Annual Report 2013
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Welcome!

At the end of the year, AMICE adopted a revised five-year strategy which will take the association and its members into 2018. The new story line with its six key statements provides the association with a powerful message and supports us in promoting our sector and our values.

AMICE is the voice of the mutual and cooperative insurance sector in Europe.

Mutual and cooperative insurance follows the principles of solidarity and sustainability and is characterised by customer-membership and a democratic governance.

Our business model, with its focus on using surpluses exclusively for the benefit of its members, is a more natural choice than the shareholder-driven business model.

AMICE advocates for appropriate and fair treatment of all mutual and cooperative insurers in a European Single Market.

AMICE encourages the creation and development of innovative solutions for the benefit of European citizens and society.

In Europe, the 3,000 insurers united in the mutual and cooperative sector account for more than half of all insurance undertakings and for a market share of almost 30%. They provide cover for more than 200 million customers and employ some 360,000 staff within the European Union.
Dear friends,

Looking back on the past twelve months since I was given the mandate to take over the presidency of AMICE from Asmo Kalpala, I really want to thank all AMICE members for having made this year so productive: for the confidence all AMICE members put in me as President, for the great support by my fellow Board members in completing the work on the association’s revised strategy, for the ongoing commitment by all representatives of AMICE’s members in the various working groups, and for the high quality work delivered by the AMICE Secretariat.

The new strategy – its main elements are laid out in one of the sections of this Annual Report – is the result of collective effort by the Board and the AMICE Secretariat and your input through the member surveys and many conversations.

At the same time, the new priorities and strategic goals reflect my deep personal convictions:

- **Our sector needs strong promotion.** Our business model in insurance is not well enough known as such. Its inherent strengths are often ignored or denied. In some countries, discussions flare up from time to time, often driven by assumptions about us that are uninformed or wrong. We have to argue with more clarity and more determination that a business model in insurance that puts the policyholder at the heart of the business is the true and most beneficial form of providing risk cover and safety.

- **Our sector needs strong advocacy.** This widespread lack of knowledge about our sector has as a sad consequence that policymakers at all levels fail to draft regulation in a way that takes appropriate account of the specificities of mutuals and cooperatives. Our sector has the right to fair and appropriate legislation, because only then will the constituents of the sector be able to provide citizens with insurance services that are based on their interests and their needs.

- **We all need assistance** in what we are doing and how we are doing it. Our motto “for mutual benefit” encourages us to share with each other our experience and our best practice. And this is not a one-way street. The balanced participation in AMICE’s seminars and workshops is proof that the exchange of experience can happen and does happen in both directions: larger members sometimes have more resources to develop new products or new tools; on the other hand, the specialised knowledge and the experience in being particularly close to their members is a treasure that smaller members can share with all of us.

I am looking with confidence to the future, despite the ongoing challenges in the economy and on the financial markets. The Board and its Executive Committee, with the new Commission chairs, which guide and supervise the association’s work, and the Secretariat, are committed to delivering results according to the expectations as you expressed them during last year’s discussions.

So, I thank you for your contributions and I invite you all to engage and to be part of our voyage – for mutual benefit.

Hilde Vernaillen, AMICE President
Dear members,

2013 has been a year of change at all levels for the association. Asmo Kalpala was followed by Hilde Vernaillen as the President of the association and four new member representatives joined the AMICE Board. The new strategy, approved by the Board towards the end of the year, delivers a promise to members to focus even more on their benefit from membership and provides guidance to me and the team at the Secretariat to keep us on track when delivering these benefits. And, last but not least, our office saw dear staff members go and welcomed others to the team.

What has not changed is our commitment to serve you by striving for the core objectives of our association: promoting the business model, creating opportunities and addressing challenges for mutual and cooperative insurers through forceful advocacy, and enabling members to be successful through providing platforms for experience exchange and through assisting them, notably the smaller ones.

During the past year, some long-term advocacy priorities have yielded good results. Our steady insistence that the principle of proportionality has to be observed by all legislators and regulators at all levels of the new Solvency II prudential framework has led to noticeable changes in requirements. And the European Commission has taken a big step forward towards a legal framework for mutuals at the European level after a favourable external study in 2012 and an own initiative report by the European Parliament in 2013 had recommended such an initiative.

A further highlight of the year was one of the most successful seminars that we have organised to date with more than 80 participants. The feedback encourages us to continue to listen to our members’ needs and to respond to their questions and expectations.

Satisfied members and visible successes in advocacy and promotion are the most important motivation factors for us. But at the same time they are also the key to broadening the outreach of our work. Our efforts must continue to increase the participation of members in our working groups and at our events and to recruit new mutual and cooperative insurers as members for AMICE, their European representative organisation. I thank all of AMICE’s current members for their continued support in our endeavours.

Finally, I would also like to thank all Board members, the Chairs of our working groups and all who support the association’s activities. And of course, my thanks go to the Secretariat staff – including those who have since left us – for their dedication and efforts during 2013.

“Mutual insurance – the natural way to cover your risks”, runs one of our promotional slogans. Working together in AMICE is, I would say, the natural way towards mutual benefit in our sector.

Gregor Pozniak, AMICE Secretary General
**Strategy**

In a nutshell

AMICE’s new strategy consists of three strategic goals and three enablers:

- Promoting the mutual and cooperative business model and strengthening its brand;
- Creating opportunities and addressing challenges for mutual and cooperative insurers;
- Enabling AMICE members and in particular small and medium-sized insurance undertakings to be successful.

The enabling goals are:

- Improving the value of the association for its members and potential members;
- Optimising the governance, transparency and efficiency of the association to maximise overall impact;
- Securing the appropriate resourcing of the association.

A new strategy for AMICE

Three years after the adoption of AMICE’s medium-term strategic plan 2010 and with the handover from Asmo Kalpala to a new President pending, the time seemed right at the turn of 2013 to launch the process of overhauling AMICE’s strategy. The process started with a member survey and a complementary communications survey in the first quarter of 2013; it was continued with in-depth discussions at the Board and the Executive Committee, comprising of a SWOT analysis and a very critical self-assessment of AMICE’s governance and management structures and was rounded off with a second, smaller survey in October.

