

# News

## Sept 16



Grzegorz Buczkowski  
President

Dear friends,

As summer ends, the engines which move the political, legislative and regulatory worlds around us swing back into motion and AMICE – as always – continues to follow and influence issues of importance to our membership.

One word that has not left everyone's lips for the past two months is Brexit. The specific consequences of the vote are not clear and – if anything – the number of possible solutions, scenarios and timelines continues to grow, and the horizon is far from clear. The leadership of AMICE and ICMIF, although disappointed by the result of the vote, is confident that it will not cause any disruption to our joint plans to unify our organisations and create a new, integrated structure which will offer greater value to our membership and give it better access to our complementary services and knowledge and a stronger voice in advocacy, influence and promotion. We have expressed this in our recent communications with you and we remain confident that the unification plan we have put in place will bring us the results we hope for.

One result of the Brexit vote was the departure of Commissioner Jonathan Hill, responsible for Financial Stability, Financial Services and Capital Markets Union. We have picked up an interesting statement from his [keynote speech](#) at [Bruegel](#) on 12 July:

*"(...) There is a sense that rules could be getting in the way of diversity. That they are not attuned enough to companies' business models, to their risk profiles and to their size. So for me, it's absolutely clear that we need to find a more proportionate approach (...). We need to apply the Solvency II Directive in a way that's more proportionate for small and medium size insurers. They raise concerns about the cost of contracts they're obliged to have with credit rating agencies. And that reporting requirements are not proportionate for smaller insurance companies with a simple risk profile. We will ask EIOPA for advice on how to take a simpler, less burdensome approach. (...)"*

I am sure you will agree that this sounds quite promising and reflects the concerns our members have been raising for some time, concerns which AMICE had strongly communicated to the European Institutions. We will be tracking the issue closely and sharing the developments and insights through our working group structures – where our member representatives are most welcome and encouraged to join in order to gain direct access and ability to influence our positions – and through our membership communications. We will also be following the developments in the Parliament where the issue of PRIIPS and KID has just become a hot and contentious topic, the discussions in the Commission about pensions... the engines are back in motion, with full force.

*Grzegorz Buczkowski, AMICE President*

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# Our mutual future

## Sarah Goddard, new AMICE Secretary General, outlines her vision for strengthening the voice of the mutual and cooperative insurance movement in Europe

Dear AMICE friends,

Some of you I have met already at the AMICE Congress in Ghent, perhaps at AMICE working group meetings, and at ICMIF's MORO in London; others of you I have yet to have the pleasure of making your acquaintance. Over the next few months, I will be trying to meet as many of you as I can, and I want to hear from you directly what your needs and expectations are from me and the AMICE Secretariat.



In turn, I would like to discuss with you what AMICE means to me, and what I expect we can do for you. By the very nature of our membership – you – AMICE has a unique status among financial services representative bodies in Europe. Our membership touches the lives of hundreds of millions of European people and businesses, and represents almost one-third of the insurance market in the EU. What makes us different from the

rest of the insurance sector – our core values and ethos – also makes us key stakeholders in the move towards a stronger, more integrated economic and social environment.

Since taking up my role as AMICE's Secretary General in August, it quickly became clear to me the respect that AMICE commands from the European authorities. In recent weeks we have been invited by the European Commission to address a public hearing on pensions in Europe, and to join the European Central Bank in discussing the potential uses of data from the recent stress test and Solvency II reporting. Our expert staff in the Secretariat have successfully advocated for vital changes in the European Commission's proposals under PRIIPS for key information documents, as well as following active portfolios on international accounting standards, the Insurance Distribution Directive, the forthcoming Solvency II review, the social economy ... and so the list goes on. The work undertaken by and professional opinion of our dedicated Secretariat and member representatives is actively sought by policymakers and advisers such as EIOPA, and we have a strong and integrated network with other bodies in Brussels and further afield.

That network will strengthen even further with our integration with ICMIF, the international association representing our sector at global level. We are in the midst of the integration project, which will bring multiple benefits including enhanced market leadership, augmented advocacy activities and deeper knowledge resources to our combined memberships. It will bring a new vitality to the enhanced operations in Europe, with access to key information and activities in which ICMIF has unique expertise.

