed that a simple, portable personal pension remains useful in principle, but its success depends on addressing practical barriers such as value for money, divergent tax treatment, and administrative complexity.

Across these areas, actuaries contribute by applying long-term financial analysis and behavioural insight to help ensure reforms balance adequacy, sustainability and fairness. Strengthening supplementary pensions will support retirement incomes over the long term and help maintain confidence in Europe’s pension landscape.

### **WORKING TOGETHER FOR BETTER POLICY**

These consultations illustrate the breadth of topics where actuarial expertise informs European policymaking – from capital requirements and risk modelling to pensions adequacy, sustainability and AI governance. The AAE’s strength lies in the collective knowledge of its members, drawn from 38 actuarial associations across 37 countries.

We are grateful to all volunteers and associations who contributed to drafting, reviewing and refining these responses. Your work ensures that the profession’s voice is technically sound and relevant to policymaking.

Looking ahead, the AAE will continue to engage with the European Commission, EIOPA and other stakeholders. As new initiatives emerge—in sustainability, pensions, insurance and artificial intelligence – the profession stands ready to provide independent, evidence-based input.

By participating in the consultation process, the AAE helps ensure that regulation remains proportionate, forward-looking and centred on the long-term interests of citizens and policyholders. That is how the actuarial profession fulfils its public-interest mandate – and how it supports effective regulation. <



**STEPHANOS HADJISTYLLIS** is a Senior Actuary at the AAE and a Member of EIOPA’s Occupational Pensions Stakeholder Group. The [full text of the AAE responses to the consultations](#) referenced above is available on the AAE website.