



INSTITUT DES
ACTUAIRES

100% Actuaires 16 Novembre 2017

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AAE & AAI

100% Actuaires 16 Novembre 2017

- Présentation de l'AAE
- Association Actuarielle Européenne
- Actuarial Association of Europe
- Web : <http://actuary.eu/>

Actuarial Association of Europe

INSTITUT DES
ACTUAIRES



- Established in 1978 as the Groupe Consultatif Actuariel Européen
- Represent actuarial associations in Europe
- Purpose : 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

Actuarial Association of Europe

- 36 member associations in 35 European countries
- 22,000 actuaries
- Amongst the 5,000 people involved in Risk Management 3,000 are actuaries.
- Advice and comments provided by the AAE on behalf of the European actuarial profession are totally independent of industry interests.



*Kristoffer
Bork
past
Chairperson*

- AAE governance has been changed at the General Assembly at the annual meeting in Copenhagen on Friday 22 September
- Creation of a new board structure and nomination of Thomas Behar as Chairperson of the AAE.
- AAE strategy has also been changed at the same AG



*Thomas
Behar
Chairperson*

Strategic Objective 1: Enhance relations with European institutions

Establish and maintain 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.

- Play a prominent role in shaping the development of new European legislation, and in the review and refinement of existing legislation, affecting the work of actuaries in traditional areas and in wider fields as actuaries extend their areas of involvement;
- Reinforce existing relationships with the European Commission and EIOPA;
- Build and enhance relationships with the European Parliament and the Council of the EU; and
- Maintain contact with other European organisations such as industry and consumer protection bodies.

Strategic Objective 2: Promote Professionalism (1/2)

Promote consistent standards of education and professionalism among actuaries in Europe.

- prescribe minimum requirements for the education of actuaries to be applied by member associations;
- facilitate continuing professional development of actuaries;
- ensure that all member associations have a code of professional conduct which reflects at least the requirements of the AAE's Code of Professional Conduct, and an appropriate disciplinary process;
- develop and maintain model standards of actuarial practice for work undertaken by actuaries in relation to EU regulatory requirements;
- maintain a mutual recognition agreement which is consistent with the requirements of the EU Recognition of Professional Qualifications Directive;

Strategic Objective 2: Promote Professionalism (2/2)

Promote consistent standards of education and professionalism among actuaries in Europe.

- support the development and recognition of individual member associations;
- help to ensure that regulated actuarial work is performed by those properly qualified to undertake it and subject to relevant professional and technical actuarial standards; and
- support the development and recognition of actuarial work in wider fields as actuaries extend their areas of involvement.

Strategic Objective 3: Promote a European community of actuaries

Promote a European community of actuaries between AAE member associations, their members and the AAE.

- encourage the exchange of information and ideas;
- facilitate networking between actuaries, especially in wider fields;
- strengthen awareness among member associations and their members of the work of the AAE; and
- facilitate mutual assistance between member associations.

Esko Kivisaari
vice Chair

Thomas Béhar
Chair

Kristoffer Bork
past Chair

Standards, Freedoms and Professionalism Committee

David Martin

Insurance Committee

Esko Kivisaari

Pensions Committee

Maitane Mancebo

Risk Management Committee

Malcolm Kemp

Education Committee

Mark Stocker

www.actuary.eu

Ad Kok
Chief Executive

Eclairer les risques, tracer l'avenir

Committee Chairs

Risk Management



Malcolm Kemp

Insurance



Esko
Kivisaari

Pensions



Maitane
Mancebo

SFP



David
Martin

Education



Mark
Stocker

AAE Secretariat



Ad Kok
Chief Executive
E: aamkok@actuary.eu
M: +31 6 8102 9257



Monique Schuilenburg
Executive Assistant
E: moniques@actuary.eu
M: +31 6 1480 4305

Website

aae
actuarial association of europe

The 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 purpose is to provide advice and opinions to the various organisations of the European Union – the Commission, the Council of Ministers, the European Parliament, ECDFR and their various committees – on actuarial issues in European legislation. The AAE currently has 36 member associations in 35 European countries, representing over 22,000 actuaries. Advice and comments provided by the AAE on behalf of the European actuarial profession are totally independent of industry interests.

AAE News
AAE published paper on Required skills to be a good Risk Manager
Today the AAE published a paper on the 'Required Skills to be a good Risk Manager'.
December 10, 2015

European News
ECDFR, updated technical methodology documentation for GFRs based on Solvency II
ECDFR has today published an update of the technical documentation of the methodology to derive the risk-free interest rate.
December 10, 2015

Events
Forthcoming Events
4 April 2016 Data Science Seminar organised by the Institute Actuarial Espana, Malaga. Start 7 April 2016 AAE, Milan.