You may have questions about why this is important for your organisation, and for the wider European mutual and cooperative insurance movement. I hope to get an opportunity to talk about this with you face to face; before that opportunity comes about, however, it's a straight fact of life that what happens at the global level has an ever increasing impact locally. In Europe, we are well aware that the decisions made in Brussels, Strasbourg and Frankfurt directly change the way we are required to undertake our individual business. That authority is increasingly to be found at a global level, whether it be with new accounting standards, the International Association of Insurance Supervisors' (IAIS) consultation on the regulation and supervision of mutuals, cooperatives and community-based organisations in increasing access to insurance markets which has the potential to capture all mutual and cooperative insurers in its purview, global capital standards ... again, another endless list.

AMICE's membership of the Global Federation of Insurance Associations (GFIA) has helped us keep abreast of some of these changes, but this activity will be much more powerful with the integration.

Earlier this summer, Swiss Re published a *sigma report* assessing the mutual and cooperative insurance sector across the world, soon after rating agency AM Best had issued a *report* on the European sector. Both reports support the fundamental premise of the mutual and cooperative insurance sector, but both also highlight areas in which we could do better and become stronger. Our new alliance with ICMIF will allow this to happen, and will herald a brighter future, encompassing sharing, social and mutual benefits for all.

## Promotion I Updates

### Last reminder | Call for contributions for new AMICE publication on good practices

For members who might not be aware, the Promoting working group is working on a new edition of the brochure published by AISAM in 2004, *Good practices vis-à-vis staff and member-policyholders* (French). The group has decided to extend the scope of the report to include examples of good practice in relation to society. Members have still the opportunity to send their articles ([template to be filled in](#)) to the [Secretariat](#) until 7 October. More information can be found in the [invitation](#) to the project and in this [document](#) listing some categories where cases of good practices have been identified. The invitation, template and the list of categories are also available in French, Spanish and German. Please contact the [Secretariat](#) to receive them.

### Promoting mutual and cooperative values working group



The Promoting working group will meet on 13 October 2016 to start working on its two new projects. The first project is the updated Good practices publication (described above) and the other is a new *Facts & Figures report*. The latter will be published in collaboration with ICMIF and will be launched next year.

### Communications working group

The Communications working group will meet in October 2016 to review the AMICE Ghent Congress and to discuss the communications section of the Member Survey, due to be circulated to the AMICE membership at the end of October or beginning of November 2016.

### National Associations' meeting

Members of the National Associations working group will meet in October and discuss national developments including Solvency II implementation, the level of insurance premium tax for non-life insurance products and credit rating agency requirements under Solvency II. The Secretariat will also present to the group all latest AMICE publications and the Swiss Re *sigma report*.

# Advocacy I Updates

## Credit rating agencies



**Requirements to use credit rating agencies as part of Solvency II are being reviewed following AMICE representations. AMICE had requested co-legislators to review the articles of the Solvency II framework where reference to credit ratings is made. The European Commission heeded our concerns, and in July it invited EIOPA to provide technical advice on the different methods to remove all references to credit ratings from the Solvency II legislation by 2020.**

Since the beginning of the negotiation period of the different legislative texts of Solvency II, AMICE has consistently lobbied to reduce the reliance on credit rating agencies. With the entry into force of Solvency II, credit rating agencies have decided to apply additional charges for the use of credit rating information in the mandatory reporting. Pricing practices of credit rating agencies are leading to increased Solvency II implementation costs - costs which are already very high, and disproportionately so for smaller players. As part of the new prudential regime, information provided by credit rating agencies is required to calculate the Solvency Capital Requirement (Standard Formula) and to report to the National Competent Authorities (NCAs) and to EIOPA. The Standard Formula uses credit ratings from credit rating agencies as the main driver to gauge market risks. Insurers may create their own unique formula to avoid these requirements but developing such an internal model is costly, complex and burdensome.

AMICE pointed out this issue in the [European Commission's Call for Evidence on the EU regulatory framework for financial services in January 2016](#) and also alerted EIOPA. We issued a [press release](#) in March 2016 to increase general awareness and invite the European Parliament, the European Commission and EIOPA to reassess the approach with regard to the use and transparency of credit ratings by reviewing the articles of the Solvency II framework where reference to credit ratings is made. We made it clear that it was vital to ensure that the new prudential regime does not become needlessly costly as these expenses will ultimately impact consumers.

