Dear AMICE member,

You will see from the following pages that the past three months have been extremely busy in AMICE. We have worked on an increasing number of portfolios, in ever more detail, within our main area of advocacy, and have been engaged with many of the European institutions to defend the mutual model and put forward proposals and responses to ensure that our members are treated in an appropriate way so that they are not disadvantaged in comparison to other risk carriers. This has included correspondence with EIOPA about the constitution of the industry stakeholder groups, proposed candidates to other high level groups, and representations on a range of challenging proposals.

At the same time, we have issued our Annual Report to coincide with the Annual General Meeting in early June, where we also launched the electronic version of the Good Practices publication, with more than 30 case studies of how members of our special community contribute to the well-being of their own members, staff and society, and the Market InSights Europe 2015. This latter publication showed that business continues to grow within the mutual sector – in fact, there were record premiums for EU mutuals in 2015 and market share continues to top 30%.

The health of our membership is not, however, something we can take for granted, particularly as meetings I have had with members continue to indicate the acute pain of the application of the new regulatory environment. It is a sad reflection that many of our members are being overly burdened within the Solvency II system by extensive reporting which does not create any value – and it can be argued actively reduces value – for their member-policyholders. That is why in the Secretariat we are working in depth on developing our policy position on proportionality, and my thanks are extended to all members who responded to our survey on their experiences of proportionality. The outcome of this survey – which is still open for those who haven’t had an opportunity to respond to date – were presented at a symposium following the AGM, where members shared the challenges they are facing and outlined some possible proposals to improve the situation. This work continues, and we will soon be circulating a more detailed survey to better understand the resource challenge, and I would encourage all members to assist us so that we can best represent your challenge and develop possible solutions. This work will help inform the responses our Prudential Regulation working group is developing for the Solvency II review, but proportionality should be embodied in all policy decisions made in the European Union, so it will go further into the range of portfolios on which we work.

At the same time, we are looking for member engagement with the forthcoming assessment of IFRS 17 being undertaken by EFRAG; it is important that the impact of applying IFRS 17 is properly understood, again to be able to demonstrate where there are gaps in the appropriateness of the regime.

Historically, the summer was a time when we could reduce the pace of work, but this is no longer the case. As all the regular work of AMICE continues, so does the ongoing work on the statutory cooperation with ICMIF, and we will be producing a series of newsletters for you over the next few months focussing on how the programme is developing. In July, we will be engaged in developing our strategy to take us through to 2022, evaluating the needs of our sector and our members, because ultimately it is you who are at the heart of all we do in AMICE.

Sarah Goddard
AMICE Secretary General
Promotion

Communications working group

In March, the Communications working group met at AMICE member IPB’s office in Dublin to work on the Communications seminar “Make your mutual message matter” and on the programme for the AMICE Congress 2018.

In June, the working group met in Brussels to discuss the final details of the communications seminar and continue developing the programme for the 2018 Congress. ICMIF’s publications team had designed a 2018 Congress logo, which was shared with the group. The next meeting will be held in Stockholm on 18-19 September to advance on the organisation of the Congress with the hosts.

Mutual connections | AMICE Congress 2018

The programme for the 2018 Congress hosted by Folksam and Länsförsäkringar in Stockholm from 3 to 5 June 2018 is starting to take shape. The core sessions will look at the connections between mutuals, with staff, members-policyholders or society, with Europe and with the digital future.

Promoting mutual and cooperative values working group

Christian Herrig from HDNA, Chair of the Promoting working group since 2014 stepped down from his position in May and the AMICE Secretariat is about to commence the process for a new chair. If you are interested in applying for the role, please contact Tatiana Paraskeva.

All AMICE working groups are open to all members and the Promoting working group particularly welcomes members who wish to discuss and shape the value message of mutual and cooperative insurance undertakings in Europe.

This message is constantly being refined through discussions on the mutual and cooperative brand, its values and other aspects of common interest in raising awareness of mutuality. The principles of solidarity, sustainability, democratic governance and membership are thus amongst the communalities explored. Members of this working group find their participation gives them the following benefits:

• You will explore new ideas and develop actions to increase the visibility and outreach of the mutual and cooperative brand in Europe and at national level.
• You will broaden your mutual network by meeting peers from other European mutual and cooperative insurance undertakings.
• You will exchange views, experience and know-how with colleagues in similar roles.
• You will actively take part in the life of AMICE.

