Dear AMICE member,

Welcome to our first quarterly activities round-up. We continue to be kept busy with the multiple portfolios coming out of the European institutions. Already this year we have responded to the first review of Solvency II – an extensive piece of work to which our newly renamed Prudential Regulation (previously Solvency II) working group put in many hours of expertise to derive a position which represents the best interests of AMICE’s members. AMICE’s Solvency II expert has assisted members on close to 100 occasions through AMICE’s Solvency II Q&A helpline, and these questions have assisted us within the Secretariat to better understand the challenges you have been facing and continue to grapple with as Solvency II beds down.

Much of that experience will be used as the basis for our next step in advocacy, which is to focus on proportionality. In many discussions with AMICE members, it is clear that proportionality is a moving target, and there is often disproportionate rather than proportionate treatment by regulators. We will soon be sending you a series of questions to find out more about your practical experience of proportionality and of overregulation. This information will assist us in better understanding how the regulatory community is applying proportionality, and enable us to identify good practices to promote to supervisors.

Regulation and advocacy is the focus of our one-day event with ICMIF taking place in Brussels on 5 April. This is the first gathering of members under the new AMICE/ICMIF strategic cooperation, and will culminate in a call to action; the discussions of the day will direct our forthcoming work and we will use the occasion to unveil an exciting new and unique initiative in our advocacy operations.

This regulatory event is one of a series of joint events between AMICE and ICMIF which will be taking place over the next few months. Details on the others, which will be focusing on reinsurance (Paris) and communication (Dublin), have been circulated to all members, and I am looking forward to meeting many of you at these events. Various AMICE working groups have dedicated their time and knowledge to developing these events with a great range of speakers and topics, and I know many of you will find them highly informative, as well as excellent opportunities to network with your peers from across the sector.

The forthcoming events – and the soon to be unveiled advocacy project – are just part of the benefits that AMICE members are beginning to derive from our closer strategic cooperation with ICMIF. As the relationship between us becomes even more deeply embedded, we will be able to increasingly demonstrate to you how together we are stronger. We are in the midst of an exceptional project to bring the best of our joint expertise to the benefit of the model, the sector and the members; the future of mutuality is a subject of much debate, and it is only by working together at the global level that we can ensure that the special characteristics of the mutual and cooperative model are properly acknowledged going forward.

Sarah Goddard
AMICE Secretary General
Promotion

DON'T MISS OUT | Mutual and Cooperative Insurance Communications Seminar

Join us for the first joint AMICE/ICMIF Communications Seminar, "Make your mutual message matter". The event is hosted by member IPB Insurance on 19-21 June in Dublin. Communications experts will have the opportunity to learn and exchange on mutuality and digitalisation through seven sessions over the two days:

- Keynote speaker presentation: The future landscape for digital communications/marketing
- Managing digital feedback
- Why the global reputation study matters to your national business – whatever the size!
- Lost in translation? Helping stakeholders understand your message and take action!
- Speak out! The value of engaging with social issues
- Keynote presentation: Does size really matter? You don’t need to be a large insurer or have a big budget to make an impact (livestream)
- Session chairs discuss the action points taken from their sessions and engage with delegates to agree actions for themselves, ICMIF and AMICE.

Register now to be part of this event

More info: Sarah Goddard and Tatiana Paraskeva

Promoting mutual and cooperative values working group

The Promoting working group met online on 25 January and 28 February to discuss more articles received from members for the good practices publication and completed the project. The publication will be presented at the AMICE Annual General meeting in Brussels. The working group was also updated by the AMICE Secretariat and Ben Telfer on the progress of the "Facts & Figures report 2017".

Publication | From past to present: a valuable model

The electronic edition of the “From past to present: a valuable model – A collection of stories of mutual and cooperative insurers” was sent to all members with seasons’ greetings in December. The publication includes new stories on the origins and current activities of 13 AMICE members. All your comments and reflections on this new publication are welcomed.

Communications working group

The group met on 19 January in Brussels to finalise the Communication Plan 2017, and prepare the forthcoming joint AMICE/ICMIF communications seminar and the Congress 2018. The Communications working group also organised a conference call in February to discuss with Liz Green from ICMIF the organisation and programme of the seminar.

National Associations’ meeting

On 24 February, members of the National Associations working group met in Brussels. Discussions focussed on Solvency II implementation across Europe, with special attention to reporting. Other topics covered in the meeting included data protection and national developments.

The next national associations meeting is scheduled for 19 September 2017.
Advocacy

Regulatory Affairs

Regulatory Affairs working group meeting

The first Regulatory Affairs working group meeting in 2017 took place on 18 January. Participants discussed the implementing measures under the Insurance Distribution Directive, the revision of the PRIIPs regulatory technical standards, the CMU project, and EIOPA’s consultations on recovery and resolution and the use of Big Data by financial institutions. The Secretariat also briefed members on the Bratislava Conference on social economy, held towards the end of last year, and representations to President Juncker about the European Commission’s proposal for an e-services card.