Finally, at its November meeting, the Board approved the new strategy which has a five-year time horizon (2013-2018) with a mid-term review in 2016.

Promoting – Advocating – Assisting

While not fundamentally changing the association’s three key strategic objectives, significant changes were made on how to interpret, support and achieve them – always focussing on how to maximise value creation for the members and the sector at large. In their new, sharpened form, the three strategic objectives are:

I. Promoting the mutual and cooperative business model and strengthening its brand

- Vis-à-vis the European institutions, we increase awareness among policymakers of the particularities of the business model and its advantages for Europe. We request the recognition of these advantages for European citizens and our economies.
- In countries where mutuals flourish, we support our members in their argumentation; in countries where the sector is small, we assist our members in their efforts to secure and strengthen their standing; in countries where mutual insurance does not exist, we seek to convince policymakers and society to open their insurance markets to the attractive mutual alternative.
- We act as a source of expertise on the sector for policymakers, media and society and promote mutual insurance in academia, media and with the public at large.

II. Creating opportunities and addressing challenges for mutual and cooperative insurers

- We proactively identify opportunities, challenges and threats due to legal form.
- At the European level, we seek to influence policymaking by anticipating key moments, providing information and creating awareness about the effects of legislation and regulation (or their absence) on the constituents of our sector.
- At the European level and (subsidiarily to the activities of our members) at the national level, we seek to ensure appropriate and fair treatment of and opportunities for all mutual and cooperative insurers. We do this based on the conviction that mutual
or cooperative insurance is of prime benefit to all citizens, regardless of ideological predispositions.

- Where appropriate, we seek allies in our advocacy – in varying constellations, depending on the issue. This is equally true for advocacy at the international level where AMICE may share the responsibility with other organisations.

III. Enabling AMICE members and in particular small and medium-sized insurance undertakings to be successful

- We foster the sharing of experience and best practice among members, complementary to discussions they hold in their respective national or other environments. For this purpose, we organise workshops and seminars, stimulate interactive processes among members and facilitate exchange of experience between larger and smaller members who will all benefit from this exchange.

- This sharing should also benefit the association’s members in their domestic context.

- The mutual and cooperative insurance sector is mainly, but not exclusively, composed of small and medium-sized undertakings; at the same time, most small or medium-sized insurance undertakings are mutuals. Therefore, we will put an accent on:
  - paying particular attention to the challenges and needs of small and medium-sized insurance undertakings with the aim of creating a level-playing field; giving them a voice of their own and hence speak authoritatively on their behalf, requesting their proportionate and appropriate treatment in all respects;
  - undertaking special efforts to make the association’s activities and services valuable for them;
  - providing information of relevance to them.

The strategic objectives are supported by three enabling goals (on value creation for members, internal governance, and resources) in order to facilitate the achievement of these objectives.

All activities and engagement in existing (previously called task forces) and new working groups are now strongly aligned to the three strategic objectives through the establishment of the three Commissions: (I) Promotion, (II) Advocacy and (III) Assistance. Each chaired by a member of the Board, the Commissions assume a key role in overseeing the work programmes of the working groups, measuring progress and demonstrating results, as well as raising critical key issues at the Board level.
Commision I on Promotion

A widespread lack of knowledge among policymakers and the general public, but also among many policyholders, about mutual and cooperative insurance and its advantages is still a major setback for the sector and its competitive position. It was therefore natural that promoting the mutual and cooperative model was chosen as AMICE’s first strategic goal in the new strategy. The visibility and outreach of the mutual and cooperative brand and of its association AMICE are at the heart of the new Commission on Promotion.

The principles of solidarity and sustainability, customer-membership as well as democratic governance are key characteristics of the business model of mutual and cooperative insurers. At a time when the governance of financial institutions has come under scrutiny, AMICE continues to focus the spotlight on the specificities and advantages of mutual and cooperative insurance undertakings.

Key achievements in the area in 2013 include:

- developing the topic and structure of the 2014 Congress in Nice;
- production of an electronic version of the brochure “Value of Membership”;
- consultation & action plan on how to increase brand visibility and outreach, internet presence and media engagement of AMICE (as preparation and input for the 2014 communications strategy);
- external audit of AMICE website and extension of press contact database;
- concept for 2014 European Mutual Manifesto.

AMICE’s cocktail reception

With more than fifty attendees, the AMICE reception took place on 16 September 2013 in the European district of Brussels, on the eve of the association’s first Executive Committee meeting after the summer. In addition to the Executive Committee members, AMICE members from Belgium and neighbouring countries came and mingled with representatives from the European institutions, from fellow associations (AIM, Insurance Europe, ICMIF) and from other stakeholders in Brussels.

Hilde Vernaillen, AMICE’s new President, had the first opportunity after her election in June to address the guests and to share her vision and aspirations for the association.

“AMICE should be a fully recognised voice in Europe, providing news and information about recent and upcoming regulatory and political developments. The revised strategy of the association will also put a stronger accent on promoting and defending mutual and cooperative values in Europe.”

Hilde Vernaillen, AMICE President
Promotion

Communications

Part of the association’s strategy overhaul (see page 4) was a Communications survey, providing the working group with deeper insight into the expectation of members in its immediate remit.

The feedback provided found direct entry into the further strategy discussion and into the work by the Communications working group on the association’s communication strategy and its own terms of reference. Among the most positive results of the survey were:

- 97.4% of respondents feel very well or fairly well informed by AMICE;
- almost 60% of respondents open the mails they receive from AMICE upon receipt;
- the newsletter is found useful by 94.4% of the respondents.

The working group met several times to explore ways to increase brand recognition, public visibility and the outreach of AMICE while keeping within the limited budget and resources. Paying greater attention to the quality of the association’s press contacts list is one of the clear requests that the Secretariat has received from the group.