If you are interested in being part of this working group you can find more information here and contact: Tatiana Paraskeva

Mutual and Cooperative Insurance Communications Seminar

AMICE and ICMIF held their first joint Mutual & Cooperative Insurance Communications Seminar, “Make your mutual message matter”, hosted by IPB Insurance in Dublin on 19-21 June. On the first night, participants were welcomed by the Lord Mayor of Dublin for a formal reception at Dublin’s City Hall followed by a dinner organised by IPB.

Delegates had the opportunity to learn from external experts such as Vicky Godolphin, Head of Digital at Accenture Ireland and Alan Shortt from Media Skills, an Irish media agency. AMICE and ICMIF members presented case studies which gave practical insights to participants. Consultant Coman Fullard, a Senior Digital Strategist at Continuum, explained that insurers don’t need to be large, or to have a big budget, to make an impact. Members who were unable to attend in person had the opportunity to connect online and attend Coman’s session using Periscope. You can find more information about the seminar in the event page.

Good practices vis-à-vis staff, member-policyholders and society

Our new publication was presented at the AMICE General Meeting in Brussels. The aim of this publication is to promote the mutual and cooperative insurance model to external stakeholders including policymakers, member-policyholders and the general public, and to inform mutuals about initiatives undertaken by others in the sector which they may wish to use as inspiration in their own organisations. You can access the publication online here: Good practices vis-à-vis staff, member-policyholders and society

The publication includes 33 examples of good practices vis-à-vis staff, member-policyholders and society from 22 AMICE members. The working group and the Secretariat would particularly like to thank AMICE members who contributed to this stimulating collection of good practices. This is an ongoing project and the AMICE Secretariat will continue to collect examples of good practices. AMICE members who wish to participate in our ongoing development of this collection can use this template.

International Bar Association conference

AMICE’s Secretary General gave a keynote address and chaired a panel discussion on the impact of Brexit on the insurance industry, at the International Bar Association’s first Insurance Conference in London. Panel participants included experts from across Europe and the US, and assessed impacts in the EU and from the global market perspective.

John Nelson, the then Chairman of Lloyd’s, delivered a keynote address, including Lloyd’s decision to establish an EU operation in Brussels in time for the 1 January 2019 renewals.
Regulating our sector: From awareness to action

AMICE and ICMIF organised our first joint regulatory affairs conference, hosted by member P&V in Brussels on 5 April 2017. The 60 participants had the opportunity to learn and exchange with other AMICE and ICMIF members, representatives of global and European institutions, and industry experts. The keynote speakers included Dr. Mamiko Yokoi-Arai from the OECD and Nathalie Berger from the European Commission. The Secretariat received very good feedback from participants who found great value in attending this event.

The full agenda is available here.

AMICE symposium on proportionality

As part of AMICE’s initiative to develop a clear policy on proportionality, members attended a symposium in June directly following the AMICE AGM, at which the results of a member survey on experiences of proportionality in practice were presented. Two guest speakers, policy expert Patrick Brady and Chris van Toor from the Dutch Platform for Mutual Insurers, shared their experiences of policy development and regulatory approaches to proportionality, and members shared their experiences and challenges related to proportionality. The survey is still open for members, and all views are very important in developing the strongest position we can. If you haven’t completed it, please do so here.

Regulatory Affairs working group meetings

The Regulatory Affairs working group met in Brussels in March. The main focus of the March meeting was to discuss issues related to the practical implementation of PRIIPs.

Lukas Bortel from the European Commission presented the recent changes introduced to the PRIIPs regulatory technical standards and answered questions raised by the group. He invited AMICE to submit further questions on the PRIIPs Regulation which will be included in the Q&A Communication document.

Members discussed recent developments around the Insurance Distribution Directive, the VAT exemption and the potential implications of the recent Aviva and DNB Banka cases, the European Commission’s consultation on the review of EIOPA, the Commission’s action plan on consumer financial services and the IAIS draft application paper on group corporate governance.

During the working group’s May meeting, members discussed the AMICE heat map and the terms of reference in view of amending them, as well as the work of the International Advocacy Hub. Other issues raised during the meeting concerned the developments on IDD, PRIIPs, follow-up discussion on AMICE’s position on the review of EIOPA and the other European Supervisory Authorities (ESAs), the Commission’s consultation paper on consumer financial services and the IAIS draft application paper on group corporate governance.

The next meeting is scheduled for 25 September.

