



## **GROUPE CONSULTATIF ACTUARIEL EUROPEEN** EUROPEAN ACTUARIAL CONSULTATIVE GROUP

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### **Chairman's Report to Member Associations – February 2013**

This report highlights Groupe activities and actions that have taken place in recent months.

- **Strategy Plan and Business Plan;**
- **Task Force on Consumer Protection;**
- **Committee activities;**
- **Public Affairs & Communications**

#### **Strategy Review and Business Plan**

Officers are progressing on the strategy review by dividing the review into a long-term document and a business plan.

Officers are preparing a replacement for the Secretary General. The window for candidates ended on 21 December, 2012 and the second phase of the selection is under finalisation.

Officers have short-listed four names based on suggestions received from Member Associations to replace the name of Groupe Consultatif. A final round of consultation regarding the four short-listed names will take place during the month of March and will be discussed at the Standards, Freedoms and Professionalism Committee in Edinburgh in April. The aim is to approve and adopt a name in Dublin in September.

#### **Consumer Protection Task Force (CP TF):**

The Terms of Reference of the CP TF have been approved.

The task force will continue for two years, with membership comprising volunteers from interested Member Associations and representatives of each technical committee. The task force will define the role of the actuary and of the actuarial profession in the field of Fair Treatment of Consumers Protection; monitor Consumer Protection issues in respect of EU legislation; deal with matters within its competence in relation with the technical committees concerned and to prepare with these committees the official positions of the Group; and if necessary represent the Groupe at EU level with all the stakeholders for matters related to Consumer Protection.

## **Committee Activities:**

### **Pensions Committee:**

#### **EIOPA consultation on reporting on occupational pension schemes**

The Pensions Committee is to submit, by 10 March, a response to EIOPA's consultation on "Draft Implementing Technical Standards on reporting of national provisions of prudential nature relevant to occupational pension schemes".

#### **Portability**

The draft directive on portability is once again on the EU agenda, and as a result the Pensions Committee has drafted a position paper on Portability of Pensions and sent it to relevant EU stakeholders.

Next steps: A meeting with the current EU presidency, Ireland, is scheduled to take place in March to discuss the dossier.

#### **EU White Paper on "An Agenda for Adequate, Safe and Sustainable Pensions"**

The EU White Paper on "An Agenda for Adequate, Safe and Sustainable Pensions" was addressed in a draft report by the European Parliament. The Groupe made a significant contribution in the form of advice and comments to the EP Rapporteur who was responsible for drafting an EP response report on behalf of the entire EP.

#### **QIS for Pensions**

Craig Turnbull (UK) and Eugen Scheinker (Germany) are participating on behalf of the Pensions Committee in EIOPA's newly formed working group on Sponsor Support.

#### **Survey on the Actuarial Function in Pensions**

At the moment an outline of the survey is being drafted.

Next steps: Aiming to present the outcome of the survey with DG Internal Market and EIOPA in the spring.

### **Sub-Committee on Social Security (SSSC)**

The Task Force on Methodologies and Projections is finalising its survey on models and techniques based on the input from 11 countries. The technical report is to be discussed with the Commission's DG Economic and Financial Affairs-Ageing Working Group in March, with the aim of presenting the report at the AWG session on 28 May

Meetings have been scheduled to take place with DG Employment and DG Internal Market in March to discuss an update on the work related to the sustainability report by the SSSC; on Adequacy to see where the SSSC can contribute to improve the quality of the Commission's forthcoming report; and portability and tracking with the input of the SSSC's Task Force on Disclosure of Information, which is finalising a survey on tracking services in the Scandinavian countries.

Also the issue of decumulation will be discussed which is a topic of interest to DG Employment. This issue is also expected to be discussed further during the Groupe's spring meetings.

A face-to-face meeting will take place on 22 March in Vienna (half day workshop).

## Insurance Committee

### **Market consistency**

The paper on Market Consistency was published in December and received a great deal of attention by stakeholders and media. At the moment the Insurance Committee is taking the initiative to assure the follow-up on the conceptual first paper (the Pensions Committee will be involved again at a later stage). A skeleton draft of a follow-up paper is being developed outlining what will be included and making it possible to delegate work to different people.

### **Solvency II Project management**

On 9 February the new Solvency II Project management team was established to renew and strengthen the Groupe's efforts in the area of Solvency II. The joint managers of the Project are David Paul and Siegbert Baldauf. The tasks of the two Project Managers include assuring a consistent approach throughout the Project; representing the Groupe (after consultation with the Chairman of the IC for official communications and contacts) and impartially presenting the point of view of the Groupe at appropriate events.

Thomas Béhar has been appointed as the new Project Sponsor (advising capacity when asked for) for the Chairman of the IC and the Project Manager.

A letter was sent out to EU stakeholders to announce the Groupe's new Solvency II Project Team. The new team will be meeting in March with Insurance Europe to discuss Solvency II matters.

### **EFRAG Insurance Accounting Working Group**

The Groupe is now represented, via Esko Kivisaari, in the European Financial Reporting Advisory Group (EFRAG) Insurance Accounting Working Group. The Solvency II Project Managers will also participate in the working group for some time.

### **CRO Forum**

The Groupe will make a presentation of the Groupe to the CRO Forum in March, aiming to form a closer relationship with CRO.

### **Consumer Protection and discrimination issues**

In December 2012 the EU's Gender directive entered into force. On that basis the Insurance Committee drafted and sent out to its members a survey to quantify the impact. The preliminary conclusions of the survey will be presented in Edinburgh in April.