In the area of promotion – in 2013 still in the remit of the Communications working group – AMICE had the “Value of Membership” brochure of 2012 converted into an easier-to-handle electronic format to facilitate distribution and promotion of AMICE membership at the national level. In coordination with ICMIF, AMICE also compiled the “Mutual Market Share in Europe 2011” publication, based on ICMIF’s “Global Mutual Market Share in Europe 2011 Report”. Towards the end of the year, work started on the big 2014 project of a “European Mutual Manifesto” prepared for the arrival of the new European Commission and a new European Parliament.

Apart from continuously updating and slightly modifying the contents of AMICE’s website, an external IT audit also looked at the structure and technical concept of the website and provided several suggestions for implementation during 2014.

The Communications working group has as usual played a key role in developing an interesting and innovative programme for AMICE’s next Congress “Business – the mutual way” on 4-6 June 2014 in Nice.

Meeting of the national associations

In addition to more than 100 insurers, AMICE counts six national or regional associations of mutuals from four countries among its members. These member associations are a key communication link between the sector’s European association AMICE and the national markets and mutual communities.

The representatives of the associations appreciate lively meetings with presentations and discussions. A regular item on the agenda is the exchange on national activities for the promotion of the sector. But of course, participants also share the concerns and requests of their members in the context of regulation and are keen to learn from each other. Thus, the Association Meetings workstream is a perfect example of an activity field that combines Promotion, Advocacy and Assistance.

The first meeting in January 2013 in London saw a presentation by Martin Shaw of AFM, the Association of Financial Mutuals in the UK, on “Measuring value and engaging members in mutuals” and discussed how to organise national input into AMICE’s work on the follow-up consultation by the Commission on its study on mutuals. This work continued at the second meeting in Brussels in May where the European Commission used the opportunity to roll out and explain its “Single Market Month” initiative of September/October 2013.
Advocacy

Commission II on Advocacy

When ACME and AISAM decided to merge in 2007, the strengthening of the voice of the sector in Brussels was one of the declared aims. Advocacy, however, has a broader remit. This key activity is not restricted to speaking on behalf of members nor should it only be reactive to what is going on at the European level.

To create opportunities and address challenges for mutual and cooperative insurers, as the second strategic goal of the association has now been re-phrased, requires the association to anticipate developments in the legislative and regulatory arena, and to proactively identify opportunities, challenges and threats due to the specific legal form or business model of mutual and cooperative insurers.

The new Commission on Advocacy combines the two previous work areas of Economic and Financial Affairs and Legal and Regulatory Affairs. AMICE’s constant endeavour to ensure appropriate and fair treatment of and opportunities for all mutual and cooperative insurers is based on the conviction that our business model is of supreme benefit to all citizens.

Given the specific composition of the sector with its large number of small and medium-sized undertakings, issues of proportionality – avoiding unnecessarily burdensome regulation leading to life-threatening fixed costs for smaller players – remain a focal area of AMICE’s advocacy.

Where appropriate, AMICE seeks allies in its advocacy whose interest may overlap from case to case with those of the mutual and cooperative insurance sector.

Solvency II

The first months of 2013 were dominated by the Long-Term Guarantee Assessment (LTGA) by EIOPA, an impact assessment testing various approaches towards those Solvency II measures that relate to long-term guarantees, mostly provided by life insurers. The spreadsheets provided by EIOPA were highly complex and not free from mistakes; the association therefore analysed the exercise, proposed several corrections and amendments to EIOPA and assisted AMICE members in carrying out the assessment. On the basis of data provided by members, we produced an AMICE LTGA report highlighting the results obtained by mutuals under the different scenarios. This report was shared with the Commission, EIOPA and key Parliamentarians.

As it became clear that the implementation of Solvency II would be further delayed, EIOPA started work on the preparatory guidelines, among others on the ORSA (now called FLAOR), on governance and on reporting. AMICE succeeded in inserting several concrete applications of proportionality. The AMICE seminar in November was also devoted to the preparatory guidelines (see page 10).

After the completion of the LTGA, work intensified on the Omnibus II Directive which eventually received political approval by Member States in November, but was brought before Parliament only in spring 2014. In a press release, AMICE welcomed the trilogue agreement between Council and Parliament but expressed fears that delays in the already very tight timeline until 2016 could deprive insurers of the appropriate time for preparations. We also underlined again the absolute necessity for proportionate rules, including in EIOPA’s Preparatory Guidelines, and warned against gold-plating and uneven implementation in Member States. Further concern was expressed regarding the forthcoming reporting requirements to the ECB. The discussions would have to ensure that ECB requirements do not exceed requirements under Solvency II and that proportionality-based exemptions and simplifications in Solvency II are not ignored and thus rendered useless by the ECB.

During the second half of the year, industry worked intensely with the Commission on updating the Level 2 Delegated Acts. This again provided the opportunity to press for changes of provisions identified by members as inappropriate or particularly burdensome.

In parallel to the progress in the Solvency II framework for insurance undertakings, Commissioner Barnier announced in May that a forthcoming legislative proposal on occupational pensions funds – the draft IORP Directive was then presented in autumn – would address pillars 2 and 3 as known from Solvency II (governance and reporting), but would for the moment leave out prudential capital requirements.
Solvency II is scheduled for entry into force on 1 January 2016. Where do we stand on this project and are you optimistic that the deadline will be met?

Yes, we can certainly afford to be optimistic because the way is now paved for Solvency II to enter into force as planned on 1 January 2016.

The European Parliament adopted the Omnibus II Directive on 11 March 2014 and we expect its publication in the Official Journal before the summer, after formal adoption by the Council. Omnibus II introduces amendments to the Solvency II Directive for the creation of a modern risk-based framework for the insurance sector. It sets out transitional provisions in a number of areas to enable a smooth crossing to the new Solvency II regime as well as adjustments to the valuation of products with long-term guarantees to avoid artificial short-term market volatility.

To accompany the Level 1 Directive, the Commission is drafting the Solvency II implementing legislation with the technical support of EIOPA. In particular, the Delegated Acts will set out the technical details without modifying the political compromise reached by the Parliament and the Council. We have scheduled our work so that the entry into force of Solvency II can take place as planned.