CMU

AMICE’s response to the CMU mid-term review consultation

AMICE responded to the European Commission’s Capital Markets Union (CMU) mid-term review consultation. The objective of the consultation was to gather feedback on how the current CMU programme can be updated and completed with new measures. In our response, we called for immediate work and action to fix the calibration of listed equities managed with a long-term horizon and of property in the Solvency II standard formula. We advocated that debt instruments should receive the same treatment as equities, and mutual companies issuing subordinated debt should be exempted from applying IFRS provided the costs of doing so will be disproportionate with respect to their total administrative expenses. We noted that there is a need for further actions that can contribute to fostering retail investment and innovation. Regarding the appropriate information to be given to the client, the disclosure rules should ensure readability, consistency and legal certainty.

Following the submission of AMICE’s position on the CMU mid-term review consultation, the Secretariat took part in the public hearing organised by the European Commission in April. The aim of the hearing was to gather suggestions for revamping the flagship initiative during the next two years. Commission Vice-President Valdis Dombrovskis, responsible for Financial Stability, Financial Services and Capital Markets Union, opened the event in Brussels by noting that the mid-term review was not just another stock-taking exercise. He insisted that the review needed to propose solutions to challenges we currently face such as Brexit, the ESAs’ review and FinTech. Several speakers identified the proposed EU single market for personal pension products as an area for development under the CMU programme.

European Commission Report

The European Commission has published a Report from the Commission to the Council and the European Parliament on Accelerating the Capital Markets Union - addressing national barriers to capital flows.
Publication of PRIIPs Delegated Regulation in the EU Official Journal

On 27 March, the European Parliament’s Economic and Monetary Affairs Committee (ECON) passed a motion for an early non-objection for the delegated act on PRIIPs Regulation. This was confirmed by the plenary and the Council, and cleared the way for the implementation of PRIIPs due to enter into force on 1 January 2018.

On 12 April, the Commission Delegated Regulation on PRIIPs regulatory technical standards was published in the Official Journal of the EU. All linguistic versions of the regulation can be found on the following link.

Furthermore, a corrigendum to the PRIIPs Delegated Regulation was published subsequently in the Official Journal of the EU which concerns the determination of the market risk measurement.

The European Commission is imminently expected to publish a communication which will clarify a certain number of level 1 issues. The Joint Committee of the European Supervisory Authorities (ESAs – EBA, ESMA and EIOPA) will also release a level 3 Q&A document which will provide further clarification on a number of level 2 issues. Before the end of July, the ESAs will publish a second set of Q&As which will touch upon issues not addressed in the Commission Communication.

EIOPA thematic review of consumer issues in the unit-linked market

In April, EIOPA published its thematic review on sources of potential consumer detriment resulting from the existence of monetary incentives and remuneration received or obtained by insurance companies from in-house or external asset managers responsible for managing the assets of unit-linked funds. The review finds that that monetary practices are widespread and significant.

AMICE Workshop on IDD implementation

In May, AMICE held a workshop on the implementation of the Insurance Distribution Directive (IDD). EIOPA’s David Cowan provided insights on EIOPA’s technical advice on the possible IDD delegated acts and the draft implementing standards on the insurance product information documents. The European Commission’s Nico Spiegel explained the current work undertaken by the European Commission on the upcoming delegated acts. Both of the speakers answered questions raised by AMICE members. The meeting continued with a roundtable discussion on the implementation of IDD at national level and the specific issues and challenges faced by organisations.

Participants who were unable to attend the workshop in person in Brussels had the opportunity to connect online using WebEx.

Prudential Regulation

Prudential Regulation working group meeting

AMICE’s Prudential Regulation working group met in Brussels in March. The group discussed the latest developments in EIOPA’s proposed methodology to review the UFR, the MSCI study on Property Risk, the follow-up on EIOPA’s Discussion Paper on the Review of the Solvency II Standard Formula, the European Commission’s Second Call for Advice on the Review of Market Risk and AMICE’s submission to the European Commission Public Consultation on the CMU Mid-Term Review.

During its April meeting in Brussels, the group discussed EIOPA’s consultation package on the amendments to the ITS on Reporting, ITS on Disclosure, and the Guidelines on Financial Stability. The group also discussed EIOPA’s review of the UFR, the MSCI study and EDHEC study on Property Risk, the follow-up on EIOPA’s Review of the Solvency II Standard Formula, and the upcoming EIOPA Call for Evidence on the treatment of unlisted equity and debt without ECAI.

