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Actuarial Association of Europe

The Actuarial Association of Europe (AAE) was established in 1978, originally as the Groupe Consultatif Actuariel Européen, to represent actuarial associations in Europe. Its primary purpose is to provide advice and opinions to the various organisations of the European Union—the Commission, the Council of Ministers, the European Parliament, EIOPA and their various committees—on actuarial issues in European legislation. The AAE currently has 37 member associations in 35 European countries, representing over 21,000 actuaries. Advice and comments provided by the AAE on behalf of the European actuarial profession are totally independent of industry interests.

SHIFTING SCENERY

The year was 1978. The European continent was experiencing its first wave of Europeanisation. The European Parliament was becoming an established organisation, with its first direct elections coming up in 1979. The still largely trade-oriented European community was beginning to evolve into something more political. More and more matters, like legislation and regulations, were being dealt with at a European level.

It was then that a group of leading actuaries in Europe decided it was time to establish an umbrella organisation bringing together the actuarial associations across Europe.

An organisation that would ensure the voice of actuaries was heard in Brussels, where a new European legal framework was in the making. An organisation that would uphold professional standards and align training across the continent. They called it the Groupe Consultatif Actuariel Européen (European Actuarial Consultative Group). On January 1, 2014 the name was changed into Actuarial Association of Europe (AAE).

INDEPENDENT, OBJECTIVE AND PROFESSIONAL

Quality is the *raison d'être* of the AAE. In our efforts to maintain the highest quality in actuarial practice, we focus on three core values: independence, objectivity and professionalism. It is hard to imagine another job where independence is of such vital importance as it is for people who calculate risks. Equally vital is their objectivity, as the slightest bias can have vast effects on the final calculations and the advice based on them. The AAE takes its role very seriously. So it is only natural that it has its own

Code of Professional Conduct, that affiliated associations and their individual members must comply with.

COMMITTEE STRUCTURE

As from the start in 1978 the AAE has organised itself on the basis of an efficient committee structure. The AAE organisation consists of five committees:

- Insurance
- Pensions
- Standards, Freedoms and Professionalism
- Investment & Financial Risk
- Education

Depending on the demand, working groups and/or task forces are set up, in principle on a temporary basis, to deal with specific topics or developments. All these groups report to one of the five committees. The five chairpersons of the committees, together with the chairperson, vice chairperson, immediate past chairperson and honorary treasurer form the board of the AAE.

Apart from regular calls, the committees meet in person during the spring and autumn of each year. The latter meetings are in connection with the annual meeting of the General Assembly in which the formal decisions of the AAE are taken by the representatives of the member associations, although voting can also take place electronically.

MUTUAL RECOGNITION

An important step in the development of the AAE was taken in 1991 with the signing of the Mutual Recognition Agreement. In this agreement all the AAE member associations agreed "... to be open to any such fully-qualified actuary of another qualifying association on application, without further requirements as to training, passing examinations or periods of experience ..." This agreement did not only encourage individual actuaries to start working abroad but also created the environment in which this was possible.

STANDARDS

In 2010, the AAE decided to start working on European Actuarial Standards. The AAE will, in principle, accept the generic standards produced by the IAA and only develop specific standards relevant to Europe and Solvency II. The first standard (ESAP1) was issued October 3, 2014 and the second (ESAP2) is now in its final consultation period. ESAP1 deals with general actuarial practice and is similar to ISAP1, and ESAP2 will deal with the actuarial function reporting.

Potential next standards may include

- Actuarial practice in relation to the ORSA process under Solvency II,

- The role of the actuary contributing to the risk management system under Solvency II, and
- The independent review by actuaries in the context of Solvency II.

In relation to the topic of independent review of Solvency II reports, the AAE published a position paper in November 2014. In this publication the AAE emphasizes the necessity for an independent review of Solvency II reports, especially the Solvency and Financial Condition Report. The AAE thinks the expert judgment of an actuary in establishing technical provisions should be disclosed. This publication resulted in some mixed feedback from industry bodies in Europe, mainly because “independent review” was incorrectly read as “external review.”

THE RIGHT OF BEING THERE

In the beginning the AAE was mainly occupied with following up on proposals for European legislation in the financial services

area. Now more and more the AAE takes the initiative and pro-actively advises the main stakeholders in Europe, being EIOPA, the European Commission and members of the European Parliament.

EUROPEAN CONGRESS OF ACTUARIES

In April 2016, the AAE will organise the second European Congress of Actuaries in Brussels from April 21–22 April. It is the intention to hold such a congress every four years—in between the International Congresses of Actuaries. The first congress was sold out and received excellent feedback. More information can be found at www.eca2016.org.

Please visit our website at www.actuary.eu where you can find more detailed information on the topics discussed in this article and our publications. ■

ASTIN COLLOQUIUM Lisboa 2016

The Portuguese Institute of Actuaries (IAP), the ASTIN SECTION and the IAA proudly announce the 2016 ASTIN Colloquium which will be held in Lisbon, from 31st May to the 3rd of June 2016. This is the opportunity to gather actuaries from all over the world to discuss the recent developments in actuarial science and to promote a better knowledge of our profession. The key areas under the spotlight of this meeting will be:

- Loss reserving and capital adequacy;
- Insurance pricing and optimization;
- Reinsurance and risk transfer;
- Risk management;
- Natural hazards, disaster, catastrophe risks and pricing;
- Capital management, allocation and pricing;
- Dividend theory and practice;
- Longevity, health, critical illness and employment insurance;
- Risk theory;
- Copulas: theory and applications;
- Extreme value statistics;
- Life and pension insurance mathematics;
- Mathematical Finance with Applications in Insurance.

We warmly invite you to join us to make this a memorable event professionally and socially.



Astin Colloquium
Lisboa 2016

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*Colloquium and
social program*

*From 31st May to
the 3rd June 2016*