THE EUROPEAN ACTUARY
Magazine of the Actuarial Association of Europe

ICA CIA
BERLIN 2018

European Actuarial Academy

CERA
Global Association

INTERNATIONAL ACTUARIAL ASSOCIATION
ASSOCIATION ACTUARIELLE INTERNATIONALE

This paper was last updated on January 30, 2015 © 11 47
Dedicated to the Actuarial Association of Europe 2014

Publications



THE ACTUARIAL PROFESSION SPREADING ITS WINGS
NEW CHALLENGES, NEW OPPORTUNITIES

BRUSSELS
APRIL 21/22
2016

eca 2nd european congress of actuaries

Magazine

THE EUROPEAN ACTUARY
Magazine of the Actuarial Association of Europe

12 Provisioning methods...
16 The impact of education
9 An Actuary's Journey to Risk Management

THEME: RISK MANAGEMENT

2 Paolo Monticola on Solvency II
18 Managing projects better

AND...
14 Framework for managing behavioral and cultural risk
20 Column of the AAE

No 12
OCT 2016

A new phase for Risk Management
Managing projects better

aae
actuarial association of europe

Congress

Éclairer les risques, tracer l'avenir



- Actuarial Standards
- Code of Conduct
- Roles of Actuaries / Actuarial Function
- Consumer Protection
- European Agenda
 - European Commission work plan to deliver jobs, growth and investment
 - Economic and Monetary Union
 - Recovery and resolution in insurance
 - Internal Market Strategy for Europe in relation to regulated professions
 - Big data and consumer segmentation
 - EIOPA work program
- Consultations
 - Insurance Block Exemption Regulation
 - Recovery and Resolution
 - Big Data
 - Pan European Pension Product (PEPP)
- Anti-discrimination issues
- Solvency II Project
- Low interest environment
- Insurance and Pensions stress tests (EIOPA)
- EIOPA stakeholders groups (OPSG, IRSG)
- Review of IORP Directive
- EIOPA's further work on Solvency for Pensions
- Systemic Risk and a role for a systemic risk actuary
- Market Consistency web portal
- Risk management Qualification
- Definition of a Risk Manager
- Financial Stability
- Review Terms of Reference
- Social Security Issues
 - Tracking services
 - Sustainability and Adequacy of Pensions
 - Adequacy of Pensions
 - Mortality Tables and Expectations of Life



AAE
Actuarial House
1, Place du Samedi
Brussels
Belgium

www.actuary.eu

Follow us on twitter @InfoAAE



IAA - AAI
Moving the profession forward
internationally
www.actuaries.org



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- Présentation de l' AAI / IAA
- AAI : Association Actuarielle Internationale
- IAA :International Actuarial Association
- <http://www.actuaries.org>
- Vous pouvez sélectionner le français comme langue dans l'onglet en haut à gauche.

Welcome

IAA Officers 2017



President-
Elect

Masaaki Yoshimura (Japan)



Executive
Director

Mathieu Langelier (Canada)



President

Tom Terry (United States)



Immediate
Past President

Malcolm Campbell
(Sweden)

Secrétariat



Mathieu Langelier, Executive Director



Norah Neill, Executive Assistant



Christian Levac, Director,
Communications and Membership



Karla Zuñiga, Coordinator,
Communications and Membership



Amali Seneviratne, Director,
Technical Activities



Carol Ann Banks, Director, Operations
and Finance



Tasha Lebel, Office Administrator



Anne Lamarche, Meeting Manager



Tishan Clarke, Web and Information
Technology Administrator



Nancy Kelly, Assistant, Technical
Activities

Plus 2 part-time positions and 1 contract person

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The IAA: An Association of Associations