The group met online in mid-May to consider a proposal for reducing the reliance on external credit rating agencies and EIOPA’s Call for Evidence on the treatment of unrated debt and unlisted equities in the Standard Formula (see below). The group also prepared AMICE’s comments for EIOPA’s roundtable on the Standard Formula review and discussed the agenda of the following Prudential Regulation working group meeting which took place on 30 May in Helsinki. At that meeting, host LocalTapiola gave an overview of its life business and its Solvency II issues. A representative of the Finnish FSA explained their co-operation with insurers in Finland as regards the Solvency II framework. The working group also considered EIOPA’s follow-up to stakeholders’ responses to its Discussion Paper on the Review of the Solvency II Standard Formula.

Solvency II

European Commission seeks advice from EIOPA on market risk

The European Commission has published a second call for advice in which it lists the areas/issues of the market risk module on which it is seeking advice from EIOPA as part of the 2018 review of the Standard Formula. EIOPA should deliver the technical advice by 28 February 2018. The European Commission’s request covers the spread risk sub-module for certain unrated bonds and loans, equity risk for unlisted equity and the qualitative criteria for strategic participations.

EIOPA updates: Methodology to review UFR

Gabriel Bernardino, Chair of EIOPA, sent a letter to Roberto Gualtieri, Chair of the European Parliament’s ECON Committee, about its plans to decide on the methodology to review the UFR by the end of March 2017.

The timing for the first application of the UFR methodology are the end of 2017 or beginning of 2018.
At the beginning of April, AMICE joined a conference call organised by EIOPA to explain its final methodology for calculating the ultimate forward rate (UFR). The new methodology, which was published the same day, concluded that the UFR should be set at 3.65% rather than the current 4.2% over a 5-year period. AMICE had already sent a letter to Roberto Guatieri, the Chair of the ECON Committee, indicating the shortcomings of EIOPA’s Impact Assessment. In response to EIOPA’s decision on the final methodology, AMICE issued a press release reiterating that the change in the UFR should be part of the 2021 review of the long-term guarantees package rather than dealt with in this way.

The new methodology will be applied for the first time at the beginning of 2018 (after Q4 2017 closing). EIOPA published the following documents:

- EIOPA Press Release
- Calculation of the UFR for 2018
- Frequently Asked Questions & Answers UFR
- Results of the impact analysis of changes to the UFR
- Specification of the methodology to derive the UFR

EIOPA approved two changes in the methodology to derive the risk-free interest rate term structure ahead of the calculation for end March 2017. The changes related to the Romanian leu and the Japanese yen. At the end of March, EIOPA published the updated technical documentation of the methodology to derive EIOPA’s risk-free interest. At the end of May, EIOPA updated its Final Report on the methodology to correct the applicable UFR for the Mexican peso.

**EIOPA Questions & Answers published**

1. Q&A on ITS on the templates for the submission of information to the supervisory authorities:
   - March
   - End of March
   - End of April
   - May

2. Q&A on ITS on procedures, formats and templates of the SFCR:
   - March
   - End of March

3. Risk-free interest rate – Financial market data (March)

4. April Q&A on Guidelines on Classification of Own Funds.

5. April Q&A on Guidelines on Reporting and Public Disclosure.


**Solvency II | EIOPA technical documentation**

EIOPA published the risk-free rate term structure for Solvency II:

- with reference to the end of March 2017
- with reference to the end of April 2017

EIOPA published the technical information on the symmetric adjustment of the equity capital charge for Solvency II:

- with reference to the end of March 2017
- with reference to the end of April 2017

**AMICE proposal to review equity and property calibrations**

The AMICE President sent a letter to Olivier Guersent proposing a review of the calibration of the equity and property asset classes when invested with a long-term horizon. The letter included background information explaining the need for the review and a detailed proposal for a reduced shock. We reiterated this position when submitting the AMICE response to the Commission’s Capital Markets Union (CMU) mid-term review consultation.

**EIOPA meeting on Solvency II reporting package**

In April, AMICE was invited to participate in a meeting organised by EIOPA ahead of the launch of the public consultation on some amendments to the ITS (implementing technical standards) on the reporting templates (ITS on Reporting) and to the ITS on the Solvency and Financial Condition Report (ITS on Disclosure), the Guidelines on Reporting for Financial Stability Purposes and the Guidelines on the Supervision of Branches of Third-Country Insurance Undertakings. The meeting allowed participating to have a preliminary exchange of views on EIOPA’s consultation.