Some of our members, Europe’s mutual and cooperative insurers, are worried that the Solvency II framework is not proportionate, imposing too high a burden on them. How do you take their concern into account?

Throughout the discussions with the Council and the Parliament on Omnibus II, we had proportionality in mind, thinking in particular of the smaller insurers. As you know, there are application thresholds, as well as adapted reporting obligations and a range of possible simplifications to the standard formula for the calculation of the Solvency Capital Requirement. We believe that Member States and national supervisors will make use of these options in particular for smaller insurers.

Proportionality will also be one of our key priorities in the implementing legislation.

Which other projects are currently at the top of the Commission’s agenda on insurances and pensions?

We are currently actively working on the revision of the Insurance Mediation Directive (IMD 2). The European Parliament adopted the proposed text on 26 February 2014. With this text, our objectives include making it easier for insurance intermediaries to conduct business across Member States, improving the management of conflicts of interest, strengthening the insurance intermediaries’ professional requirements, and increasing information disclosure to consumers, including on intermediaries’ remuneration. Overall, this should help level the playing field between intermediaries and insurers, thus ensuring consistency of financial regulation. It is expected that the Council will reach a position on the text so our trilogues with Council and Parliament could start in the second half of 2014.

Pensions are another very active project. On 27 March 2014 the Commission adopted its Proposal for the revision of the Occupational Pension Funds Directive (2003/41/EC). It aims to strengthen the governance of occupational pension funds and to increase information transparency for pension scheme members and beneficiaries. It does not contain new solvency rules for occupational pension funds. In order to ensure a level playing field, the proposal allows insurers that also offer occupational pensions, under certain conditions, to apply the Solvency II framework only as of 2022. We will now engage with the new European Parliament and with the Council to discuss the proposal.

Thank you, Mr Wiedner, for these clarifications.

I would also like to take this opportunity to thank AMICE and its members for their contributions to the Commission consultations, and I look forward to our next meetings.
Advocacy

Mutual insurers brace themselves for the race towards Solvency II

With some eighty attendants, this seminar on 29 November 2013 in Paris was one of the most successful in AMICE history. Feedback from earlier events had shown that smaller and medium-sized AMICE members particularly appreciate meeting with European and national supervisors because many of them have only little or no other opportunity at all for such direct personal contacts. AMICE had therefore invited representatives from EIOPA, the ECB, the French Trésor and the French supervisor to speak to and enter into dialogue with its members on current Solvency II issues with an emphasis on the preparatory guidelines of EIOPA. Opening the seminar, Prof. Karel Van Hulle, now retired from the European Commission, gave an overview of the most recent developments in the legislative process and the impressive remaining “to-do-list” towards the implementation date of 2016.

In his response, Emmanuel Roux, CEO of seminar host FNMF, said:

“Now that the political agreement on the main contents of Solvency II is there, no time must be lost in the further work! Supervisors and insurers must embark on a constructive dialogue to jointly reach the very ambitious implementation date of 1 January 2016.

Until then we warn against a wave of new questionnaires, impact assessments and studies which would divert resources away from the preparation.”

The seminar also provided the opportunity for nine representatives from AMICE members to confront the representatives from the authorities with their comments and criticisms but also to share with other members the experience in their own environment. Several speakers expressed concerns that EIOPA’s Preparatory Guidelines would be used by supervisors to implement Solvency II even ahead of the already extremely demanding schedule.

AMICE Vice President Marcel Kahn closed the event with an appeal to reach the end of the regulatory debate as soon as possible and with a strong request on behalf of AMICE’s membership:

“We need stable and clear rules to continue the redesign of our products and our information systems. In many regards, Solvency II is a step in the right direction, but some elements are still flawed. The efforts to provide true proportionality for the benefit of smaller and less complex insurers are still insufficient. And some of EIOPA’s governance guidelines fail to address both the characteristic SME structure of our sector and the specificities of mutual governance.”
Regulatory Affairs

One focus of the association’s work in the field of legal affairs was the European Commission’s legislative package on customer-facing obligations, consisting of PRIIPs (Packaged Retail Investment and Insurance Products), IMD2 (Insurance Mediation Directive), and MiFID2 (the Directive on Markets in Financial Instruments which includes provisions on advice and investor protection and on conflicts of interest).

Since such issues more often affect insurers of all legal forms in the same way, AMICE tends to cooperate closely with Insurance Europe, but to regularly verify with members that general sector views do not conflict with the specific situation in the mutual and cooperative sector.

During the negotiations on the IMD2, the association sent a letter to MEPs involved arguing that the disclosure of variable elements in the remuneration of salaried sales staff should not be included in the Directive as this would be impracticable and burdensome and would, in addition, raise serious data protection and privacy concerns.

In the context of a Commission consultation on cross-border transfers of seats, AMICE conveyed the regrets expressed by part of its membership that the existing Directive is only applicable to limited-liability companies.

Developments at the International Association of Insurance Supervisors (IAIS)

AMICE has observers status at the IAIS and actively participates in the work of its Governance Working Group. Moreover, through its membership in GFIA (the Global Federation of Insurance Associations), AMICE has the opportunity to follow developments in other workstreams of the IAIS without devoting sizable resources.

During the year, we provided input, complementary to that by GFIA, to a draft issues paper on the supervision of cross-border activities in branches and to one on policyholder protection schemes.

When the IAIS started work on an issues paper on approaches to group corporate governance, AMICE provided a speaker to inform IAIS members about the specificities of mutual groups and later drafted a description of a mutual group for inclusion in the issues paper.

Statute for a European Mutual Society (EMS)

Following the publication of the groundbreaking Commission study on the current situation and prospects of mutuals in Europe in late 2012, the European Commission decided to launch a public consultation on the measures proposed by that study.

AMICE, as a key stakeholder, was consulted by Commission services during the drafting phase of the consultation document with the aim of ensuring that its scope would be relevant and would allow respondents to provide information that would help the Commission to obtain a good overview of opinions across the Union.