Insurance Europe Conduct of Business Meetings

The AMICE Secretariat attended Insurance Europe’s Conduct of Business committee meetings on 13 December and 15 February where items discussed included data protection, Insurance Distribution Directive (IDD) delegated acts, the technical standards on insurance product information document (IPID), PRIIPs, InsurTechs, the ESAs’ Big Data consultation, Insurance Europe’s consumer strategy and data protection.

CMU

Morning exchange with Olivier Guersent

Olivier Guersent, Director-General for Financial Stability, Financial Services and Capital Markets Union at the European Commission, shared his views on the future of financial regulation and the Commission’s priorities for 2017 at a meeting on 7 December. He noted that since the adoption of the Action Plan on the Capital Markets Union (CMU) in September 2015, the European Commission has completed 33 actions out of the 36 actions foreseen in the plan. He acknowledged that the CMU project is not a magic stick. The Commission will first identify national barriers to investment before finding appropriate solutions by either helping the Member States that are lagging behind or by introducing new legislative proposals. There will be most likely a second call for evidence on the EU regulatory framework for financial services.

Agreement on the Prospectus Regulation

On 7 December, the European Parliament, the Council and the Commission reached an agreement on a revamped prospectus regulation. The reform was proposed by the Commission on 30 November 2015 as part of its CMU Action Plan in order to improve access to finance for companies and simplify information for investors. The new EU prospectus rules will exempt the smallest capital raisings from the regulatory burden of producing a lengthy and expensive prospectus. SMEs will be allowed to raise up to Euro 1 million on local growth markets without a prospectus. On 20 December, the Permanent Representatives Committee of the EU Council approved the revised EU Prospectus Regulation and it now awaits final adoption by the Parliament.

Distribution | PRIIPs

Council approval of PRIIPs implementation delay

Following the European Parliament’s approval, on 8 December the Council of the EU adopted a regulation postponing the application date of rules on packaged retail and insurance-based investment products (PRIIPs) by 12 months. The PRIIPs Regulation will now be applied from 1 January 2018 instead of 31 December 2016 as initially stipulated.

ESAs disagree on PRIIPs RTS revision

Whilst the date of application for PRIIPs has been postponed to 1 January 2018, the discussion about the PRIIPs regulatory technical standards (RTS) is still ongoing. On 22 December, the European Supervisory Authorities (ESAs – EIOPA, EBA and ESMA) responded to a letter from the European Commission on the changes to the PRIIPs RTS that the Commission intended to make. The ESAs could not agree a full joint reaction because despite EBA and ESMA’s agreement, EIOPA was divided, in particular in relation to the treatment of multi-option products, the criteria whether a comprehension alert should be included in a KID, and the provisions in the RTS on credit risk mitigation factors for insurers. As a result, the ESAs were not in a position to provide a joint opinion on the amended draft RTS. In any event, all three ESAs unanimously agreed that the Commission’s amendments to the performance scenarios “raised comprehension issues and may be misleading”.

ESAs consult on EOS PRIIPs

On 10 February, the European Supervisory Authorities (ESAs – EIOPA, EBA and ESMA) launched a consultation on a proposal to set minimum requirements for manufacturers of packaged retail and insurance-based investment products with environmental or social objectives (EOS PRIIPs, including unit-linked and with-profit products) to ensure that credible products are offered to retail investors. The deadline for submission of comments was 23 March 2017. After consideration of the feedback received, the ESAs will submit their technical advice to the European Commission for acceptance by 30 April 2017. As of 1 January 2018, the PRIIPs Regulation will apply and PRIIPs manufacturers will be obliged to indicate whether or not a PRIIP targets EOS objectives.
Distribution | IDD

European Parliament’s scrutiny of IDD delegated acts

January’s monthly scrutiny slot of the European Parliament’s Economic and Monetary Affairs Committee focused on the level 2 measures under the Insurance Distribution Directive (IDD). Katja Würzt, Head of EIOPA’s Cross-Sectional and Consumer Protection Unit, gave an update on EIOPA’s ongoing work on the draft technical advice on possible delegated acts under the IDD and the draft implementing technical standards on the presentation of the insurance product information document (IPID), due by 1 and 23 February respectively. She noted that the revised proposal reflects stakeholders’ input. Nathalie Berger, Head of the Commission’s Insurance Unit, added that once the technical advice is received, the Commission will act as quickly as possible to adopt the final delegated acts and give market participants full clarity of the rules. Several MEPs urged EIOPA and the European Commission not to deviate from the level 1 text and to ensure a balanced approach, in particular in relation to small and medium players. MEPs also echoed serious concerns with regard to the implementation timeframe.