In reaction to AMICE's lobbying activity, EIOPA launched a questionnaire addressed to NCAs on the use of ratings for Solvency II purposes. EIOPA indicated that several problems had been reported which may endanger insurance undertakings' access to information on ratings of the investments they hold due to intellectual property and licensing barriers. Through the questionnaire, EIOPA aimed at monitoring this issue given the importance it

has from a proportionality principle perspective. Several AMICE members in different jurisdictions answered the questionnaire, which had been sent to them by their supervisory authorities.

In addition, following the call for evidence, the European Commission has requested [EIOPA's technical advice](#) on the review of specific items of the Solvency II Standard Formula. EIOPA has been asked to provide advice to ensure that Solvency II is applied proportionately and to assess whether there is an overreliance on credit rating agencies.

AMICE works very closely with the European institutions to ensure that the best interest of AMICE members - and in turn their own members - are kept in the forefront of policymakers' agendas. The recent achievement of AMICE regarding the mandatory use of credit rating agencies is part of AMICE's ongoing advocacy programme in which it engages as a key stakeholder with regulators, legislators and representatives across Europe.

## Distribution |

### Technical workshop on PRIIPs implementation



On 11 July, the European Commission together with representatives from the European Supervisory Authorities (ESAs – ESMA, EIOPA and EBA) and NCAs organised a technical workshop on the implementation of the new rules on so-called packaged retail and insurance-based investment products (PRIIPs). The workshop aimed to provide further clarification on the [regulatory technical standards](#) (RTS) developed by the ESAs which

were formally adopted by the European Commission on 30 June. The discussion focused on the scope of the PRIIPs Regulation, the different methodologies for the calculation of transaction costs, the calculation of the market risk and credit risk measures for the different types of PRIIPs and the presentation of performance scenarios.

Currently the ESAs are developing supporting level 3 material to assist implementation and consistent supervision of the Key Information Document (KID). This material will mainly take the form of 'questions and answers' and relate to the technical methodologies included in the draft PRIIPs' RTS on risk, rewards and cost disclosure requirements.

### AMICE successfully lobbies European Parliament and Council to reject PRIIPs Delegated Regulation

The new PRIIPs rules, due to come into force at the end of December, cover a 5 trillion Euro market within the insurance sector<sup>1</sup>. Following AMICE's intense lobbying activities, the European Parliament voted overwhelmingly in favour of a [Motion for a Resolution](#) on Key Information Documents for PRIIPs which calls for rejection of the [Delegated Regulation](#) proposed by the European Commission. The Parliamentary decision followed a vote by the Economic and Monetary Committee (ECON), which had rejected the proposals a few days before. Furthermore, a sizeable majority of Member States backed a 12-month delay to the PRIIPs implementation date.

AMICE had sent a [letter to European policymakers](#) outlining our main concerns with regard to the outstanding issues in the Commission delegated act, including members of the Parliament, Permanent Representatives to the EU and the ECOFIN President. With less than four months until the implementation date of the PRIIPs Regulation, we emphasized that legal uncertainty still persists and that significant flaws remain, and encouraged policymakers to object to the delegated act on the grounds of lack of transparency and comparability.

### Public hearing on the Insurance Distribution Directive

On 23 September, EIOPA hosted a public hearing on the Insurance Distribution Directive (IDD). The objective of the event was to give stakeholders the opportunity to comment on EIOPA's [Consultation paper](#) on draft technical advice on possible delegated acts concerning the IDD and to discuss the policy proposals with representatives of EIOPA and national authorities. The hearing focused on product oversight & governance, conflicts of interest & inducements, suitability, appropriateness and reporting to customers.

<sup>1</sup> [Impact assessment](#) of the proposal for a regulation on key information documents for investment products, European Commission, July 2012

## EIOPA survey on insurance-based investment products under IDD

EIOPA published an [online survey](#) on the empowerment to develop guidelines pursuant to the IDD for the assessment of insurance-based investment products (IBIPs) which are currently sold via execution-only transactions. The AMICE Secretariat has [responded](#) on behalf of the membership.