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ACTUAIRES



Represents **60,000+**
actuaries in
110+ countries

Numerous practice,
professionalism and
member development
committees



7 Sections
5,000+ Section
members

Formed in
Switzerland
Based in **Canada**



800+ volunteers

Latest members:
Central America;
Ghana and
Kazakhstan

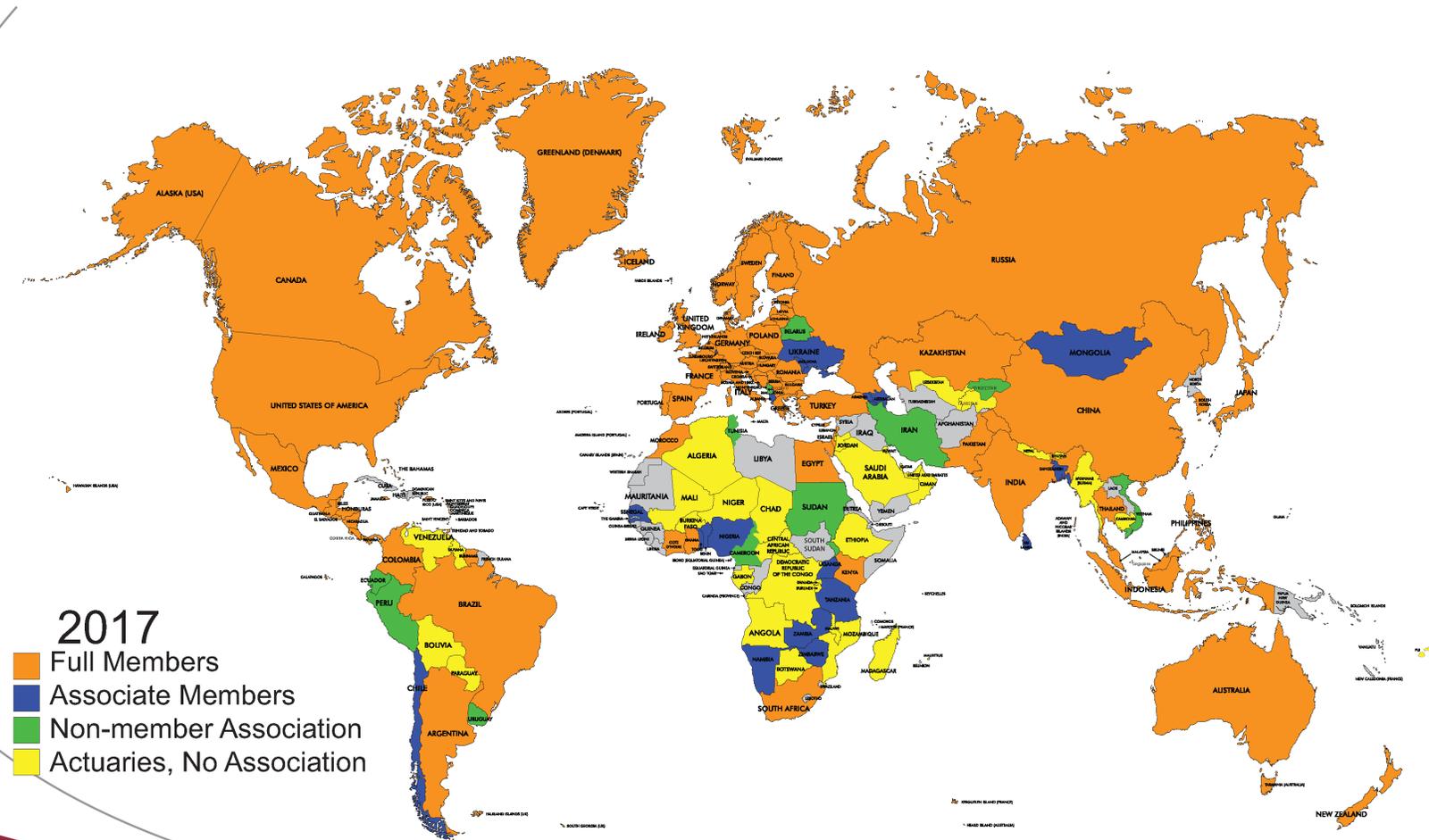


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The IAA's Membership in 1998



The IAA's Membership in 2017



Our Vision

The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole

Our Mission

The mission of the IAA, as the worldwide organization of actuarial associations, is:

- to represent the actuarial profession and promote its role, reputation and recognition in the international domain
- to promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs

Our Values

The IAA adheres to the values of integrity, accountability, transparency, and objectivity when dealing with Member Associations, other stakeholders and the public

Our Objectives

1

Relationships with
key international
audiences

2

**Expansion of
scientific knowledge**
and skills of the
actuarial profession

3

Encourage sound
practice and
education standards

4

**Promote
development** of
the profession

5

Provide a **forum
for discussion**

6

Improve recognition of
the actuarial profession
(branding)

Our Partners

INSTITUT DES
ACTUAIRES



International Association
of Insurance Supervisors



INTERNATIONAL ORGANISATION
OF PENSION SUPERVISORS



Our Patrons and Observers

Patrons

Observers

Allianz 

 Milliman

INAIL

ISTITUTO NAZIONALE PER L'ASSICURAZIONE
CONTRO GLI INFORTUNI SUL LAVORO

RG&A[®]

Reinsurance Group of America, Incorporated[®]