Further details can be found in the scrutiny paper published by the ECON Secretariat.

Commissioner Dombrovskis on IDD

At the annual event of the Association of German Public Insurers in February, Commission Vice-President Valdis Dombrovskis gave a keynote speech during which he emphasised that the Insurance Distribution Directive (IDD) – due to be implemented into Member States’ national laws by February 2018 – does not impose a specific business model for the sale of insurance products. He confirmed that the Commission will finalise its delegated acts under the IDD by the autumn to further clarify certain technical areas.

EIOPA Technical advice on IDD delegated acts

On 1 February, EIOPA submitted its technical advice on possible delegated acts concerning the Insurance Distribution Directive (IDD) to the European Commission. EIOPA recommends concrete policy proposals with regard to the following four areas:

- Product oversight and governance arrangements – all products
- Conflicts of interest – only insurance-based investment products (IBIPs)
- Inducements – only IBIPs
- Assessment of suitability and appropriateness and reporting – only IBIPs.

The European Commission will assess EIOPA’s technical advice and adopt delegated acts in the coming weeks. After adoption by the Commission, the European Parliament and the Council will have scrutiny rights on the delegated acts.

EIOPA Draft ITS on Insurance Product Information Document

In February, EIOPA published its draft implementing technical standards (ITS) concerning a standardised presentation format for the Insurance Product Information Document (IPID) as required under the Insurance Distribution Directive. The IPID is to be drawn up by the manufacturer of a non-life insurance product and provided to customers prior to the sale of a non-life insurance product. The content of the IPID is already determined in the IDD.

The proposed design takes into consideration AMICE’s main concerns. The draft ITS were sent to the Commission for endorsement and once adopted, they will be directly applicable in all EU Member States.

EIOPA Consultation on Insurance-Based Investment Products

On 2 February, EIOPA launched a Consultation Paper on Guidelines on complex Insurance-Based Investment Products (IBIPs) that incorporate a structure which makes it difficult for the customer to understand the risks involved. The IDD lays down the general obligation of insurance intermediaries and insurance undertakings to carry out an assessment of the suitability or appropriateness of an IBIP for the customer as part of the sales process. However, Member States have the option to derogate from these obligations and not require a suitability or appropriateness test during the distribution of an IBIP where various conditions are met. The objective of these guidelines is to ensure that only those IBIPs for which the risks can be readily understood by the customer are able to be sold via execution-only.

The deadline for submission of comments is 28 April. EIOPA is required to adopt these guidelines by 23 August 2017.

Solvency II

EIOPA review of Standard Formula

On 8 December, EIOPA published a Discussion Paper on the Review of Specific Items in the Solvency II Delegated Regulation focusing on the Solvency Capital Requirement (SCR) standard formula. The Discussion Paper is EIOPA’s first step in the preparation of its response to the Call for Advice received from the European Commission in July 2016. With this consultation EIOPA has started the vital process of evaluating Solvency II post-implementation, as foreseen in the Directive and its Delegated Acts. The objectives of this review process, in the context of the SCR standard formula, are to ensure a proportionate and technically robust, risk-sensitive and consistent supervisory regime for the insurance sector and to propose possible simplifications.

Working group meetings

AMICE’s Solvency II working group met in Brussels on 16 December 2016, 20 January and 17 February 2017. The group focused its discussions on the public consultation on the EIOPA’s Discussion Paper on the review of specific items in the Solvency II Delegated Regulation, the AMICE proposal to review the equity risk and property risk sub-module, and EIOPA’s Impact Assessment exercise on the UFRs update. The group also debated EIOPA’s Discussion Paper on potential harmonisation of recovery and resolution frameworks for insurers.

The group met online on Friday 24 February to discuss outstanding issues on both consultations, and again on 2 March and 3 March to finalise the AMICE comments on the
EIOPA review. AMICE sent its response to EIOPA on 3 March 2017.

**EIOPA Recovery and Resolution Framework for Insurers**

EIOPA launched a public consultation on the potential harmonisation of recovery and resolution frameworks for insurers towards the end of last year. The consultation aimed to gather feedback about EIOPA’s recommendation for a minimum degree of harmonisation to avoid fragmentation and facilitate cross-border cooperation, while providing Member States with flexibility to address local characteristics. AMICE submitted its response on 28 February 2017.

**Commissioner Dombrovskis’ keynote speech**

The European Commission has published Dombrovskis’ keynote speech delivered on 1 February to the Association of German Public Insurers, referred to earlier in this briefing. Commissioner Dombrovskis noted that an impact assessment on the calibration of investments in infrastructure corporates is underway. The EC should be presenting an amendment to Solvency II in the coming months. He also indicated that the EC will build on EIOPA’s analysis to review relevant parts of the Solvency II delegated act by the end of 2018. The EC has asked for the technical work on the risk-free interest rate to be supported by a detailed impact assessment.