## Meeting with EIOPA's Cross-sectoral and Consumer Protection Unit

During a meeting at Insurance Europe, Katja Würtz, Head of EIOPA's Cross-sectoral and Consumer Protection Unit, announced the launch of an EU-wide thematic review of market conduct among insurers operating in the unit-linked life insurance market. EIOPA intends to analyse how remuneration paid by asset managers to insurers could influence their choice of investments and how this choice could impact policyholders. The thematic review will be conducted in close cooperation with NCAs which will select the participating insurance companies. The latter were invited to fill in a questionnaire by mid-September. EIOPA is expected to publish its final report by the beginning of next year.

## Joint ESAs' Consumer Protection Day

On 16 September, the Joint Committee of the European Supervisory Authorities held its fourth Consumer Protection Day. The event provided a forum for members of the financial services industry, national supervisors, experts from the EU institutions and consumer representatives to discuss important consumer issues, as well as the work of supervisors. Three main topics addressed on the day included the potential of an EU single market for retail financial services; big data in the financial sector and the challenges for supervision of new EU consumer protection requirements on information for retail consumers, sales incentives and the remuneration of sales staff.

## Solvency II |

### EIOPA stress test 2016

The Secretariat has been providing support to member-participants of this year's stress test by summarising the main content of EIOPA's different series of questions and answers. The Secretariat also answered questions submitted by participants and channelled some of them to EIOPA.

### Standard formula review

Following the European Commission request to EIOPA for [technical advice](#) on the review of specific items of the Solvency II Standard Formula, the Secretariat exchanged with EIOPA officials on the priorities for AMICE members and the areas where simplifications are most needed. The Secretariat indicated to EIOPA that the Solvency II risk calibrations, including some lines of business in non-life premium and reserve risk, and the assessment of alternatives to credit ratings are the areas of most concern. The simplification of the look-through approach, the risk margin review and the loss-absorbing capacity of deferred taxes were also highlighted. The enlargement of the scope of the risk sub-modules to which USPs can be applied is also among EIOPA's priorities for the review.

### EIOPA UFR consultation

As announced in the [March newsletter](#), EIOPA is pushing for a review of the UFR (Ultimate Forward Rate). In April, EIOPA launched a [consultation](#) to review the methodology to determine the level of the UFR which is currently set at 4.2% for the Euro. In its [response](#), AMICE said there is no need to change the UFR; it should be kept stable and not respond to short term or random developments.

On 31 August, the ECON Committee held a discussion on the UFR review. Gabriel Bernardino, Chairman of EIOPA, stressed the importance of a robust methodology for the calculation of the UFR for the credibility of Solvency II and commented that they are just implementing the decisions taken by the European Parliament as a result of Omnibus II. Nathalie Berger, Head of the Insurance Unit at the European Commission, noted that any possible review will have to proceed on the basis of solid data or an impact assessment. She also clarified that the executive has the final say over the structure of the Solvency II discount curve, and indicated that it did not support "rushed" proposals to change the parameter. Political divisions have arisen between the different groups represented in Parliament.

EIOPA is expected to make a decision on the review of the UFR at the end of this year or at the beginning of 2017.

## EIOPA Risk-Free Rate conference call

On 26 July, the Secretariat participated in a call organised by EIOPA to discuss the deep liquid and transparent (DLT) assessment performed in 2016 in the context of the risk-free rate (RFR) term structures. EIOPA informed participants that the DLT assessment is still being discussed at Working Group level. EIOPA's WG submitted its recommendations to EIOPA's Steering and Policy Committee which agreed them in early September. Now the proposed changes will be submitted to EIOPA's Board of Supervisors for their approval in the coming days (more updates in the next newsletter). The changes will therefore be implemented by the end of this year and EIOPA's technical documentation will be updated accordingly. EIOPA explained the DLT assessment for swaps and government bond markets and the DLT assessment for OIS markets.

## AMICE's questions and answer process on Solvency II

The Secretariat continued to provide AMICE members with information on Solvency II through the Question and Answer (Q&A) service for all levels of the Solvency II legislative package, including the Solvency II Directive, Regulatory Technical Standards, Implementing Technical Standards and Guidelines. The Secretariat has replied to more than 60 questions on Solvency II from AMICE members.

## Solvency II workshop at Insurance Europe

AMICE attended a workshop organised by Insurance Europe on 22 June to discuss emerging issues and difficulties with Solvency II in operation. The workshop was part of the industry preparations for the 2018 review of the Standard Formula and to monitor Solvency II issues. Participants discussed potential solutions and how to prepare the ground for lobbying.