The association submitted an extensive response, focussing naturally on those questions which were not specifically addressed to individual mutual entities, leaving answering to those latter questions to its members. Overall, the Commission received more than 300 responses and concluded in its feedback report of autumn 2013 that a majority of respondents favoured promoting a Statute for a European Mutual Society (EMS) as a possible solution to the legal barriers that mutuals face when wanting to offer their services abroad.

Reacting to the consultation results, Commission services at the end of the year wrote an impact assessment on various follow up options, favouring the creation of a legal framework for mutuals at the European level through a recast of the Statute for the European Cooperative Society (ECS), i.e. by extending the application of some ECS rules to an EMS and by adding specific provisions for an EMS where necessary. Stakeholders like AMICE were again intensely consulted through that phase and a draft text was produced by Commission services before Easter 2014.

In March 2013, the European Parliament adopted in Plenary the own initiative report by Luigi Berlinguer MEP with recommendations to the Commission on an EMS Statute. Support from the European Parliament for alternative and member-focussed business models was continued in July when the EP adopted a report by Patrizia Toia MEP on the contribution of cooperatives to overcoming the crisis.
Commission III on Assistance

“For mutual benefit” runs the tagline of the AMICE logo. AMICE members should also benefit from each others’ experience and from the exchange of best practice. Assisting members and in particular small and medium-sized insurance undertakings (SMEs) to be successful, is the third new strategic goal; the Commission on Assistance is charged with organising these activities.

In 2013, these included four larger seminars and a significant number of smaller meetings with the key areas of engagement being reinsurance, motor claims management, workers’ compensation, CSR, health insurance and Solvency II.

The new strategy puts an accent in this area on:

- undertaking special efforts to make the association’s activities and services more valuable for members;
- paying particular attention to the challenges and needs of SMEs with the aim of opening chances for them on their markets;
- focussing on concrete issues at European level and not just responding to purely national needs.

AMICE Health Symposium

Emphasising the unique positioning and the preparedness of the mutual and cooperative insurance sector to step in as the public hand withdraws from providing cover in the area of health, is one of AMICE’s leitmotifs in the years 2013 and 2014.

In the context of the General Meeting 2013 in Brussels, the association organised a half-day Symposium on “Providing Sustainable and Affordable Healthcare in the European Union – The Mutual Way”. Over sixty attendees from AMICE members and other stakeholders were present.

In view of the challenges arising from demographic changes such as the universal access to safe, high-quality, affordable and efficient healthcare services, the symposium offered the opportunity to obtain an overview of existing systems in Europe and the core policies developed by the European Commission (DG SANCO), to hear about three very diverse but successful national solutions (France, Netherlands, and Germany), and to discuss the potential role that mutual and cooperative insurers can play in securing the level and quality of health cover for European citizens.
Key interventions at the AMICE Health Symposium 2013

Isabel de la Mata, European Commission, DG SANCO
- Directive 2011/24/EU on the application of patients’ rights in cross-border healthcare marks a major step forward. It provides legal clarity and establishes important guarantees for patients that apply to all health care delivered across the European Union.
- The EU is confronted with an economic crisis that has put the spotlight on health policy challenges: the ageing population; the increase in chronic diseases; and the development of innovative and often expensive new technologies. We are now called upon to face these challenges with fewer resources. To achieve more with less.
- This is why we need to pursue cost-effective spending, structural reforms and innovation to generate efficiency gains; secure better health outcomes; and achieve long term sustainability.
- The Council Conclusions of December 2013 mark an important step towards collaboration between European health systems. They pave the way for further work on the Health Systems Performance Assessment, on the exchange of best practices on integrated care, and for discussions on the pricing of pharmaceuticals and on reimbursement systems as well as on possible EU action to respond to the challenges of chronic diseases.

Lieve Lowet, ICODA European Affairs
- Mutual insurers are traditionally focussed on members and not on returns, they take the long-term view.
- For their members, they want the best possible service at the best possible price.
- They are not focussed on immediate gains and quarterly results, hence are ideally positioned to offer insurance policies with a long investment horizon, such as long-term care insurance.
- Therefore, they consider investment income as very important – a particular challenge in our days of low investment returns.

Christophe Ollivier, FNMF (FR)
- Ageing and technical progress are the key drivers of the cost explosion in health.
- FNMF’s regional programmes with 2,200 health meetings and nationwide prevention networks try to mitigate expense growth.

Ryan Florijn, Achmea (NL)
- Mutuals and cooperatives can play a vital role in curing Europe’s health care system.
- They provide important elements such as solidarity and trust – intrinsic values of a mutual insurer.
- They are trustworthy partners to improve the quality and effectiveness of health care systems together with other stakeholders, thus keeping health care affordable.

Wiltrud Pekarek, Hallesche (DE)
- German insurance mutuals are privately organised undertakings, subject to prudential regulation such as Solvency II.
- For their financing, they compete on the open market, although of course generally not on the equity markets.
- In contrast to the statutory health insurance system that works on a pay-as-you-go basis, private health care insurers build up ageing reserves.
- Subtitutive private health insurance is based on voluntary decisions by citizens and on contractual freedom.

Asmo Kalpala, outgoing AMICE President
- Longevity is an aim in all developed societies. Increasing life expectancy and declining birth rates cannot come as a surprise to any policymaker.
- Health care is a sector where the current need to find new solutions for social funding and social care is immense.
- Solutions based on mere advance savings serve to increase inequality. Insurance, where the underlying risk is shared collectively, is a more solidary and financially more effective way to cover health care risks.
- Equally, solutions based on the maximisation of profits lead to inequality which is least desired in health care and conflicts with the stated values of the EU.
- Values based on mutuality and cooperative principles must be made an essential part of the debate on health care and must be properly reflected in the EU’s legal system – at Treaty level and below.
Motor claims & workers’ compensation

The Motor Claims Network task force and the Workers’ Compensation Insurance task force combined efforts for a third time in October and organised a joint seminar “Addressing Tomorrow’s Challenges & Shaping the Future for European Insurers of People”.