**EIOPA’s Gabriel Bernardino highlights Solvency II benefits**

Speaking at a conference towards the end of January, EIOPA Chairman Gabriel Bernardino said that insurers should recognise the benefits of Solvency II public disclosure and turn this challenge into an opportunity. He indicated that transparency can facilitate effective cross-border cooperation, will increase comparability, lead to more competition and improve understanding of Solvency II by other stakeholders such as financial analysts, researchers and journalists. He added that a collective effort is needed to ensure that the Solvency II metrics and their sensitivities are properly understood, in particular because they will be more volatile than in the past.

**EIOPA publishes results 2016 Stress Test exercise**

EIOPA published the results of the Insurance Stress Test exercise conducted in 2016 and the results of the LTG measures applied in the same exercise:


**Insurance Europe Solvency II Workshop**

On 16 January, AMICE attended a Solvency II Workshop organised by Insurance Europe. Participants discussed key issues and priorities relating to EIOPA’s discussion paper on the Solvency II review of the Standard Formula.

Discussions on key elements of EIOPA’s Solvency II review continued with Insurance Europe, particularly when the AMICE Secretariat joined a Solvency II meeting organised by Insurance Europe on 8 February, under the Memorandum of Understanding between Insurance Europe and AMICE.

**EIOPA and European Commission risk-free rate**

EIOPA has published the technical information on the relevant risk-free interest rate term structures (RFR) with reference to the end of November 2016, December 2016, January and February 2017.

The European Commission has adopted an implementing regulation on the technical information on the risk-free rate to be used for the calculation of the technical provisions in Solvency II with reference dates from 30 September until 30 December 2016 (third quarter 2016). The Implementing Regulation lays down technical information on the risk-free rate, volatility adjustment and the fundamental spread for the matching adjustment as stated in article 77e of the Omnibus II Directive.

EIOPA published an update of the technical documentation of the methodology to derive the risk-free interest rate term structures. The changes are:

- The use of the input data for the derivation of the risk-free interest rates for the Mexican peso was aligned with the maturity of the underlying financial instruments.
- The peer country that was used to derive the fundamental spreads for Latvian government bonds was changed from Spain to Ireland to reflect market developments with regard to the government bond yields of these countries.

**Equity dampener**

EIOPA has published the technical information on the symmetric adjustment of the equity capital charge for Solvency II with reference to the end of November and December 2016, and with reference January and February 2017.

**EIOPA Questions & Answers published**

- Q&A on ITS on the templates for the submission of information to the supervisory authorities.
- Q&A on ITS on procedures, formats and templates of the SFCR.
- Q&A on ITS on allocation of credit assessments of ECAIs to an objective scale of credit quality steps.
- Q&A on Guidelines on reporting for financial stability purposes.
- Q&A on Guidelines on Public Disclosure.
- Q&A on Guidelines on ORSA.
EIOPA Reporting Formats

EIOPA updated and published a set of new documents concerning the reporting formats:

1. Solvency II Validations:
The validations which data submitted in the quantitative reporting templates should comply with, are documented in the List of validations.

2. DPM and Taxonomy 2.1.0
   - Taxonomy Licence
   - List of known issues
   - List of validations
   - Taxonomy Roadmap
   - Governance of Taxonomy Releases and Schedule 2017

EIOPA publications

ON 8 December 2016, EIOPA published its December 2016 Financial Stability Report in the (re)insurance and occupational pensions sectors of the European Economic Area. EIOPA said that this is the first Financial Stability Report employing Solvency II data which enhances its analysis of financial stability risks in the European insurance and pensions sector.

EIOPA has published translations of the “Guidelines on Facilitating an Effective Dialogue between Insurance Supervisors and Statutory Auditors” into all EU official languages. The “comply or explain” process by which each national supervisory authority indicates whether it will comply with the guidelines or not, will last until the beginning of April 2017. EIOPA explained that the objective of the Guidelines is to “facilitate and maintain an effective dialogue between the NCAs and the statutory auditors or audit firms by defining a general framework for effective and constructive communication”. The Guidelines specify the “main characteristics” of an “effective dialogue” such as the scope of information to be shared, the form of communication, the participants in the exchange of information, frequency and timing, and the communication between the authorities and auditors collectively.