You can read here the comments submitted by AMICE in May.

**EIOPAs Call for Evidence: unlisted equity and debt**

On 26 April, EIOPA published a Call for Evidence on the treatment of unlisted equity and debt without a rating in the standard formula. The Call for Evidence follows the request from the European Commission and the outcome will feed the draft advice to the European Commission which will be subject to industry consultation in November 2017. The Prudential Regulation working group prepared AMICE’s response to the Call for Evidence.

**EIOPA Catastrophe Risk workstream**

In April, AMICE attended the first EIOPA meeting organised for its Catastrophe Risk Group. The group discussed potential simplifications to the Natural Catastrophe, Man-Made and Health Catastrophe Risk Sub-module. The group also discussed potential recalibrations on earthquake risk in Greece and Slovakia.

At the beginning of May, AMICE submitted oral comments during a conference call organised by EIOPA to discuss the way forward on the simplifications for Natural Catastrophe Risk, Man-Made and Health Catastrophe Risk. EIOPA updated participants on the tentative list of recalibration scenarios and the next steps regarding mass accident risk, pandemic risk and fire risk sub-module.

EIOPA held a further meeting of the workstream a few days later, attended by a member of the AMICE Secretariat, at which simplifications for Natural Catastrophe Risk (aggregation of Cresta zones and calibration of one factor per country) and Man-Made Risk (simplification on Fire Risk sub-module) were discussed. AMICE provided oral comments on these modules and the mass accident risk sub-module.

**Insurance Europe Solvency II meeting**

Towards the end of April, the Secretariat attended Insurance Europe’s Solvency II committee meeting where the main discussions focused on the update on UFR, the Solvency II
review – ongoing and upcoming developments, EIOPA’s catastrophe risk workstream (CAT WS), the IAIS consultations on ComFrame and ICPs, the Solvency II review – recent EC call for advice on treatment of unlisted equity, unrated debt, strategic participations, and a proposal on the review of the duration based equity and strategic participations in Solvency II.

EIOPA Roundtable SCR Review

On Tuesday 23 May, AMICE attended a roundtable organised by EIOPA to discuss with industry stakeholders the topics which will be part of EIOPA’s first consultation paper on the SCR review. The public consultation will be take place over eight weeks. The topics discussed were simplified calculations, reducing reliance on ECAIs, exposures guaranteed and exposures to RGLA, risk-mitigation techniques, reducing reliance on external ratings, USPs, LAC DT and risk margin. AMICE submitted oral comments at the meeting.

EIOPA Risk Dashboard

EIOPA has published its updated Risk Dashboard based on the fourth-quarter 2016 data. EIOPA explains that the results show the risk exposure of the insurance sector in Europe remained stable overall and identified some positive market developments. Solvency II ratios are stronger due to higher market values of assets and the increase of the risk-free curve used for discounting the technical provisions. Volatility has decreased and inflation rates have slowly started to converge to desired target levels.

EIOPA points out that despite these positive signs, the continuing low-yield environment and the observation that market fundamentals might not properly reflect the underlying credit risk are still important concerns for the European insurance industry. This is also reflected in the slightly deteriorating market perception and the recent underperformance of insurance stock prices.

The AMICE Prudential Regulation working group meeting will analyse the EIOPA conclusions and will discuss whether further lobbying is needed in this respect.

Credit Rating Agencies

European Parliament scrutiny session | Credit Rating Agencies Regulation

The European Parliament’s ECON (Economic and Monetary Affairs) Committee scrutiny slot on 3 May focused on the Level 2 measures and reports under the Credit Rating Agencies Regulation (Regulation (EC) No 1060/2009. Representatives of the Commission and the European Securities and Markets Authority (ESMA) participated in the meeting.

AMICE’s proposal to reduce reliance on credit rating agencies

In early June, AMICE sent EIOPA a proposal to reduce reliance on credit rating agencies under Solvency II. The paper contains the following proposals:

- an alternative to the current Spread Risk sub-module
- new version of the simplification of the Spread Risk sub-module.

Both proposals would avoid the direct use of external ratings in the Pillar I and III of Solvency II.

The paper also proposes a third alternative based on a simplified approach to calculate the Spread Risk and Market Risk Concentration sub-module so that firms using external ratings can be exempted from nominating several ECAIs.