ADB

Additional Ongoing Relationships

INSTITUT DES
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Council

Main decision body

Full Member
associations and
Sections entitled to one
Delegate each

Weighted voting
system based on size

Officers

President

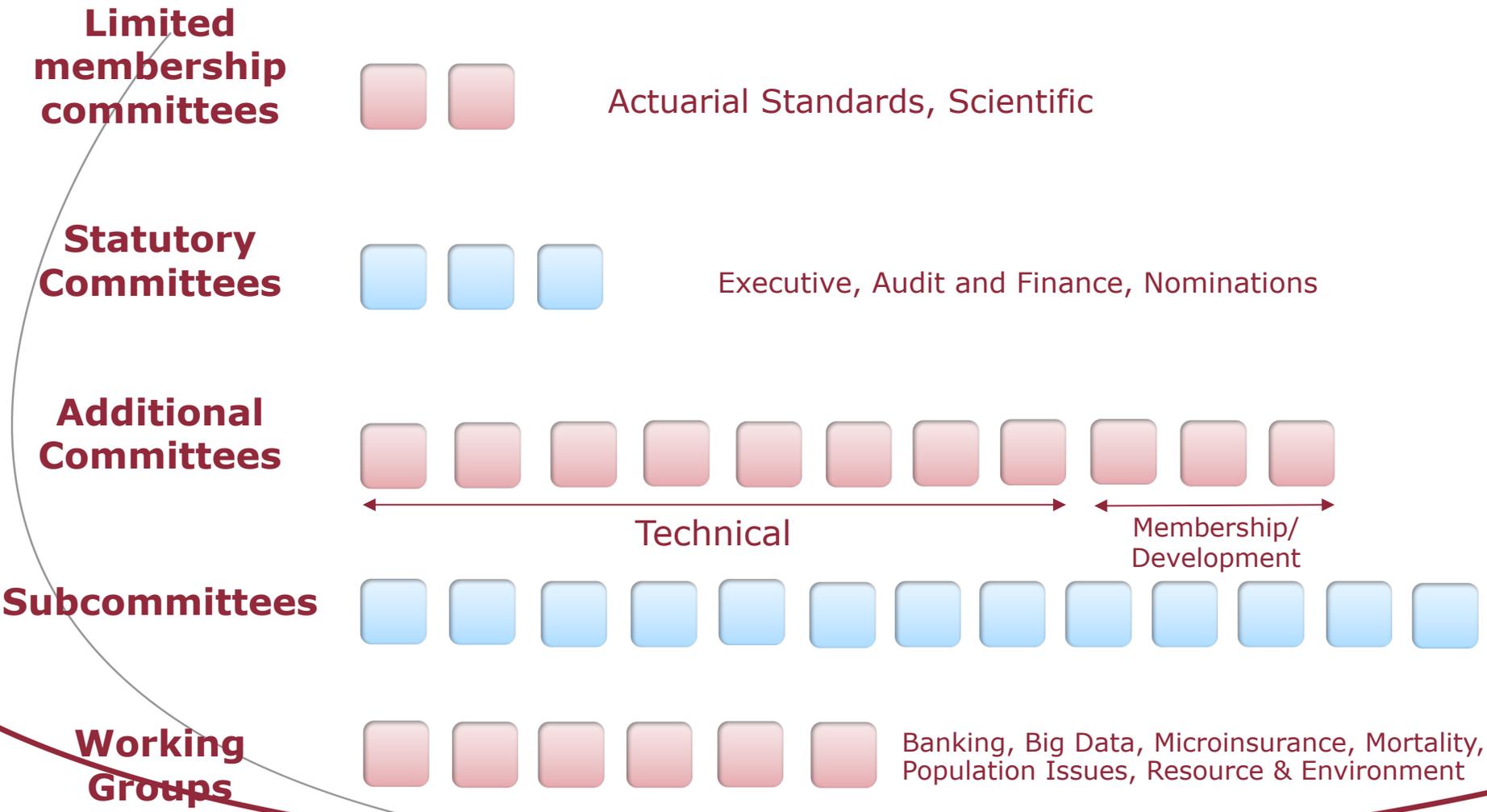
President-Elect

Immediate Past
President

Executive Committee

Elected by Council to
carry out the
operational aspects of
the IAA; prepare
strategy proposals and
material for
consideration at
Council meetings; and
monitor the
implementation of the
Strategic Plan

Governance and Organization



Be active and participate in:

- Meetings

- Conference calls
- Email discussions

Volunteer for a range of projects

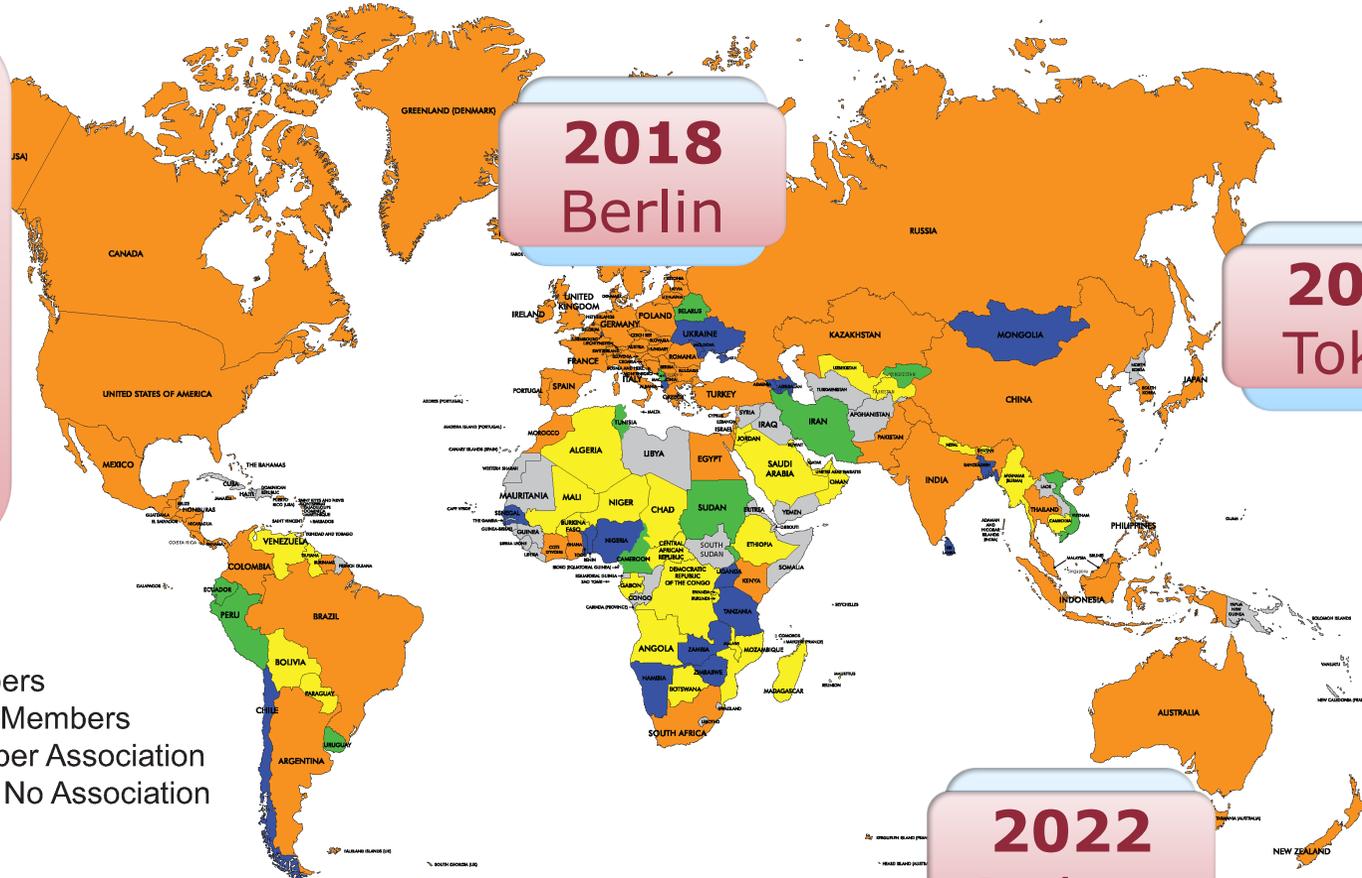
Share your home association's views

Report to your home association on IAA work

Congresses

Congresses:
every 4 years
(in Congress
year, Section
Colloquia held
in conjunction
with
Congress)

- 2017
- Full Members
 - Associate Members
 - Non-member Association
 - Actuaries, No Association



2018
Berlin

2026
Tokyo

2022
Sydney

The IAA Sections' Activities

Colloquia

- Meetings to discuss research and its application

- Shorter events focused on topics of current interest

Webinars

Other events

- Lectures and smaller meetings

- ASTIN Bulletin
- Other research papers

Publications

Promotion of research

- Prizes
- Networking/ discussion groups

- E- based access to knowledge database
- Virtual learning

Knowledge systems

How We Communicate

Distribution lists, conference calls, webinars

Annual Report and Newsletters

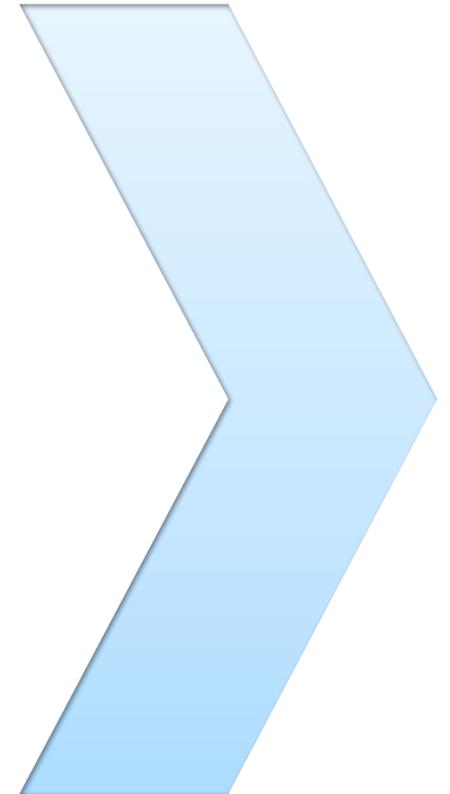
News Releases: to inform external audiences of important IAA initiatives