The different industry associations prepared a list of Solvency II issues outstanding based on the industry's response to the [Call for Evidence on the EU regulatory framework for financial services](#). AMICE submitted its [response](#) in January 2016. The industry would like to focus on quick fixes to Pillar II and Pillar III issues which may help firms save money.

## II Workshop on Pensions and Insurance

## II Workshop on Pensions and Insurance 2016 July 14- 15, Barcelona



On 14 and 15 July, the Secretariat attended the [II Workshop on Pensions and Insurance](#) organized by [ICEA](#) and the [University of Barcelona](#). Industry representatives from leading companies in the Spanish insurance sector, representatives from the national actuarial association, representatives from the Spanish Regulator ([Banco de España](#)) and professors and researchers from different Spanish universities exchanged views about Solvency II, risk theory, pricing, pension fund management and pension regulation. Industry practitioners explained the challenges and opportunities found during the

implementation of Solvency II's Pillar II and Pillar III requirements. In addition, researchers presented papers developing an Internal Model for Solvency II purposes.

### Insurance Europe Solvency II WG meeting

On 31 August, AMICE attended a Solvency II WG meeting organised by Insurance Europe. The group discussed emerging issues from the implementation of Solvency II, the consequences of a low interest rate environment, the consultation on the Financial Conglomerates Directive, the outcome of the different lobbying activities on the UFR, and EIOPA and NSAs' activities on the Internal Models.

### Governance | OECD Guidelines on Insurer Governance



On 11 August, AMICE participated in the GFIA Governance working group meeting during which members discussed the OECD public consultation on the Guidelines on Insurer Governance and the FSB peer review of the G20/OECD Principles of Corporate Governance. A final GFIA response was submitted on 29 August.

### IAIS Application Paper on Mutuals, Cooperatives and Community-based Organisations

On 20 June, the International Association of Insurance Supervisors (IAIS) launched a consultation on the draft Application Paper on the regulation and supervision of mutuals, cooperatives and community-based organisations (MCCOs) in increasing access to insurance markets. The Secretariat participated in a public background session which was held on 23 June to provide background information on this draft Application Paper. The aim of this draft paper is to raise the awareness of policymakers, regulators and supervisors about the role the MCCOs can play in enhancing access to insurance. At the same time, the purpose of the paper is to provide application guidance on the way the Insurance Core Principles (ICPs) could be applied in a proportionate manner which should contribute to removing barriers by unnecessary regulation and supervision. The guidance included in the paper is applicable to all MCCOs operating as insurers regardless of their size, nature and legal form.

On 19 July, AMICE submitted its response to the consultation and welcomed the overall interest of the IAIS in the MCCO sector. Nevertheless, AMICE expressed its serious concerns with the conflicting objectives of the paper: to raise awareness about the MCCO sector in enhancing access to insurance and to provide guidance on the proportionate application of the ICPs. The Association therefore suggested separating the Application Paper into two papers which examine each of the objectives individually.

The IAIS is expected to publish its final application paper in November.

### Accounting |

#### IFRS 4 and IFRS 9 advances

The IASB confirmed it will amend the current insurance contracts Standard, IFRS 4. This is to address issues that may arise from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts Standard which will replace IFRS 4. At its May meeting, the Board concluded deliberations on this topic and asked staff to draft the final amendments to IFRS 4 Insurance Contracts.

AMICE had submitted its response to the IASB Exposure Draft on 8 February.

#### Working group meeting

On 11 July, the Secretariat organised an on-line meeting to prepare the AMICE position regarding the items to be discussed at EFRAG's meeting scheduled for 12 July. The group discussed the outstanding issues related to the upcoming Insurance Contracts Standard and the outcome of the deliberations on the deferral of IFRS 9 Financial Instruments. The Secretariat informed participants about the IASB tentative decisions on the Unit of account / Level of aggregation and the allocation of the CSM, the CSM amortization and interest accretion, the available methods to derive the discount rate and its differences with Solvency II risk-free rate, and the revenue – investment component.