EIOPA published a decision on the collaboration of Insurance Supervisory Authorities from all European Member States in line with the requirements laid down in the Solvency II Directive. EIOPA explained that the decision further strengthens and enhances cooperation between National Competent Authorities (NCAs), especially in relation to cross-border activities through information and data exchange in areas such as authorisations, recovery plans and complaints-handling systems, efficiently using the centralised database managed by EIOPA. It said this reinforced the position that cooperation is fundamental for the conduct of supervision and for achieving consistent supervisory practices, enhancing preventive consumer protection and preserving financial stability across the European Union. The decision will enter into force on 1 May 2017.

Accounting

Working Group meeting

On 5 December, the Secretariat organised an online meeting to prepare the AMICE position regarding items to be discussed at EFRAG’s meeting scheduled for December (see next item). The group discussed the outstanding issues related to the upcoming Insurance Contracts Standard and the outcome of the deliberations at the November IASB Board Meeting. The Secretariat informed participants about the IASB tentative decisions on the Level of aggregation and Transition Issues.

IASB Meetings

At the January 2017 meeting, IASB Staff updated the Board about the progress on IFRS 17 Insurance Contracts. They explained that they had completed the external editorial review process (the fatal flaw review) and there were a number of questions they wanted to confirm with the IASB at the February meeting. However, there were no fundamental questions on the model and they expect to publish IFRS 17 in May 2017.

The Secretariat attended an online IASB Board meeting on 22 February to discuss the findings from a recent external editorial review of a draft of IFRS 17. The Board members discussed the changes to the contractual service margin and the exemption for the grouping of regulatory-affected pricing of insurance contracts. Board members did not raise any other topics for consideration at a future meeting.

EFRAG Meetings

On 6 December 2016, the Secretariat attended the Insurance Accounting Working Group meeting at the European Financial Reporting Advisory Group (EFRAG) where discussion items included the IASB tentative decisions at the November 2016 Board Meeting relating to future IFRS 17. The group debated the Level of Aggregation, the Experience Adjustments, the Transition Issues, and Other Sweep Issues. The group also discussed some examples related to the general model of the future IFRS 17.

On 16 February, the Secretariat attended another meeting of EFRAG where discussion items included the different transition methods available in the future IFRS 17, measurement including discounting, level of aggregation and mutualisation, and an illustrative example on the Variable Fee approach.

CMU Mid-term review

On 20 January, the European Commission launched a public consultation on the Capital Markets Union (CMU) Mid-Term review which ran until 17 March 2017. The objective of the consultation was to gather feedback on how the current CMU programme can be updated and completed with new measures so that it represents a strong policy framework for
the development of capital markets. Responses to the consultation will feed into the upcoming CMU mid-term review, scheduled for adoption in June 2017.

IAIS Stakeholder Engagement Plan

On 20 January, AMICE submitted its comments on the IAIS draft Stakeholder Engagement Plan. We welcomed the opportunities for a closer engagement with the IAIS, and its intention to interact with a wider stakeholder base. We emphasised that that the associations representing the mutual and cooperative insurers are uniquely placed to assist the IAIS with engaging both with industry and the policyholder.

Pensions

Working group meeting

The Pensions working group held meetings on 1 December 2016 and 16 February 2017. During the December meeting, Sandra Hack, EIOPA’s principal pensions policy expert, briefed participants on the recent work undertaken by EIOPA in the field of personal pensions. In view of the specific experience of mutual insurers, EIOPA invited AMICE members to share their views on how to best develop risk-sharing products.

At the February working group meeting Stephanie Payet, OECD’s private pension analyst, presented the main findings and recommendations of the OECD Pensions Outlook 2016 (see separate item below). This research covers defined benefits and defined contribution pension plans; fiscal incentives to save for retirement; policy measures to improve the financial advice for retirement; annuity products and their guarantees; pension design and financial education; and the pension arrangements for public sector workers. The working group had an active discussion with Ms Payet about the challenges around the various retirement systems and possible solutions. AMICE Vice-President Christophe Ollivier explained the functioning of the French pension system and the role of mutuals. The next meeting of the working group will take place on 11 May.

OECD Pensions Outlook 2016

The Organisation for Economic Cooperation and Development (OECD) launched on 5 December its 2016 Pensions Outlook which analyses how the pensions’ landscape is changing in the face of challenges that include ageing populations, the fallout from the financial crisis, and the current environment of low economic growth and low returns. The report shows that funded pension arrangements, in particular defined contribution ones, are playing a growing role in complementing retirement income from public sources. However, the OECD calls for their design to be improved.

Council approval of IORP II Directive

On 8 December 2016, the Council of the EU approved the Directive on Institutions for Occupational Retirement Provision (IORPs), aimed at facilitating their development and better protecting pension scheme members and beneficiaries. Member States will have two years to transpose it into their respective national laws.