The Age and Disability Directive continues to be on the EU Council agenda, but there has been no progress in that area.

### **Role of the Actuary**

The brochure on the Role of the Actuary (raising the bar on insurance technical expertise) was published in early December, and has been handed out to stakeholders when meeting with them.

The task force responsible for the material on the Role of the Actuary is expected to produce for the meeting in Edinburgh a draft of a follow-up paper on the Role of the Actuary in relation to models; reporting and sign-off on the SFCR.

### **Relationship with European Commission**

The Groupe has enjoyed a strong relationship with the Insurance and Pensions Unit of the Commission's DG Internal Market for quite some time. However, Karel van Hulle, the head of Unit retired at the end of February 2013. Consequently the Officers will be seeking to establish early

contact with the new Head of Unit, and to maintain and further develop our excellent relationship with the Unit.

## **Investment and Financial Risk Committee (IFR)**

### **Basel III and Solvency II**

The Groupe Position Paper, "Comparison of the Regulatory Approach in Insurance and Banking in the Context of Solvency II" was published in early January and sent to the EU institutions and stakeholders. Follow-up meetings to discuss the paper have taken place, and continue to do so, in the Commission, the European Parliament and the European Central Bank.

### **Market consistency web portal**

Based on doubts whether the Groupe's web portal on market consistency is a worthwhile resource, a questionnaire was sent to MAs to obtain feed-back on the portal use. A report on the outcome of the questionnaire will be discussed at the IFR Committee meeting in March in Vienna.

### **Regulation of Indices**

The IFR Committee submitted a response to the Commission's consultation for a Possible Framework for the Regulation of the Production and Use of Indices serving as Benchmarks in Financial and other Contracts. A follow-up meeting with the unit in DG Internal Market in charge of the consultation took place in February to discuss the Groupe's response in more detail.

Next steps: Once the draft proposal is published in late June, the Groupe will take contact to MEPs to offer the Groupe's views.

### **Shadow Banking**

The IFR Committee is currently awaiting the possible proposals that will be put forward by the Commission on this dossier. The Groupe has already sent its comments to the Commission (June 2012).

### **European Central Bank**

The Chairman of the IFR Committee met with the ECB's Financial Stability Division in February for the first time to introduce the Groupe to the ECB as well as discuss the Groupe's recent paper comparing the banking and insurance areas in the context of Solvency II. The meeting was quite successful, with the ECB saying that the meeting had been "a useful opening". In particular one of the co-authors of the Financial Stability Report, and part of the inter-divisional insurance team, is looking forward to meeting the Groupe again.

## **Standards, Freedoms and Professionalism Committee (SFPC)**

### **Actuarial Standards**

The Exposure Draft by the Standards Project Team of a model Standard on Actuarial Reporting under Solvency II (GCASP2) has been sent to Member Associations and external stakeholders at the beginning of November for consultation, with a deadline for responses of 1 March. An initial analysis of the comments will take place which will provide the basis of an interim report by SPT to SFPC in April.

The adoption of ISAP1 (which has been approved by IAA Council) or its adaptation as GCASP1 will be reviewed with relation to GCASP2 to ensure consistency with the reporting section of ISAP1/GCASP1.

### **Code of Conduct**

The Task Force reviewing the Code of Conduct, chaired by Yvonne Lynch, expects to submit a paper identifying a number of initial discussion points to the forthcoming meeting in Edinburgh. Thereafter

a first draft of a revised Code of Conduct is planned for the 2013 Annual Meeting in Dublin, with a view to present a final version for adoption at the 2014 General Assembly.

## **Education Committee**

### **Core Syllabus**

A working group of the Education Committee is drafting a questionnaire to gather information from Member Associations on compliance with the Core Syllabus. The responses to the survey will be analysed and presented at the Education Committee meeting in September in Dublin.

### **Joint GC/IAA Education Seminar May 2013, The Hague**

The seminar, “Educating Actuarial Professionals for the Future” is taking place on 26/27 May to coincide with the 125<sup>th</sup> anniversary of the Dutch Actuarial Association. The themes of the seminar will be Creating Access to Actuarial Education; and Quality of Education: Equipping Future Actuarial Professionals. The seminar will include keynote speakers, small group sessions and general plenary discussion. Further information on the programme, and details of bursaries, are available [here](#). Online registration [here](#).

## **Public Affairs and Communications**

In the area of Public Affairs, organisation and support have been provided to primarily the three technical committees (Pensions, Insurance, IFR) and the SSSC. In particular support has been provided to the EU public information campaign in relation to sustainable pensions which is the theme of the Sub-committee on Social Security, where two Task forces also have been formed .

New contacts have been established with additional units in DG Internal Market, and contacts with more MEPs have been formed. Other contacts with either existing stakeholders, such as Insurance Europe, AMICE, CRO Forum, AEIP, EFRAG, IMF, the European Central Bank and Eurostat have either been strengthened or established.

In addition, greater external and internal communication is taking place. Internally, a new weekly news service, providing Member Associations with highlights of EU news posted on the GC website has been initiated, and Groupe activities are soon to be added . Likewise, the revision of the Groupe website has taken place to give the Groupe more visibility both internally and externally.

Externally, we continue to extend our activities through letters, position papers, notes, press releases, production of brochures, meetings etc.

Public Affairs is also helping raising Groupe profile in EU conferences, seminars and public hearings in order to help build more contacts and increase the volume of intelligence. This runs in parallel with general tracking and monitoring of legislative and non-legislative news; and making new stakeholder contacts.

Karel Goossens  
Chairman

February 2013