

News

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Asmo Kalpala
President

A few weeks ago, the European Commission published its comprehensive “Study on the situation and prospects of mutuals in Europe”. I invite all readers to download the study from the AMICE website, to read it, and then to discuss at home and within AMICE how to follow up on the valuable observations and conclusions.

Almost to the day five years ago, the establishment of “ACME-AISAM aisbl” was announced in the official Belgian gazette – and thus AMICE was officially born. Congratulations! The child has grown up fast and well over the years since then and I am happy to have been able to contribute to its development.

But what makes me even more pleased is the birthday present that the European Commission has given AMICE and our sector by publishing its landmark study. It confirms our claim that the mutual sector is a strong force in Europe and that it contributes considerably to the well-being and the personal security of the European citizens, to the stability of Europe’s financial markets and to the functioning of our societies and economies.

The recommendations in the study are clear:

- At the European level, mutuals deserve better and more explicit recognition. Their development should be actively fostered. I welcome in particular the clear reference to the challenges to mutuals in Solvency II: the need for true proportionality, the necessary respect for the specific governance of mutuals, and the importance of appropriate financing tools and possibilities to form groupings with a view to the sector’s growth and prosperity.
- In Member States, legislators, supervisors and society must become more aware of the benefits of the mutual model in insurance and beyond. In the ongoing financial crisis and in times of mounting difficulties of other (publicly financed) ways of providing cover for the most basic needs of citizens, this awareness becomes even more necessary.
- But with this call for increased awareness comes the call to the sector to do even more to state its case. The knowledge about mutuals, of their characteristics and of the benefits they bring to society must be spread wider – across borders – and deeper – in governments, Parliaments, in education and in society.

This leaves us in AMICE with a wide field of duties – and of potential. And it gives us a work programme not only for 2013, but for many years to come.

“Aad multos annos” to AMICE and a Merry Christmas and a Happy New Year to all readers!

Asmo Kalpala

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Update on the motor vehicle repair and distribution of spare parts sectors: the French example

Since summer 2010, agreements between vehicle manufacturers, dealers, repair services and spare parts providers are covered by EU competition law through Regulation 461/2010 and the subsequent supplementary guidelines (2010/C138/05). In August 2012, the European Commission also published a series of Q&A.

Renaud Huard from Maif, French member of AMICE, gives a summary of the reflections on the distribution of spare parts in France below.

Having seen a significant price increase in spare parts and the provision of repair and maintenance services for motor vehicles since the end of the 1990s, the French Competition Authority decided to examine the way in which competition functions in this sector. The various operators engaged in the motor vehicle repair sector (manufacturers, repairers, equipment manufacturers, etc.) were involved in the debates on this question through a public consultation process. In October 2012, the Competition Authority published its report (Avis n°12-A-21, dated 8 October 2012) and set out a series of proposals to optimise the way in which competition functions in the sector, for the benefit of the operators and the consumers:

<http://www.autoritedelaconurrence.fr/user/avisdec.hp?numero=12-A-21>

The main measure recommended by the Competition Authority is to open the visible spare parts market on a progressive and controlled basis.

In France, visible parts (wings, bonnets, etc.) are protected by design rights and copyright. This means that the manufacturers have a real legal monopoly on the sale of this type of spare parts, which represents approximately 17% of the global spare parts market.

The Authority believes that it is appropriate to maintain this protection for the visible parts which are known as “original equipment”. However, it proposes to progressively lift the restrictions on spare parts used for repairs. This approach (known as the “repair clause”) has already been adopted in law by eleven European Union countries and, in fact, by the United States and Germany:

- **Countries which have a repair clause in law:**
Belgium, Spain, Ireland, Italy, Luxembourg, Netherlands Poland, United Kingdom, Hungary, Latvia, Greece
- **Countries which have liberalised access to the spare parts market in fact:** Germany
- **Countries which do not have a repair clause:**
Austria, Denmark, Finland, France, Portugal, Sweden, Czech Republic, Cyprus, Estonia, Lithuania, Malta, Slovakia, Slovenia, Bulgaria, Romania

In order to apply this liberalisation process progressively, the Competition Authority proposes to open the market up successively to competition on the basis of families of product, starting with lighting units and automotive glass, followed by mirrors and bumpers and, finally, all visible parts.