Secretariat meeting with Nathalie Berger

Nathalie Berger, Head of the European Commission’s Insurance and Pensions Unit, shared her views on the European Commission’s Pan-European Personal Pension (PEPP) framework and presented the preliminary findings of the public consultation to which AMICE responded last October. She noted that there was a strong support in favour of PEPP among professional organisations, consumer representatives and individuals. However, she acknowledged a number of challenges faced, in particular with regards to taxation rules, portability, guarantees and prudential requirements. The Commission is expected to elaborate on a legislative or non-legislative proposal on a PEPP product in the second half of 2017.

Competition | Non-renewal of IBER

On 13 December 2016, the European Commission confirmed that the Insurance Block Exemption Regulation (IBER) will not be renewed when it expires on 31 March 2017. The European Commission’s impact assessment concluded that the two remaining exemptions were no longer warranted because the Commission’s Guidelines on horizontal cooperation published in 2011 already offer guidance on how to assess the conformity of joint compilations, tables and studies with the antitrust rules. The IBER expiry does not necessarily mean that these forms of cooperation will become unlawful on 1 April 2017. Rather, (re)insurers who continue to engage in such co-operation will need to reassess their compliance with EU competition rules.

Consumer protection | EIOPA’s Consumer Trends Report

EIOPA published its fifth annual Consumer Trends Report on 16 December 2016. Key trends examined include: new life products with reduced guarantees and increased complexity in the context of the low interest environment; travel and motor insurance complaint volumes; and big data, consumer analytics and the emergence of fintech/insurtech. There has been an increase in the collaboration with insurtech start-ups to develop innovative insurance products and services, and, in addition to greater data gathering, this new technology is changing the way consumers behave and interact with insurers and intermediaries. This includes an increase in personalised products based on consumer analytics, resulting in a possible reduction in availability of insurance products to certain consumers.
Other consequences include improved interactions with consumers based on tailored sales through mobile phone applications.

**Supervision | Seminar on the review of the European Supervisory Authorities**

A European Commission representative confirmed that the Commission is publishing a white paper in March on the governance and funding of the European Supervisory Authorities (ESAs – EBA, ESMA and EIOPA) at a seminar organised by French MEP Sylvie Goulard and attended by the AMICE Secretariat. The three chairmen of the ESAs presented their views on what have been achieved, what went well and what needs to be improved for the future. There was a general agreement that the process and timing of the various stages of making draft technical standards should be improved, as well as coordination and communication in order to allow the ESAs to better understand the co-legislators’ intentions to further improve the alignment between level 1 and level 2 work.

**Social dialogue | Letter to President Juncker on the services passport**

AMICE, together with its European Social Partners of the insurance sector – Insurance Europe, the European Federation of Insurance Intermediaries (BIPAR) and UNI Europa Finance – sent a joint letter to Jean-Claude Juncker, the President of the European Commission, raising concerns about the Commission’s intention to introduce a legislative proposal on a services passport. The signatories of the letter highlighted that they do not share the Commission’s view that insurance is a barrier to cross-border activities and urged the Commission to exclude the insurance provisions from the envisaged proposal.

**ISSDC Plenary meeting**

As one of the three employers’ social partners in the insurance sector, AMICE attended the plenary meeting of the Insurance Sectoral Social Dialogue Committee (ISSDC) on 3 February. Participants discussed follow-up actions to the joint declaration on the social effects of digitalisation and the impact of insurtechs on working conditions. The next ISSDC working group meeting will take place on 9 June.

**Taxation | Public consultations on the reform of VAT Directive**

At the end of December, the European Commission launched a public consultation on the special scheme for small enterprises under the VAT Directive, with responses requested by 20 March. The Commission is expected to prepare a comprehensive simplification package for SMEs that will seek to create a more business-friendly environment, as indicated in its 2016 Action Plan on VAT.

Simultaneously, the Commission has also been seeking views on the reform of VAT rates. Two possible policy options are being considered: (1) the first option would be to maintain the standard VAT rate of 15% and regularly update the list of goods and services eligible for reduced rates on the basis of Member States’ suggestions; or (2) the second option would remove the minimum rate of 15% and abolish the list of reduced and zero rates, thus granting greater discretion for Member States in fixing their own VAT rates.

**Digitalisation**

**European Parliament hearing on financial technology**

The European Parliament held a public hearing on the influence of technology on the future of the financial sector. Given the rapid growth of fintechs, both the European Parliament and the European Commission are considering the political course that should follow and how to make existing regulations fit for purpose, or whether they should institute a new piece of legislation.

**Commission study on the digitalisation of retail financial services and insurance**

The European Commission published its final report on the role of digitalisation and innovation in creating a true single market of retail financial services and insurance. The study focuses on the crossroads between digitalisation and direct cross-border activity. More specifically, it shows that the share of cross-border sales at country level has been quite low to date for both retail financial services and non-life insurance products. Nevertheless, consumers are increasingly aware of new products and services, thanks to the internet and mobile channels.