Social Media:



IAA Members' Website contains:

- Actuarial E-Library
- International Events Calendar



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- Conclusion : Plus vous serez présents à l'AAE et à l'AAI plus la voix et la position de l'Institut des Actuaires sera entendue
- Il faut intervenir le plus en amont possible sur les consultations (EIOPA, Commission Européenne, IFRS, ...)
- Questions

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2017**

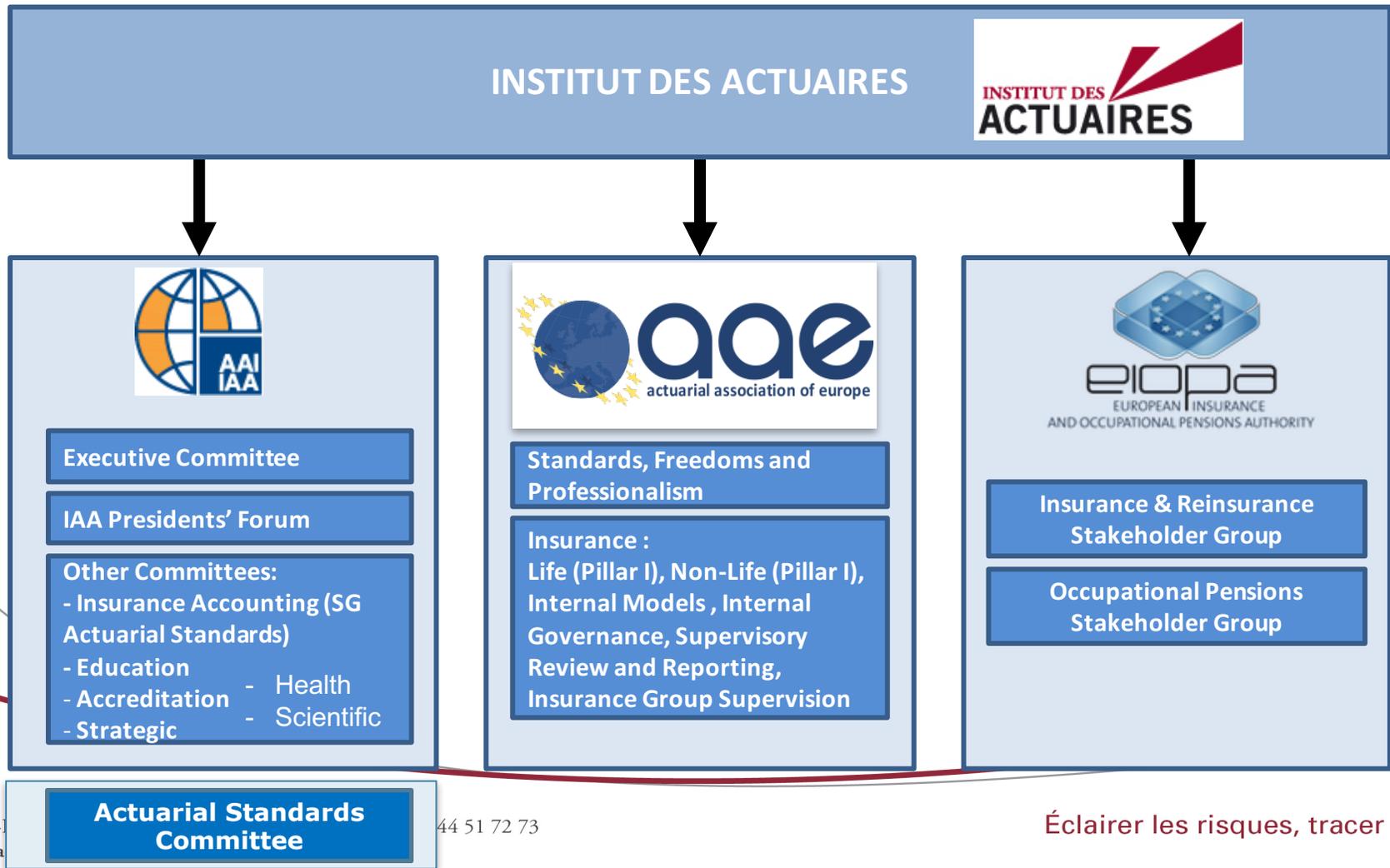
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**Focus sur plusieurs
travaux effectués au
sein du comité
assurance de l'AAE**