From the consumers’ point of view, the removal of this protection should result in a 6 to 15% average reduction in the price of spare parts in the long term.

The Authority recommends the adoption of four complementary measures in order to facilitate the liberalisation of the visible spare parts market:

1. To allow the equipment manufacturers to market spare parts in general more freely

This will mainly be achieved by ensuring that the contracts binding equipment manufacturers to the motor vehicle manufacturers do not prevent them from freely marketing the spare parts they manufacture (no limitation on tooling and no priority sourcing clause).

2. To monitor and, where necessary, to sanction any obstacles to gaining access to the manufacturers’ technical information

Independent repairers must be allowed to benefit from the same level of technical information as the authorised repairers.

3. To formulate warranty and warranty extension contracts in clear and explicit terms

The consumer must be better informed about the fact that he may use the services of an independent repairer without invalidating the warranty.

4. To ensure that the recommended prices of the spare parts distributed by the manufacturers and the equipment manufacturers do not limit competition as a result of the prices practiced between the operators

The Competition Authority’s opinion, which is in keeping with the provisions of the European Commission, will have to be adopted by the French legislators in order to enter into force.

Renaud Huard: Renaud.huard@maif.fr

Useful links: [Regulation](#)
[Questions/answers](#)
[Explanatory brochure](#)

Seminar on Solvency II for small and medium-sized insurers in Amsterdam

Representatives of mutual insurers from ten EU Member States and supervisors from EIOPA, the Dutch National Bank and the UK FSA met on 12 November to exchange their views on risk management, the ORSA (Own Risk and Solvency Assessment) and reporting.



The seminar focused on challenges and possibilities for small and medium-sized mutuals arising from pillars 2 and 3 of Solvency II. Regarding reporting obligations, AMICE Vice President Marcel Kahn said: “We need supervisors who understand the smaller players and who are willing to apply proportionality. Regulators and supervisors have to avoid making art for art’s sake – that is reporting just for reporting’s sake. They must show pragmatism in the rules.”

AMICE warns that an unreasonable application of the rules in Pillar III reporting could jeopardise the position of smaller players who will not be able to cope with overly complex administrative burdens. The association has repeatedly argued that the Solvency II project and its implementation is expensive for all insurers, notably small and medium-sized ones, and that the current uncertainties increase cost, risks and complexity for all stakeholders, including the consumers.

The presentations and proceedings of the seminar are available in the members’ area of the AMICE website.

The International Year of cooperatives is coming to a close: review of its highlights

“The Summit was a great opportunity to exchange ideas and innovative practices. We realised that now is the time to strengthen and develop the cooperative model in all its forms. Both participating cooperatives and mutuals agree on the need to grow in a sustainable way and to extend our global influence by building on the ability to innovate and to work in a spirit of inter-cooperation, while staying true to our cooperative values and beliefs,” concluded Monique Leroux, Chair of the Board, President and CEO of Desjardins Group who, together with the International Co-operative Alliance (ICA) and Saint Mary’s University, were the co-hosts of Quebec’s Summit on Cooperatives and Mutuals held from 9-12 October last.

Having brought together 2,800 people from 91 countries and a great number of key political and academic figures, the Summit also enabled participants to elicit priority courses of action for cooperatives and mutuals.

Many topics were addressed, from macro-economic to specific, micro-economic issues. It was recognized that a new growth is needed, not top down but stemming from innovation at neighbourhood, company and individual levels. By the same token, it was said that there is a pervasive lack of data on cooperatives and mutuals among global institutions such as the World Bank.

Over the course of the three-day-event, participants’ ideas were added to the Declaration that was presented to the Cooperatives United, the culminating event of the International Year of Cooperatives 2012, before being sent to the United Nations.

“Cooperatives have shown themselves to be effective and highly resilient under trying economic conditions. Despite these conditions, the cooperative movement has been able to sustain jobs, small companies, as well as companies in general. They intend to further their involvement on a local, national and international level during a period of economic and financial crisis,” added Dame Pauline Green, President of the ICA.

Reading the ambitious and very interesting **Blueprint for a Co-operative Decade** and considering the quality of the Quebec and Manchester conferences held these past months against the goals set by the UN for 2012, we believe (at AMICE) that the main objective of increasing public awareness about cooperatives and their contributions to socio-economic development, has been reached.