Reale Mutua in Turin hosted 23 delegates from AMICE members in nine countries. A speaker from Capgemini drew key lessons from their 2013 World Insurance Report with a focus on how customer experience and digital channels can impact on operational efficiency and distribution strategies. He observed an improvement of the average combined ratios in most countries over the past four years, primarily driven by a reduction of the claim ratios due to improvements in costs and frequency. The only significant increases in claim ratios were caused by major natural disasters.

Day one of the seminar also heard speakers on data protection and fraud detection as well as on the new “European accident e-statement on smartphone” application developed by Euresa. On day two, participants followed a choice of specialises workshops with discussions around mediation systems in motor claims, challenges to medical service systems in workers’ compensation, electronic claims handling and data storage and outsourcing vs. in-house services within workers’ compensation.

All participants rated the event “excellent” or “very good” and appreciated both the information contents and the networking opportunities.

Reinsurance

Meeting of European Mutual & Cooperative Reinsurance Managers

In years between ICMIF’s worldwide MORO conference on reinsurance for mutual and cooperative insurers, AMICE organises a seminar for the reinsurance managers of its members with a focus on discussion, the exchange of experience and assistance.

In 2013, 31 reinsurance experts from twelve European countries came to the new premises of Finnish member LähiTapiola in Helsinki and enjoyed a broad range of topics like matching reinsurance to regulation; developing new products; spreading the risk; catastrophe management; and outsourcing versus in-house IT systems for reinsurance programmes. Presentations by key speakers from AMICE member organisations were complemented by breakout sessions in smaller groups that examined particular aspects and exchanged experience of the topics addressed.

As on previous occasions, participants greatly appreciated the opportunity to meet with their peers and to get to know other companies – 83% of participants found the seminar ‘excellent’ or ‘good’.

AMICE/ICMIF Reinsurance Training for Non-reinsurers

Hosted by P&V Group in Brussels, AMICE organised a reinsurance training session for non-reinsurers on 18-20 September 2013, in collaboration with ICMIF, the global mutual and cooperative insurers’ association. Twenty participants from seven countries took part in what turned out to be a highly interactive and hands-on programme.

The training was designed for people who were new to a reinsurance department or had a role that demands at least a working knowledge of how reinsurance operates. It offered valuable insight into the basics of reinsurance by combining presentations from seasoned professionals with a powerful simulation tool that enables the participants to immediately apply what they have learned in a realistic, dynamic environment. The emphasis placed on learning by doing enabled participants to immerse themselves in the reinsurance process and gain a much deeper understanding of the topic.
Corporate Social Responsibility

AMICE’s working group on corporate social responsibility (CSR) has its own way of working as it usually organises several workshops per year on specific topics which the working group’s members hope will be of interest to participants from all member companies. These workshops provide a venue for the exchange of knowledge and experience on members’ approaches and activities in the area of CSR.

After a coordination meeting in Brussels in February with the purpose of designing the work programme for the year, the group organised three workshops in 2013 which drew an average attendance of eleven participants from up to seven different countries. Two of these meetings were hosted by AMICE members that are leaders in their CSR activities, namely LähiTapiola in May and Unipol in October.

During the May meeting, Dutch member Achmea shared their approach to CSR which aims at building trust through sustainable insurance that serves the customers’ interests. The company strives to act as an innovative employer, facilitating a healthy work-life balance and CO2-neutral operations on the basis of sustainable procurement. Internationally, the focus is on micro-insurance on a cooperative basis: a recent successful initiative in India, where Achmea works very closely with an Indian NGO, succeeded in lifting more than 100,000 families above the poverty line.

Two members reported proudly of recent successes in their CSR work: Reale Mutua, who had begun voluntary reporting of its social performance as early as 2004, produced its first Group Sustainability Report in 2012 and became a finalist in the national special work-life balance awards within the insurance sector for the same year. LF Halland, whose “Neighbourhood Watch” programme with the aim of reducing crime rates in residential areas had clearly reduced break-ins and resulting damage claims, won the national Swedish Crime Prevention Award 2012 and finished among the top three in the awards by the European Crime Prevention Network.

Unipol, the hosts of the October meeting, used the opportunity to explain to participants the challenging project of aligning social reporting by large companies with data collected by the Italian National Statistical Institute. A second presentation by Unipol focussed on the group’s new system of CSR accountability. Overlying the governance of the traditional financial and strategic reporting systems, this process documents the willingness of top management to integrate sustainability into the core business of Unipol.

Belgian member Ethias had two opportunities to share with the members of the working group aspects of their CSR work. After describing in October the set-up of a new CSR coordination task force chaired by the CEO and combining representatives from all departments who each have to contribute at least one project per year to the overall CSR strategy, the company presented in December its efforts to limit their carbon footprint. Various internal initiatives aim at reducing the footprint with the ultimate goal of becoming carbon neutral; for the moment, Ethias partially offsets this by contributing to a compensation system. But beyond these in-house efforts, the policy aims to promote environmentally friendly behaviour by its member-policyholders, the local authorities, by its staff and by its suppliers as well the public in general.

FNMF, the French association, engages in educating its members, the French health mutuals, and their clients on the close link between sustainable development and individual health. Projects underway include workshops which provide education on non-toxic household products, raise awareness about the use of cosmetics, explain how to read nutrition labels and demonstrate how choosing local produce and food that is not packed in plastic or in cans contributes to both health and environment.
Annual General Meeting 2013

Between two Congress years, the association held its AGM in Brussels on 11 June, enriched by a Gala Dinner on the Grand-Place on the evening before and by a half-day symposium on health care in Europe, the mutual way (see page 12).

Before the dinner, Finnish Commission Vice President Olli Rehn delivered an address to the AMICE Board and many additional guests, providing insights into the social dimension of the current economic and financial crisis. He encouraged the mutual and cooperative insurance sector to take on a proactive role in ensuring affordable and sustainable social services throughout Europe. In a way, this was also a very appropriate farewell from the highest Finnish EU representative to his countryman Asmo Kalpala.