Accounting

Working group meeting

AMICE’s Accounting working group met online in May to discuss the IASB views about the application of the Standard for mutuals, the IASB Transition Resources Group which will be launched once the Standard has been issued, and the way forward for mutuals applying IFRS.

The working group meet soon to discuss mutuals’ application of IFRS.

IASB | IFRS

The IASB is also developing plans to help in the implementation of IFRS 17 including educational materials and a forum to discuss implementation issues. For the transition resources group, there will be a public call for nominations which will be launched close to the date of publication of the Standard. Information on how to apply will be available through the IASB insurance e-alert.

AMICE attended online the IASB Board Meeting held in London on 24 April. The IASB confirmed that it will support the implementation of IFRS 17 after its issuance in May 2017 with a Transition Resources Group (public forum to learn about IFRS 17 requirements and to discuss implementation-related questions), articles, webcasts and case studies.

AMICE also joined the IASB webcast delivered in May on the same day the new insurance contracts standard, IFRS 17, was issued after 20 years of deliberations. IASB Member Darrel Scott and Associate Technical Director Andrea Pryde provided an overview of the requirements in IFRS 17 and answered questions submitted by participants for about 45 minutes. Participants asked about a range of issues, including the key differences between Solvency II and IFRS 17, the main differences between IFRS 17 and the 2013 Exposure draft, the interaction between IFRS 9 and IFRS 17, additional guidance on the fair value approach, the PPA method for short-term insurance business, the treatment of contracts with discretionary features and the treatment of mutuals in IFRS 17.
IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. The IASB explained that IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. IFRS 17 has an effective date of 1 January 2021 but companies can apply it earlier. The IASB will support firms implementing the Standard, including by establishing the Transition Resources Group, for which the Board is now calling for members.

IFRS 17 is published together with illustrative examples and an explanation of the Board’s basis for conclusions. Other materials accompanying the Standard are the Effects Analysis— which outlines in detail the expected costs and benefits of the new Standard; the Project Summary—providing an overview of the project; to develop the new insurance contracts Standard; and the Feedback Statement—summarising the feedback received to the different consultations undertaken as part of the project.

The Board has also published for public consultation the proposed IFRS Taxonomy Update for IFRS 17. The comment deadline is 18 September 2017.

IFRS | Second Phase IFRS 13 Review

The IASB has issued a request for stakeholders to tell the Board about their experiences with the accounting standard on how to measure the ‘fair value’ of assets and liabilities, IFRS 13. The aim is to check whether the Standard meets its objectives.

This request is part of the Board’s Post-Implementation Review (PIR) of IFRS 13 Fair Value Measurement and consists of two phases. In the first phase, the Board identified topics for further analysis in the second phase. The second phase starts with a Request for Information (RFI) and focuses on disclosures about fair value measurements; further information about measuring quoted investments in subsidiaries, joint ventures and associates at fair value; application of the concept of the 'highest and best use' when measuring the fair value of non-financial assets; and application of judgement.

AMICE-IASB workshop on IFRS 17

AMICE held its first AMICE-IASB workshop on IFRS 17 in April. The Secretariat provided participants with detailed technical information about the content of the upcoming Insurance Contracts Standard and how it will impact the mutual sector. Darrel Scott, IASB Board Member and responsible for the Insurance Contracts Standard, explained the November and February IASB decisions, the progress with ballotting, the issues which are still causing concern and the IASB intentions with mutuals.

The new Insurance Contracts Standard was published in May. A second AMICE-IASB Workshop will take place soon.

Meeting with EFRAG

AMICE’s Secretary General met with the President, Chairman & CEO, and Director of Governance & Admin of the European Financial Reporting Advisory Group (EFRAG) to discuss ways in which the two organisations could cooperate closer. In particular, EFRAG will be entering a period of accreditation for IFRS 17 later this year, and expressed an interest in developing a case study with an AMICE member on the potential impact of IFRS 17 as part of the accreditation process. Any member interested in becoming involved in the case study should contact the Secretary General.

IAIS Stakeholder engagement plan

The IAIS has published the final version of its Stakeholder Engagement Plan. The Plan, developed by the Executive Committee’s Stakeholder Engagement Task Force (SETF) over the course of the past year, was subject to stakeholder feedback (see AMICE’s feedback here). It recommends a host of new engagement commitments, such as providing a 30-day advance notice for stakeholder meetings and a seven-day advance notice for meeting materials. It includes a recommendation that the complexity and size of consultation documents be taken into account when setting consultation timeframes, as well as provisions regarding engagement with academics and professional organisations.