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2017

Principales participations de l' IA dans les forum internationaux



Rationale for a Lower Bound in Interest Rate Models

Insurance Committtee

According to Article 22, Section 3 of the Commission Delegated Regulation (EU) 2015/35, a model providing projections of future financial market parameters for the valuation of technical provisions particularly has to comply with the following requirements:

- a. it generates asset prices that are consistent with asset prices observed in financial markets;*
- b. it assumes no arbitrage opportunity;*
- c. the calibration of the parameters and scenarios is consistent with the relevant risk-free interest rate term structure used to calculate the best estimate as referred to in Article 77(2) of Directive 2009/138/EC.*

"CASH" – An alternative investment in negative interest rates environment

- ➔ **Whenever the short-term interest rate falls below the costs of holding cash, the insurance company would progressively move into cash.**
- ➔ **Since the explicit modelling of cash becomes rather complex and is not yet proven in practice, we suggest an approximate approach in the following.**
- ➔ **The impact of the „cash option“ can be approximated via interest rate models with a lower bound:**

1) Fictitious values that do not refer to a specific company, but might be close to reality.

Lower Bounds on Interest Rates in Practice

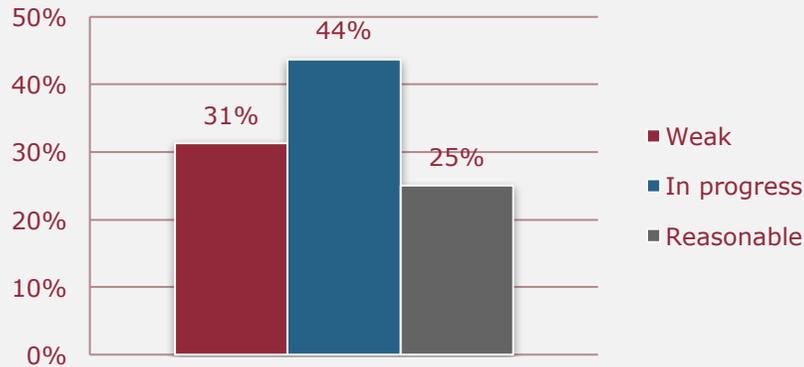
- Models with a lower bound for interest rates are widely used in Europe.
- The lower bound can be seen as an additional parameter to improve the calibration of the model.
- Furthermore, the valuation results benefit from
 - ✓ a reduced dependency of results on random seeds,
 - ✓ an improved speed of convergence as well as
 - ✓ an enhanced level of confidence due to the avoidance of potentially flawed impacts from modelled management actions in economic environments substantially different from past and current experiences

 **The lower bound helps to stabilize the results of the valuation.**

USP Survey - NLWG

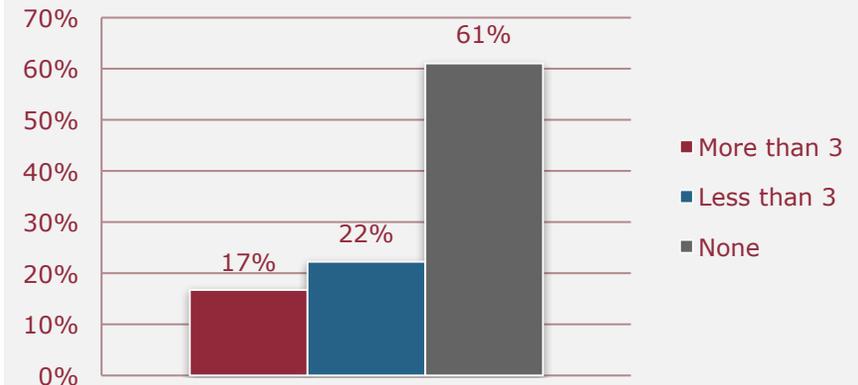
- **Main findings of the survey**
 - Few non-life insurance companies are using USP in their calculations
 - The understanding of USP is relatively weak, mainly due to lack of guidance from national regulators
 - Obtaining approval is perceived as quite difficult due to data requirements

How would you qualify the understanding of USP methods in your local market?