And then came the Gala Dinner, Asmo Kalpala’s last after six years at the helm of AMICE. In a moving speech, the outgoing President thanked the founding fathers of AMICE, Rolf Soedjak and Patrick Peugeot, for the trust placed in him at the start and all that had accompanied him on the AMICE journey through the past years.

“For me personally, it has been great to be involved in the building of a foundation for what we might call the Europeanisation of mutual and cooperative insurers. It has enriched my life a great deal. Not least because I have had a chance to meet and get to know so many fine, competent and inspiring people at all levels of AMICE operations. Tomorrow I leave my post as the first President of AMICE, sad but grateful. I want to thank you from the bottom of my heart for these unforgettable years of working together. With very fatherly feelings: Thanks to all of you, dear friends! I wish you the best of luck and success.”

After formally stepping down at the end of the General Meeting on the next day, members unanimously and by acclamation bestowed the title Honorary President of AMICE on the past President.

But AMICE also had to say good-bye in summer 2013 to two Board members and Working Group Chairs, Cor Ensing and Gunnar Andersen. In his tribute to Asmo in the June Newsletter, Cor Ensing wrote:

“I remember well the day in 1990 when a new colleague from Finland introduced himself to the AiSAM Committee, calm balanced, but unmistakably a man with a mission: Asmo Kalpala, the CEO of Tapiola. ...

And today, his missions are accomplished: his group LähiTapiola is the market leader and most solvent player in the Finnish non-life market. And AMICE is well-established and a strong and respected voice for the sector in Europe. ...

The common factor? The common success story of the mutuals and of Asmo is a story of the human dimension – in business and in personal life!”

After her election, the new AMICE President Hilde Vernaillen, also thanked her predecessor and said:

“It is an honour for me and I am proud to follow in the footsteps of Asmo Kalpala as the President of AMICE. He has been an outstanding President and his personal engagement in our association and his passion for the mutual and cooperative movement have been a big inspiration and have helped the sector to move forward.

I will make every effort to live up to members’ expectations and will defend the interests of the sector as well as I can. But we can only move forward with the help of you, our members."

Staff farewells, too

2013 also saw the departure, after eleven years of working for ACME and then AMICE, of Catherine Hock, the Deputy Secretary General, who moved on to ICMIF as Vice President, International Relations.

Helen Sheppard, the other Deputy Secretary General, returned from her sabbatical leave at the end of 2013 which meant that AMICE said farewell to Jessica Sommer who had very ably and with great engagement substituted for her since the end of 2012.
AMICE governance and finance

AMICE is an international non-profit making association under Belgian law (aisbl/ivzw), founded on 6 December 2007. Its budget is almost exclusively funded by contributions from members. AMICE receives no funding from national or international public institutions.

AMICE’s supreme governing body is the General Meeting. In 2013, the General Meeting was held on 11 June in Brussels, Belgium.

Financial performance

The association’s financial year 2013 ended with a surplus of EUR 45,412.

The Board proposes to the General Assembly to carry the total surplus forward into the year 2014. At the end of 2013 the total reserves stood at EUR 619,338.

AMICE’s auditors, Ernst & Young, have delivered a clean opinion on the accounts for 2013. A full version of the annual accounts and the auditor’s report are made available separately to AMICE members.

Variable costs

The President of the association is the Chair of the Board and of the General Meeting. Asmo Kalpala, AMICE’s President since 2007, stepped down at the General Meeting in June 2013 and was succeeded by Hilde Vernaillen, CEO of P&V Group (Belgium).

<table>
<thead>
<tr>
<th>€ ('000s)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee income</td>
<td>1,205</td>
<td>1,112</td>
</tr>
<tr>
<td>Other income</td>
<td>11</td>
<td>16</td>
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<tr>
<td>Expenses</td>
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<td>Staff expenses</td>
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<td>Facilities</td>
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<td>-90</td>
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<tr>
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<tr>
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<td>-1</td>
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<tr>
<td>Ordinary surplus</td>
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<td>81</td>
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<tr>
<td>Extraordinary items</td>
<td>-</td>
<td>-28</td>
</tr>
<tr>
<td>Total surplus</td>
<td>45</td>
<td>53</td>
</tr>
</tbody>
</table>

The Board is responsible for managing the activities of the association and ensuring that the activities are in line with the purpose of the association and the resolutions passed by the General Meeting. The General Meeting in June 2013 elected a new Board (see page 18) whose mandate ends in 2016. As of 31 March 2014, the Board is composed of 25 members from 16 countries.

AMICE has observer status at the IAIS (the International Association of Insurance Supervisors). The association is represented in the Insurance Sectoral Social Dialogue Committee at EU level. EIOPA’s Insurance and Reinsurance Stakeholder Groups includes four representatives from AMICE members, among them the Co-chair of the association’s Solvency II working group.

AMICE is registered on the joint Transparency Register of the European Commission and the European Parliament.
AMICE Board at 31 March 2014

**President**
Hilde Vernaille, P&V, BE

**Vice-President**
Werner Görg, Gothaer, DE
Marcel Kahn, ROAM, FR

**Treasurer**
Róbert Lilli, KÖBE, HU

**Members**
Wolfgang Bitter, Itzehoer Versicherung, DE
Grzegorz Buczkowski, TUW SKOK, PL
Jean-Luc de Boissieu, GEMA, FR
Patrice Forget, Covéa, FR
Markus Hongler, Swiss Mobiliar, CH
Wim Janssens, Achmea, NL
Luigi Lana, Società Reale Mutua di Assicurazioni, IT
Hans-Christian Marschler, R+V Versicherung AG, DE
Pablo Mongelos, Seguros Lagun Aro S.A., ES
Martin Nielsen, GF Forsikring A/S, DK
Christophe Olivier, FNMF, FR
Marisa Parmigiani, Unipol Gruppo, IT
Anu Pylkkänen, LähiTapiola, FI
Conrad Rombout, Univé Schade, NL
Richard Romney, LV=, UK
Patrik Schinzel, Folksam, SE
Ann Sommer, Länsförsäkringar, SE
Bernard Thiry, Ethias, BE
Jorge Vázquez Morenés, Mutua Madrileña, ES
Wolfgang Weiler, HUK-Coburg, DE
Dimitrios Zorbas, Syneteristiki, GR

**Honorary President** (not a member of the Board)
Asmo Kalpala, AMICE President 2007-2013

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**Tatiana Paraskeva** (from Sep 2013)
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**Marlen Freire**
Administrative Assistant
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E-mail: secretariat@amice-eu.org

**Catherine Hock** (until 31 Jan 2013)
**Vlad Olteanu** (Jan-Nov 2013)
**Jessica Sommer** (until 31 Dec 2013)

“...The Board shall represent the diversity, geographical representation and type of activity of the association’s membership.”