Pensions

Working group meeting

The Pensions working group met in May in Brussels. Members discussed the results of SWOT analyses on the pension systems in their respective countries and identified some key messages which the Secretariat will convey during meetings with EU policymakers. Nicolas Jeanmart from Insurance Europe presented the association’s recent publication, ‘A Blueprint for Pensions – saving enough, saving well, saving wisely’.

The next working group will take place on 6 October in Brussels.

EIOPA launches EU-wide occupational pensions’ stress test

In May, EIOPA launched an EU-wide stress test for institutions for occupational retirement provision. The exercise is designed to assess the resilience of the European occupational pensions sector to an adverse market scenario using common methodologies. It will also analyse how IORPs transfer shocks resulting from the impact of the adverse market scenario to the real economy and financial markets.

Supervision | European Commission consultation on ESAs review

In March, the European Commission launched its long-awaited consultation on the operations of the European Supervisory Authorities (ESAs – EIOPA, EBA and ESMA). The consultation focused on the effectiveness of the ESAs’ current governance structure and funding framework, the importance of clarifying and strengthening their tasks and powers, and the possible need to reconsider the supervisory architecture in light of the new challenges of financial integration.

The Commission suggests shifting towards an industry-based funding of the ESAs. In its response to the consultation, AMICE challenged the proposal for industry to directly fund the ESAs, either fully or partially, as opposed to
the current system in which national supervisory authorities provide 60% of the funding with the balance from the EU budget. We supported the maintenance of the current model of a separate ESA for insurance and pensions – EIOPA – rather than the proposal that it be merged with the European Banking Authority (EBA), and that EIOPA should extend its use of its current tools and powers rather than seek enhanced ones.

We also raised concerns about the transparency and structure of the stakeholder groups (which were the subject of a separate communication directly with EIOPA) and proposed the introduction of an oversight board for EIOPA.

The AMICE submission highlighted concerns about the adoption of non-binding measures, strategic governance issues within the ESA boards, and the current anomalies in the process and timing of draft technical standards.

The Commission states that the outcome of the consultation may lead to further legislation, if required.

Digitalisation

Commission conference on FinTech

In March, the European Commission released a public consultation on FinTech, “A more competitive and innovative financial sector in Europe”. The consultation was launched alongside the #FinTechEU conference which AMICE attended. More than 700 participants discussed whether EU regulatory and supervisory rules are adequate and what future actions may be needed.

GDPR multistakeholder group

AMICE has proposed a representative from one of our member companies to join the multistakeholder group on GDPR. The group membership is expected to be announced during the summer.

European Parliament's FinTech report

The European Parliament's Economic and Monetary Affairs Committee (ECON) adopted its report on FinTech: the influence of technology on the future of the financial sector, in April. ECON MEPs urged the European Commission to come up with a set of rules that would enable FinTech to develop, “a comprehensive Action Plan in the framework of Capital Markets Union and Digital Single Market”. Their key priorities are cybersecurity, level playing field for traditional companies and start-ups, and controlled experimentation with new technologies. The European Parliament approved the resolution in plenary on 17 May.

AMICE response to ESAs’ consultation on Big Data

Joint Committee Discussion Paper

on the Use of Big Data by Financial Institutions

AMICE responded to the ESAs’ discussion paper on the use of Big Data by financial institutions. We emphasised the greater responsibility that mutual and cooperative insurers have in prevention and the important role that Big Data plays in this respect.

IAIS Report on FinTech developments in the insurance industry

In a report released in March, the International Association of Insurance Supervisors (IAIS) highlighted the potential impact of innovative financial technologies on insurance sector competitiveness, consumer choice, interconnectedness, business model viability and regulatory oversight. The report also examined the challenges and opportunities insurance supervisors face in this rapidly-changing insurance environment.

European Money Week

The Secretariat attended the Brussels launch of European Money Week which started on 27 March and promotes financial literacy. Professor Annamaria Lusardi, a leading global researcher on financial literacy, addressed the meeting and noted that financial literacy is very low and can’t be taken for granted in developed countries.