#### EFRAG meeting

On 12 July, the Secretariat attended the meeting of the Insurance Accounting Working Group meeting at the European Financial Reporting Advisory Group (EFRAG) where discussion items included the EFRAG draft endorsement advice for the upcoming IASB Amendment relating to Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts, the remaining issues related to the future insurance contract standard (i.e Scope of Variable Fee Approach, Level of Aggregation and Mutualisation, the Premium Allocation Approach, the Valuation of Options and Guarantees, Hedging Accounting, Transition and Disclosure issues). The group also debated the implementation costs of the future insurance contracts Standard and the extent to which Solvency II can be used to derive IFRS 4 implementation costs.

#### IASB Board Meeting

On 18 July, the Secretariat joined on-line the IASB Board Meeting where the IFRS 9 temporary exemption aligning the scope for fair value disclosures with that for credit risk disclosures was discussed. All Board members voted in favor of an amendment to the previously-made tentative decision about the scope of fair value disclosures when an entity applies the temporary exemption from IFRS 9. Under the revised decision, an entity would disclose the fair value at the end of the reporting period and the change in the fair value during the reporting period for two groups of financial assets separately.

The previous tentative decision would have required separate fair value disclosures for assets held for trading or managed on a fair value basis that meet the SPPI test from those that failed the SPPI test. The IASB members agreed to the revised simplified disclosures, observing that there is no need to look at the characteristics of cash flows when assets are managed on a fair value basis and that they are more consistent with the disclosures required by IFRS 9. Entities applying IFRS 9 are not required to separately disclose the fair value just for financial assets that have cash flows that are not SPPI. This is because an entity applying IFRS 9 is not required to perform the SPPI assessment if it first determines that the assets are held in another business model.

On 12 September, the Secretariat attended a meeting co-organized by the IASB – Insurance Sweden to discuss the forthcoming Insurance Contracts Standard and how it would impact the mutual sector.

#### Workshop on the future of European Company Law

The European Parliament's Legal Affairs Committee (JURI) hosted a workshop on 'The Future of European company law' with independent external experts in order to discuss issues relating to digitalisation in company law; ongoing issues in international corporate governance; and cross-border operations (mergers, transfers and divisions). Prof. Dr. Jessica Schmidt, University of Bayreuth noted that there is still no EU level framework for cross-border divisions and companies wishing to undertake a cross-border division have to perform several operations, such as a national division and a cross-border merger. She underlined the urgent need for a special EU framework on cross-border divisions and mergers which should be applicable to all legal entities under Article 54 of TFEU (other than limited liability companies).

## European Parliament long-term investment Intergroup conference

On June 28, the long-term investment Intergroup of the European Parliament held a conference on the follow-up to the Juncker Plan. Jacques de Larosière, Former Governor of the Banque de France and Managing Director of the IMF, recommended adopting a prudential regime more favorable to long-term investments, stimulating securitisation to mitigate the impact of more stringent capital requirements and creating an EU-wide market for long-term assets. He suggested the creation of a favorable prudential regime for long-term investments in infrastructure and the creation of an infrastructure asset class. He praised the amendment to Solvency II and the creation of the qualifying infrastructure investment asset category with a lower risk calibration. He called for investments in European Long-Term Investment Funds (ELTIFs) to benefit from lower capital charges under Solvency II. He criticised the fact that insurers are considered traders, the consequence being that the risks of infrastructure assets are assessed through the market risk module of Solvency II. Instead, he claimed these assets should be addressed through the counterparty risk module as insurers are not exposed to forced selling but to credit default and level of recoveries.

European Commission Vice-President Jyrki Katainen then took stock of the first year of the implementation of the Investment Plan for the EU and its new financial tool, the European Fund for Strategic Investment (EFSI). He described the current lack of investment in the EU as the result of poor demand, a dire situation for public finance and a lack of external competitiveness.

## Digital Festival | European FinTech Regulation

On 21 June, the Secretariat attended a session on European FinTech regulation as part of the Digital Festival 2016. Participants discussed the impact of digital disruption on the financial services sector and whether there is need to regulate fintech at EU level. Olivier Salles, the European Commission's Head of Unit on Retail financial services, explained that the European Commission was currently assessing how to address these new distribution channels and will most likely issue guidelines for Member States towards the end of the year.

## 'Digital Single Market – What's in it for SMEs?' event

The Secretariat attended an event entitled 'Digital Single Market – what's in it for SMEs?' during which participants discussed the challenges and opportunities of the DSM from a small business perspective. Kamila Kloc, the Deputy Head of Cabinet of European Commission Vice-President Andrus Ansip, presented the main policy objectives of the Digital Single Market and the concrete measures which the Commission is planning to adopt in the coming years.