Art. 12.1.4 of AMICE’s Articles of Association
Working structure (until November 2013)

**Economics & Finance working group**
Chair: Gunnar Andersson (SE) (until June 2013)

**Solvency II task force**
Co-chairs: Yanick Bonnet (FR)
Alina vom Bruck (DE) (from April 2013)

**Accounting task force**
Co-chairs: Fabrice Guenoun (FR)
Catharina Henkow (SE)

**Capital Maintenance task force**
Chair: Aymeric Oudin (FR)

**Legal Affairs working group**
Chair: Jean-Luc de Boissieu (FR)

**European Mutual Statute (EMS) task force**
Chair: Renaud Huard (FR)

**Legal Affairs task force**
Chair: Prof. Eduardo Greppi (IT)

**Member to Member working group**
Chair: Cor Ensing (NL) (until June 2013)

**CSR (Corporate Social Responsibility) task force**
Chair: Anu Pylkkänen (FI)

**Motor Claims Network task force**
Chair: Gilles Bezençon (CH)

**Reinsurance task force**
Chair: Vivian Vourdoumpa (GR)

**Workers’ Compensation Insurance task force**
Chair: Gijsbrecht Moens (BE)

**Communications working group**
Chair: Grzegorz Buczkowski (PL)

Working structure (since November 2013)

![Diagram of the Working Structure (since November 2013)]
About AMICE

Austria
Österreichische Hagelversicherung VVaG | TIRÖLER Versicherung V.a.G. | Vorarlberger Landes-Versicherung V.a.G.

Belgium
AMMA Assurances | Elini | Ermani | Ethias | Fédérale Assurance | Integrale CCA | P&V Assurances SCRL | SECUREX Vie | UAAM (Union des Associations d’Assurances Mutuelles)

Denmark
ALKA | GF Forsikring | Kebstaedernes Forsikring | LB Group | Sygeforsikringen “danmark” | Thisted Forsikring | Tryggingarfelagid Føroyar | Ulykkeforsikringsforbundet for Dansk Fiskeri

Finland
Ålands Ömsediga Försäkringsbolag | Fennia Mutual Insurance Company | LähtiTapiola Insurance Group

France
AG2R-La Mondiale | Caisse d’Assurance Mutuelle du Bâtiment et des Travaux Publics | Caisse Mutuelle Marmoise d’Assurance (CMMA) | CGPA | Covéa SGAM (MMA, GMF, MAAF) | IMA SA (inter Mutuelles Assistance) | L’Auxiliaire | L’Etoile | M.A.C.S.F Groupe | MACIF | MAIF | MATMUT | Mutuelle de Poitiers Assurances | Mutuelle des Architectes Français Assurances (MAF) | Réunion des Mutuelles d’Assurances Régionales (REMA) | SHAM (Société Hospitalière d’Assurances Mutuelles) | Théâlém assurances | Union Mutualiste Retraite (UMR) | FNMF (Fédération nationale de la Mutualité Française) | GEMA (Groupement des entreprises mutuelles d’assurances) | ROAM (Réunion des Organisations d’Assurance Mutuelle)

Germany

Greece
Syneteristiki Insurance Co.

Hungary
KÖBE | TIR Biztosító Egyséület

Italy
ITAS Group | Società Reale Mutua di Assicurazioni | Unipol Gruppo

Luxembourg
BlueRe | Nira

Netherlands
Achmea | efrm Onderling Schepenverzekering | N.V. Unive Schade | Onderlinge Unive Dichtbij U.A. | OOM Holding NV | OVM Unive de Onderlinge U.A. | Federatie van Onderlinge Verzekeringmaatschappijen in Nederland (FOV)

Poland
TUW SKOK | TUW TUW

Portugal
MACIF Portugal - Companhia de Seguros S.A. | Mutua dos Pescadores

Senegal
Groupe SONAM Assurances

Spain
A.M.I.C. - Asociación Mutualista de la Ingeniera Civil | ASEMAS | MUSAAT Mutua de Seguros a prima fija | MUSSAP Mutua de Seguros y Reaseguros a prima fija | MISTRAL | Mutua de Propietarios Mutua de Seguros y Reaseguros a prima fija | Mutua Madrileña Automovilista SSPF | Mutua MMT Seguros Sociedad Mutua de Seguros a prima fija | Mutual Medica De Catalunya i Balears (MPS) | Seguros Lagun Arto S.A.

Sweden
AFA Life | Folksam | Länsförsäkringar

Switzerland
Emmental Versicherung | Mutuelle Vaudoise | Swiss Mobiliar Holding Ltd.

Turkey
Koru Sigorta Kooperatifı

United Kingdom
The Co-operative Financial Services | LV=

Observers
Euresa EEIG | Risk Dynamics | QBE Re (Europe) Ltd | Secura Branch | Swiss Reinsurance Company

New members since June 2013
BlueRe (LU) | Elini (BE) | IMA SA (Inter Mutuelles Assistance) (FR) | Nira (LU)
AMICE represents more than 100 European mutual and cooperative insurers directly and an additional 1,000 indirectly through the membership of six national associations of mutual insurers.

AMICE full membership is open to mutual and cooperative insurers in Europe and their national associations.

Associate membership is open to non-European mutual and cooperative insurers. Other interested parties may request observer status.

AMICE’s membership includes insurers of all sizes (some among the largest European players, others very small) and all lines of business (life, motor, health, agricultural, etc).