AMICE is enthusiastic about the ambitions contained in the Blueprint, for the cooperative model to become:

- The acknowledged leader in economic, social and environmental sustainability
- The model preferred by people
- The fastest growing form of enterprise, and would like to follow these steps for the mutual model.

Report of the AMICE Marketing Workshop on 28 November at P&V in Brussels

Under the title “Brand-building in mutual/ cooperative insurance”, 18 marketing experts and communication specialists from AMICE members in 9 countries came together to jointly explore and discuss how mutuals and cooperatives can raise their brand profile. After a warm welcome by the CEO of P&V, Hilde Vernailen, who generously offered to host this AMICE event, a presentation on the importance of brand-building in mutual insurance companies was given by an external communication expert. Three key lessons were identified: (1) the need to redefine and focus on a consistent and true brand story; (2) the need for authentic behaviour with clearly defined values in order to build a consistent culture with staff members; (3) building and maintaining a real relationship with consumers through genuine and continuous dialogue, acts of kindness, co-creating products with the aim of sharing responsibility and developing real customer ambassadorship.



Case-studies from different AMICE member organisations ensured a highly interactive, hands-on approach throughout the meeting. TUW SKOK presented its own brand-building process in Poland, the Italian Reale Mutua reported on their revised brand positioning strategy, the Finnish LähiTapiola offered insights into branding in a merger situation and the UK-based LV= elaborated on the potential role of mutuality in branding. The presentations are available in the members’ area of the AMICE website. Grzegorz Buczkowski, chair of AMICE’s Communications Working Group, comments: *“The workshop is the second of the type organized by AMICE, the previous seminar having been held in Paris in 2011. We see it as an important part of AMICE’s mission to facilitate knowledge and experience exchange among its members, and hope future events will be as successful and well received as the first two.”* The feedback by participants was positive throughout. If possible, a similar event on a different subtopic of communications/ marketing may be held in 2013. For more detailed information, please contact: jessica.sommer@amice-eu.org.



Solvency II update

The Annual EIOPA Conference in Frankfurt and the recent meeting of the EIOPA Stakeholder Group (with Asmo Kalpala and Yanick Bonnet) provided new, although not surprising, clarity that the Solvency II project will accompany us at least until 2016. Gabriel Bernardino said that any credible timetable points to 2016 as the (earliest) application date. With the impact assessment on the long-term guarantee package now starting only in early 2013, the publication of Omnibus II now seems to slip into 2014 – levels 2 and 3 could then be finalised and implemented only in 2015 for application in 2016.

We observe tendencies in several member States to implement parts of Solvency II contents (e.g. the ORSA or parts of reporting) earlier. This may lead to a patchy and incoherent and thus unlevel regulatory landscape. EIOPA seeks a role to coordinate this – but to achieve such coordination requires still lots of detailed discussions.

Members who seek more information may contact Silvia Herms at the Secretariat or – even better – participate in the work of the Solvency II taskforce.

Meeting of European Mutual & Cooperative Reinsurance Managers, Helsinki, 23-24 May 2013

Organised by AMICE's Reinsurance Taskforce, this two day event is aimed at reinsurance managers who wish to exchange with their peers from other AMICE members but also wish to learn how other mutuals and cooperatives address reinsurance issues. Following an introduction by the President of the hosting company LähiTapiola, the meeting will explore and discuss the different aspects of reinsurance, ranging from new product development to risk management and other external compliance challenges within Solvency II.

For further information and/ or assistance, please contact the AMICE secretariat or see the [AMICE website](#) for more information and to register.

→ About the European Commission's "Study on the Current Situation and Prospects of Mutuals in Europe"

The study was initiated in 2010 by Internal Market Commissioner Michel Barnier as part of the work on the [Single Market Act](#) of 2011.

It follows and is based on a narrower study "[The role of mutual societies in the 21st century](#)" for the European Parliament, published in July 2011:

The study was financed by the European Commission's DG Enterprise and conducted by researchers of the Dutch research and consulting firm Panteia under the lead of Simon Broek.