## Social Economy |

### Social Economy Europe | Annual General Meeting



Social Economy Europe, the sectoral organisation of which AMICE and AIM are members, held its AGM in Paris on 16 June. The organisation approved its annual report 2015, and fixed its strategic objectives for 2016/2017. It also welcomed two new members, FEBEA, representing ethical banks in Europe, and Forum Terzo Settore, representing the Italian social economy.

## European Parliament Intergroup hearing



On 28 June, AMICE Vice-President Christophe Ollivier presented the role of mutual insurers and insurance cooperatives in financing the real economy during a public hearing organised by the European Parliament's Social Economy Intergroup. He called for the removal of barriers in order to enable mutuals and cooperatives to invest more in Europe.

## First European Day of Social Economy Enterprises



On 1 July, the Secretariat attended the First European Day of social economy enterprises entitled 'From words to action!'. The event, which was organised by the European Economic and Social Committee (EESC), brought together some 120 social economy players and the EESC's institutional partners to take stock of the current situation, generate synergies and explore what measures still need to be taken to build an adequate ecosystem for social economy enterprises and fully unleash the potential of the sector. In his opening speech Michael Smyth, EESC Vice-President underlined the importance of having a long-term action plan for social economy enterprises and emphasised the need to reinforce cooperation between the institutions and also with the sector. Branislav Ondruš, Slovak State Secretary for Labour, Social Affairs and Family, noted that the Slovak Presidency would call on the European Commission to include the social economy amongst their top priorities, as a tool to promote employment and prosperity in Europe. The current EU Presidency of the Council will also host a major conference at the end of November.



**European Parliament (ECON) | Exchange of views with Commissioner Hill**

Commissioner Jonathan Hill exchanged views on 14 June with members of the ECON Committee, in advance of leaving his position in mid-July. He said that the Solvency II review which came into force on 2 April was the first result of the Capital Markets Union (CMU) Action Plan. EIOPA is expected to send him a reply on the change to infrastructure corporates later this month. Following a remark by MEP Brian Hayes (EPP, IE), Hill answered that he was aware of the concerns expressed by the insurance industry as regards the regulatory technical standards on PRIIPs, noting that the Commission was committed to meeting the deadline set for the end of this year.

**EIOPA & European Commission updates**

The European Commission adopted an implementing regulation on the technical information on the risk-free rate to be used for the calculation of the technical provisions in the Solvency II balance sheet with reference date June 2016.

EIOPA published the technical information on the symmetric adjustment of the equity capital charge for Solvency II and the technical information on the relevant risk free interest rate term structures (RFR) with reference to the end of July, August 2016.

The Executive Summary of EIOPA's Annual Report 2015 was published in all the official languages of the EU.

EIOPA also joined the Multilateral Memorandum of Understanding (MMoU) set up by the International Association of Insurance Supervisors (IAIS) in 2009. The memorandum is a global framework for information exchange among insurance supervisors to ensure confidentiality rules and professional secrecy regimes are adhered to.

The European Commission informed the ESAs about the amended draft RTS on risk mitigation techniques for non-centrally cleared OTC derivatives which they intend to adopt in the near future.

The Financial Stability Board (FSB) warned about slow progress on insurance resolution. The full report can be found here.

EIOPA's Activity Report has been published on the EIOPA website.

**Advocacy | Taxation | VAT Gap Study**

The European Commission published its 2016 VAT Gap Report according to which EU Member States are losing nearly €160 billion in uncollected revenues.

# Assistance | Updates

**Health working group**

Members of the Health working group met in Brussels on 14 September with their work guided by the newly nominated chair, Richard Siere, Managing Director of OOM Verzekeringen, one of AMICE's smallest Dutch members. OOM provides health insurance to those not covered by the Dutch healthcare system such as students, from or heading overseas, or foreign visitors to the Netherlands, as well as to Dutch residents travelling overseas.