**ESAs’ discussion paper on big data**

Towards the end of last year, the Joint Committee of the ESAs published a discussion paper on the potential benefits and risks linked to the use of big data by financial institution, including insurance undertakings, to determine whether any further regulatory or supervisory actions are needed. The discussion paper acknowledges that the use of big data is likely to transform the way products and services are provided with benefits to consumers and financial institutions. At the same time, the use of big data may also have an impact on consumers’ access to products, raise issues around the processing of data and financial institutions’ pricing practices or decision-making. Potential entry barriers in accessing big data technologies could also have negative implications on innovation and competition in the financial markets to the detriment of consumers’ welfare. Responses to the paper were requested by mid March.
Data protection | First GDPR guidelines published by Article 29 Working Party

The Article 29 Working Party (WP29), which comprises representatives of the national data protection authorities (DPA), the European Data Protection Supervisor (EDPS) and the European Commission, issued its first guidance on topics related to the General Data Protection Regulation (GDPR) due to come into effect from 25 May 2018. This guidance (including FAQs) relates to:

- the right to data portability (see also FAQs);
- the role of the data protection officer (see also FAQs).

The WP29 also announced that the guidelines on Data Protection Impact Assessments and Certification will be ready later this year.

Conference on cooperative platforms

On 5 December, the Secretariat attended a conference on the role of cooperative platforms in promoting a fair and sharing-based economy. Representatives of the social and solidarity economy provided several examples of European initiatives which contribute to the creation of fair and sharing platforms. The conference also provided a chance to discuss the opportunities and challenges they represent for legislation and society.

Sustainable finance | Commission study on green bonds

The European Commission has released a new study on the potential and functioning of green bond markets which shows that green bonds have enjoyed extraordinary growth since they were first issued in 2007. The study makes a specific reference to the Green Infrastructure Investment Coalition which is formed by ICMIF, Climate Bonds Initiative, PRI, UNEP Inquiry and LTIIA, the aim of which is to help enhance the flow of institutional investor capital to green infrastructure investments around the world.

Green bonds will also be on the agenda of the High Level Expert Group on sustainable finance that the Commission established on 28 October 2016.

ROAM Conference on insurance regulation and automated cars

On 26 January, the Secretariat attended ROAM’s (French association representing small and medium size insurers) conference on ‘Regulation and automated vehicles: what consequences for the insurance of tomorrow?’. Participants discussed the implementation of the Insurance Distribution Directive and the implications of driverless cars on the insurance industry.

CEPS Conference on the future of financial services

On 31 January, CEPS, a think tank on EU affairs, hosted a conference on ‘The Future of Financial Services: Which policy mix to stimulate innovation in products, models and processes?’. Participants exchanged ideas on how the EU policy framework should be adjusted in order to stimulate innovation and ensure a balanced digital transformation of financial service providers. There was a specific focus on the relaxation of specific compliance processes (the so-called ‘regulatory sandboxes’) and RegTech.

Regulating our sector: From awareness to action

AMICE and ICMIF are jointly hosting our first regulatory affairs conference, hosted by our member, P&V, in Brussels on 5 April 2017. Keynote speakers include Dr. Mamiko Yokoi-Arai from the OECD and Nathalie Berger from the European Commission as well as many other regional and international opinion leaders who will explore the following topics:

- The global view: making regulation work for our sector
- Turning regulation into good practice
- The role of mutuals in building a stronger society for the future
- From awareness to action

Full agenda available here.
Members also held an interesting exchange on CSR initiatives on their market and within their companies which underlined the diversity of projects and differing degree of integration of CSR in the mutual sector. The working group decided to meet during European sustainable mobility week in September at P&V in Brussels.

**Reinsurance working group**

The Reinsurance working group held several meetings online in December, January and February to finalise the programme for the 7th Meeting of European Mutual and Cooperative Reinsurance Managers for which invitations have now been sent.

The working group also discussed the covered agreement between the US and the EU which appears to provide a satisfactory answer to the concerns raised by the working group. The covered agreement foresees the elimination of local presence requirements for a reinsurer with its head office in the other region although it is disputed by some insurance associations in the US. Members also exchanged experience on the renewal.

The working group met again on 13 March in Paris to finalise the arrangements for the 7th Meeting of European Mutual and Cooperative Reinsurance Managers, and there will be a further meeting on 10 April online.

**Member survey 2016**

At the end of 2016, the CEOs of all AMICE members were invited to respond to our member survey, following on from the 2013 survey. This survey provides the association with feedback on our current activities and future direction. More than half the membership responded to the survey, with a 53% response rate, the same level as the 2013 survey. The Secretariat would still like to hear back from any members who were unable to answer the survey previously, and we are directly contacting members who are still to respond.