It consists of two parts: a main text part with an extensive overview table of legal provisions in key areas, and an annex with 30 detailed country studies on the situation of mutuals in the Member States of the EU and the EEA.

The study is available on the AMICE website:

[Full report](#) (230 pages)

[Annex](#) (340 pages)

AMICE is a founding member of GFIA, the Global Federation of Insurance Associations



In a formal ceremony, 31 insurance associations from all continents established the Global Federation of Insurance Associations on 9 October 2012, thus formalising their cooperation network that had already existed successfully for several years. AMICE is the only GFIA member expressly representing the interests of mutual and cooperative insurers.

For more information, please visit the [GFIA website](#).

AMICE welcomes its first member from Turkey

On 27 November 2012, the AMICE Board approved



the application of Koru Sigorta Kooperativi, the only cooperative insurance company in Turkey. Koru Sigorta was established in 2011 with a current focus on motor insurance. Within its first year of existence, the company has reached 70,000 members, all with policies in non-life branches. The Turkish membership brings the number of countries represented within AMICE members up to 18.

AMICE welcomes N.V. Univé Schade as new member organisation

On 2 October 2012, the AMICE Board approved the application of N.V.



Univé Schade, one of the biggest cooperative insurers in the Netherlands with over 930,000 members. N.V. Univé Schade is mainly active in motor, health, legal expenses and general liability.



Personnel change at AMICE

As the head of the Secretariat, I would like to express my gratitude and genuine thanks to **Helen Sheppard** and **Catherine Hock**. After smoothly managing the transition from AISAM and ACME to AMICE, they welcomed me as their new boss, initiated me to the sometimes complex intricacies of European mutuality and supported and co-led our organisation during its first five years.

Helen will be starting one year of sabbatical leave on 1 January 2013 and Catherine will take up a position at ICMIF as of 31 January 2013. To follow Catherine, **Vlad Olteanu** will join as Senior Policy Advisor on 7 January 2013 and will introduce himself in the next Newsletter.

Helen's replacement, **Jessica Sommer**, joined us in late October and has taken over most of Helen's responsibilities until the end of 2013.

A warm welcome to both. I am sure we will continue to be a good and successful team.

Gregor Pozniak

Dear Members of AMICE,

Having recently joined AMICE, I would like to take the opportunity to briefly introduce myself. More than five years of work experience have equipped me with a broad range of transferable and specific skills in communications, process facilitation and stakeholder management. My previous workplaces include Oxfam International and the Berlin Civil Society Center, a platform organisation for knowledge exchange among the world's leading global NGOs like Amnesty, Transparency, WWF, as well as Oxfam itself. In addition, I have lectured on corporate governance and CSR at several European universities.



Jessica Sommer

I am confident that I will be able to use my experience to continue AMICE's work in the areas of communication and membership relations. I am indeed looking forward to working with you, to facilitating and coordinating internal and external processes and – where necessary or useful – to introducing new initiatives with the aim of assuring and demonstrating AMICE's success. Being in charge of member relations means that my telephone line and my mailbox are always open to you.

Jessica Sommer

→ AMICE meetings and events

- 16 January Brussels Legal Affairs taskforce
- 22 January Brussels Executive Committee
- 24 January Brussels Solvency II taskforce
- 29 January On-line MCN/WCI taskforces
- 31 January London Meeting of national mutual associations
- 4 February Brussels CSR taskforce
- 5 February Brussels Board
- 6 February Brussels Communications working group
- 28 February Brussels Solvency II taskforce
- 9 April Brussels Member to Member working group & taskforces
- 10 April Cologne Board
- 17 April Nice Communications working group
- 25 April Brussels Solvency II taskforce
- 21 May Brussels Executive Committee
- 23/24 May Helsinki Meeting of European mutual & cooperative reinsurance managers
- 30 May Paris Solvency II taskforce
- 10 June Brussels Board
- 11 June Brussels General Meeting
- 27 June Brussels Solvency II taskforce
- 3 September Brussels Executive Committee
- 4 September Brussels Communications working group
- 16 September Brussels AMICE reception
- 17 September Brussels Board
- 18/20 September Brussels Reinsurance Training for Non-Reinsurers
- 29 October Brussels Executive Committee
- 30 October Brussels Communications working group
- 12 November Madrid Board