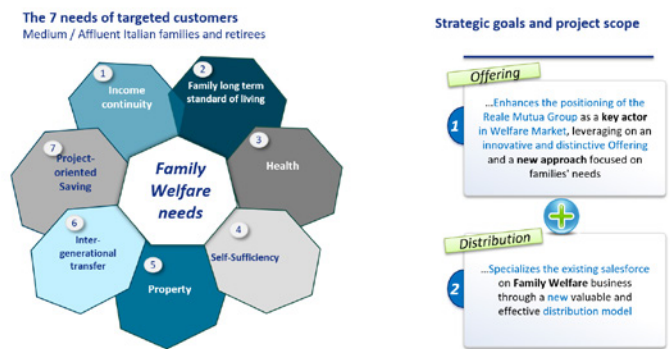
Italian member Reale Mutua described the Italian health system and the growing disparity in available funding and care between the regions, leading to more opportunities for insurers. Reale Mutua aims to provide a complete and tailor-made solution for family and corporate welfare and feels it has a duty to offer cover to the un- or underinsured. Reale Group is the fifth largest health player on the Italian market with 5% market share.

**REALE MUTUA**

**III – Ongoing development projects (1)**

**Family Welfare Project**

aimed to create the New Welfare Offering developing products and services for each customer's need



Members went on to discuss the challenges all countries face within their national health systems and exchanged ideas on how mutual and cooperative insurers can step in to provide the health cover which people need. There was also a discussion around the segmentation created by products based on lifestyle and the resulting loss of solidarity.

The Health working group will meet next on 8 March 2017 – if you want to learn about the French health system, exchange with colleagues on upcoming trends in the health sector or benchmark your data protection framework, save the date now!

**Reinsurance working group**



The venue for the next Meeting of European Mutual and Cooperative Reinsurance Managers is confirmed: the Reinsurance working group accepted Covéa's invitation to organise the 2017 Meeting in Paris.

During their on-line meeting on 26 September, members also referred to the Swiss Re sigma report on mutuals (see the AMICE press release) and discussed the current conditions on the reinsurance market.

## → AMICE & ICMIF Calendar 2016-2017

- 5 October ..... Brussels ..... AMICE ..... Regulatory Affairs working group
  - 13 October ..... Brussels ..... AMICE ..... Promoting working group
  - 14 October ..... On-line ..... AMICE ..... Communications working group
  - 19-21 October ..... Nairobi, Kenya ..... ICMIF ..... Board and Committee Meetings
  - 20 October ..... On-line ..... AMICE ..... Solvency II reporting workshop
  - 21 October ..... On-line ..... AMICE ..... Reinsurance working group
  - 28 October ..... Brussels ..... AMICE ..... Solvency II working group
  - 3 November ..... Brussels ..... AMICE ..... National Associations meeting
  - 14-16 November ..... Copenhagen ..... ICMIF ..... Advanced Potential Course (APC Europe)
  - 16-17 November ..... Copenhagen ..... ICMIF ..... Intelligence Committee Meeting
  - 17 November ..... Paris ..... AMICE ..... Board
  - 25 November ..... Brussels ..... AMICE ..... Solvency II working group
  - 16 December ..... Brussels ..... AMICE ..... Solvency II working group
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- 21 February ..... Brussels ..... AMICE ..... Executive Committee
  - 8 March ..... Brussels ..... AMICE ..... Health working group
  - 16 March ..... Athens ..... AMICE ..... Board
  - 14-19 May ..... Manchester ..... ICMIF ..... Advanced Management Course (AMC)
  - 16 May ..... Brussels ..... AMICE ..... Executive Committee
  - 7 June ..... Brussels ..... AMICE ..... Board
  - 8 June ..... Brussels ..... AMICE ..... Annual General Meeting
  - 3 October ..... Brussels ..... AMICE ..... Executive Committee (date tbc)
  - 17-20 October ..... London ..... ICMIF ..... ICMIF Biennial Conference
  - 14 November ..... Manchester ..... AMICE ..... Board

## → External Events Calendar 2016

- 18-19 October ..... London ..... [Insurance Risk & Capital 2016](#)  
Insurance ERM  
Keynote speaker: Sarah Goddard, AMICE Secretary general, on regulatory issues  
25% discount for AMICE members. Please contact the [Secretariat](#).
- 24-25 November ..... London ..... [2nd Annual Practical ORSA Feedback and Risk Appetite](#)  
Marcus evans conference  
£200 discount for AMICE members. Please contact the [Secretariat](#).