Of the current areas AMICE is focussing on, Solvency II, regulatory issues and company law/governance were top of the list. Of new suggested topics, digitalisation came out top. When it came to communications, 100% of respondents said they felt very well or fairly well informed about AMICE’s activities and positions, a great improvement over 2013. Almost 80% of respondents have increased their interest in European affairs by a higher than average level, more than 70% use AMICE and their national association to monitor European issues. 87% believe that AMICE represents the interests of the sector very or fairly efficiently compared to 75% in 2013. Members can download an overview of responses from the AMICE website.
Other updates

New AMICE members

At its meeting on 17 November, the AMICE Board approved the full membership application from OP Insurance Ltd, part of the Finnish cooperative group OP Financial Group.

An associate membership application from the Lebanese mutual Olivier, which is also a member of ICMIF, was also approved.

Statutory | Executive Committee | Brussels meeting

AMICE’s Executive Committee met in Brussels on 21 February under the chairmanship of AMICE’s President Grzegorz Buczkowski. The Executive Committee updated the AMICE strategy 2013-2018 (Story line and mission and The Enabling Goals) to reflect changes to the working groups since the strategy was first adopted in 2013. The strategy will be subject to a full review later in 2017 ready for the new period beginning in 2018 using the results of the Member Survey carried out at the end of last year (see separate article) and reflecting AMICE’s strategic cooperation with ICMIF. For 2017, the Executive Committee proposes to organise a symposium on proportionality alongside the General Meeting on 8 June.

As well as discussing the work of the three Commissions and their working groups, the Executive Committee also approved the nomination of a new Chair for the Regulatory Affairs working group – Maria Westerberg from Folksam takes over from Susanne Sjödin-Svensson who has left the mutual – and approved Terms of Reference for the Prudential Regulation working group (the new name for the Solvency II working group) and the Pensions working group.

The Executive Committee discussed proposals for a new single fee system for AMICE and ICMIF as of 2018 which will was considered by the AMICE Board on 16 March. ICMIF’s CEO, Shaun Tarbuck, also presented proposals for the International Advocacy Hub which will be the focal point for influence at the global level within ICMIF.
### AMICE-ICMIF Calendar 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Organiser</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>4 April</td>
<td>Brussels</td>
<td>ICMIF</td>
<td>ICMIF Executive Committee</td>
</tr>
<tr>
<td>5 April</td>
<td>Brussels</td>
<td>AMICE/ICMIF</td>
<td>AMICE/ICMIF Regulatory Affairs Conference: Regulating our sector: From awareness to action</td>
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<tr>
<td>10 April</td>
<td>Online</td>
<td>AMICE</td>
<td>Reinsurance working group</td>
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<tr>
<td>11 April</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Accounting working group</td>
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<tr>
<td>21 April</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Prudential Regulation working group</td>
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<tr>
<td>4-5 May</td>
<td>Paris</td>
<td>AMICE</td>
<td>Meeting of European mutual &amp; cooperative reinsurance managers</td>
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<tr>
<td>11 May</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Pension working group</td>
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<tr>
<td>14-19 May</td>
<td>Manchester</td>
<td>ICMIF</td>
<td>Advanced Management Course (AMC)</td>
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<tr>
<td>16 May</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Executive Committee</td>
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<tr>
<td>23 May</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Regulatory Affairs working group</td>
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<tr>
<td>30 May</td>
<td>Helsinki</td>
<td>AMICE</td>
<td>Prudential Regulation working group</td>
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<tr>
<td>7 June</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Board meeting</td>
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<td>8 June</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Annual General Meeting</td>
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<tr>
<td>19-21 June</td>
<td>Dublin</td>
<td>AMICE/ICMIF</td>
<td>Mutual and Cooperative Insurance Communications Seminar: Make your mutual message matter</td>
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<tr>
<td>23 June</td>
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<td>AMICE</td>
<td>Prudential Regulation working group</td>
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<td>National Associations meeting</td>
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<td>6 October</td>
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<td>16 October</td>
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<td>17 October</td>
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<td>17-20 October</td>
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<td>ICMIF</td>
<td>ICMIF Biennial Conference: Redesigning Insurance</td>
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<td>7-8 November</td>
<td>Bern</td>
<td>ICMIF</td>
<td>ICMIF Intelligence Committee Meeting</td>
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<tr>
<td>7 December</td>
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<td>Pension working group</td>
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### External Events Calendar 2017

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<tr>
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<th>Event Description</th>
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<tr>
<td>18-19 May</td>
<td>Trier/Germany</td>
<td>Annual Conference on European Insurance Law</td>
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<td>ERA – Academy of European Law</td>
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<td>1 June</td>
<td>Zurich</td>
<td>9th International Insurance Conference</td>
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<td>Insurance Europe</td>
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