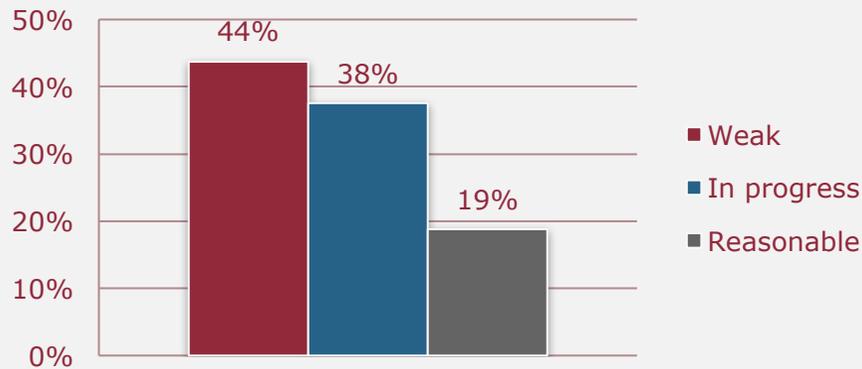
- More and more insurance companies are studying USP methods but the general understanding remains low.

How many insurance companies use USP to calculate Pillar 1 requirements?



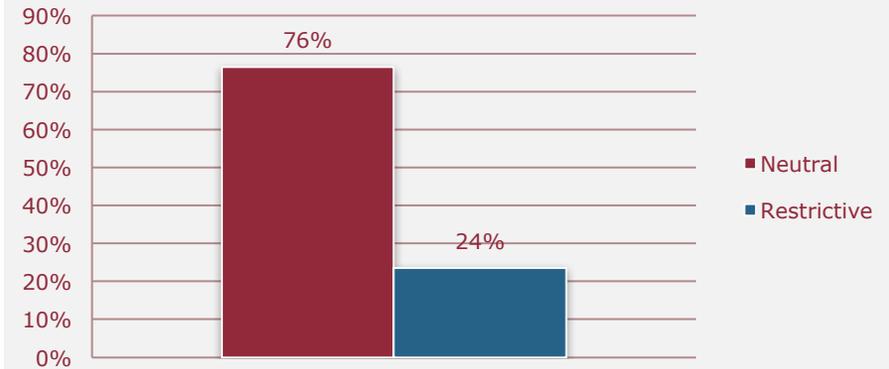
- The insurance companies using USP are mainly specialized in one line of business (only Non-Life) : motor insurance, legal expenses or Assistance
- More insurance companies use USP methods for their economic capital calculations

How would you qualify the interest of insurance companies on USP?

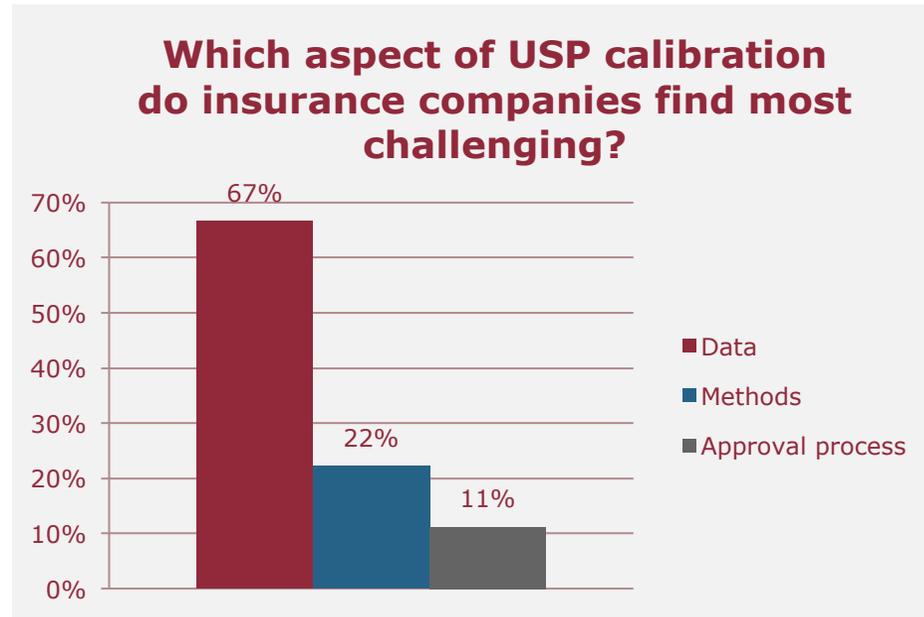


- More than half of the respondents consider that USP is an important topic in their local market, mainly in relation to own funds optimization

How do you qualify the implication of your local supervisor on that topic?



- National supervisors are not specially restrictive but they rarely give a guidance



- Validating data appears as the most challenging aspect of USP calibration
- USP premium methods appear to be less understood than USP reserve methods by the market. In particular, the volatility of the results are criticized.

- Next Steps

- Short paper addressed to EIOPA? In this way, we should answer to these questions:
 - Why are there so few insurance companies which using USP for their Pillar 1 requirements?
 - What are the possible obstacles ?
 - How to tackle them?
- EAN addressed to European Actuaries?

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- Autres sujets en cours :
 - **GDPR**
 - **Révision de la formule standard**
 - **IFRS 17** (TF avec Jean-Michel Pinton en lead)
- Questions