Consumer Financial Services Action Plan

On 23 March, the European Commission announced its Consumer Financial Services Action Plan “Better products and more choice for European consumers”. In December 2015, the Commission presented a Green Paper on retail financial services to consult on the potentials of a more integrated market for retail financial services and insurance and the actions needed to achieve this goal (see AMICE’s response here). This Action Plan draws the Commission's conclusions from the consultation and it is one of the commitments of the Action Plan on Building a Capital Markets Union. The Commission has identified three main strands of work:

- Increase consumer trust and empower consumers when buying services at home or from other Member States;
- Reduce legal and regulatory obstacles affecting businesses when providing financial services abroad; and
- Support the development of an innovative digital world which can overcome some of the existing barriers to the Single Market.

There are a number of actions in the plan which are of direct relevance to the insurance sector, such as improvement of motor insurance, transparent insurance pricing in car rentals, fair consumer protection rules and easier product switching.

Social Economy

Meeting with European Commission’s Social Economy Unit

AMICE’s Secretariat together with ICMIF’s Catherine Hock met with Ms. Ulla Engelman, the new Head of the Social Economy Unit at the European Commission and members of her team to present AMICE and ICMIF’s current advocacy
work. In the course of the meeting, we highlighted inconsistencies across the EU and further afield in the legal recognition of the mutual and cooperative insurance concept, and discussed ways of assisting and supporting the Commission’s work to map social economy by encouraging the development of national laws for mutual and cooperative insurers and to stimulate cross-border activities by creating the ability to form cross-border mutual groups.

Seminar on digitalisation and social economy enterprises

On 12 May, the Secretariat attended a seminar organised by the European Commission and the European Economic and Social Committee on “the impact of digitalisation and new technologies on social economy”. The seminar presented an occasion to showcase good examples of social economy enterprises using digital technologies. Ulla Engelmann, head of the European Commission’s social economy unit, noted that the event was the start of an EU policy co-creation process looking into the impact of digitalisation on social economy enterprises.

Spanish government conference in Madrid

Following on from events organised in Italy, Luxembourg and Bratislava, the Spanish Minister of Employment and Social Security of Spain, Fátima Báñez, hosted a conference entitled “Social Economy, an enterprise model for the future of Europe” in Madrid on 23 May with about 400 attendees. Nine EU government representatives signed the final declaration which supports the need “to take into account and promote the particularities of the social economy enterprises in the Single Market”; two further signatories are to come. It calls on “the European Commission to include in its working plan for 2018 a European Action Plan 2018-2020, adequately financed, which will promote the social economy enterprises in Europe and boost social innovation”. The President of the European Economic and Social Committee, Members of the European Parliament and European Commission representatives were also present. In a video message, Commissioner Thyssen reiterated the European Commission’s support for the social economy model for Europe.

Social Economy Europe General Meeting

Social Economy Europe held its General Meeting in Madrid on 22 May, approving its accounts and annual report for 2016 and budget and work plan 2017, and welcoming a new member, ConcertES, the Walloon regional organisation for social economy. Ann Branch, Head of Unit Job Creation at DG Employment, Social Affairs and Inclusion, presented the European Commission’s proposals for action and strategy for the social economy and social enterprises based on the CEGES report which includes “stimulating border activities for social economy and social enterprises”.

Social dialogue | Joint statement on the European services e-card

On 10 May, AMICE, together with social partners from the insurance, cleaning and construction sectors, co-signed a joint statement raising concerns about the European Commission’s proposal on a European services e-card. The signatories question the added value of the Commission’s proposal, the stated aim of which is to strengthen the European single market. In addition, the statement points out that the insurance provisions would neither help service providers who wish to work cross-border, nor host Member States and would also be very difficult and costly to comply with.

EIOPA Board of Supervisors

EIOPA’s Board of Supervisors has extended by two-and-a-half years the terms of office of the following Management Board members:

- Mr Alberto Corinti, Member of the Board of Directors at IVASS, Italy,
- Ms Sandrine Lemery, First Deputy Secretary General at ACPR, France, and
- Mr Jean Hilgers, Member of the Board of Directors at NBB, Belgium.

The Management Board of EIOPA is composed of the Chairman of EIOPA and six other members of the Board of Supervisors elected by and from the voting members of the Board of Supervisors.

Exchange | AIM

AMICE’s Secretary General met with Menno Aarnout, Executive Director of the International association of mutual benefit societies (AIM), for an exchange on the portfolios of common interest to the two organisations.

Meeting with Insurance Europe

AMICE’s Secretary General met with Michaela Koller, Director General of Insurance Europe, under the AMICE-Insurance Europe Memorandum of Understanding. They exchanged dialogue on activities of mutual interest, including pensions, IDD, PRIIPs, the ESA review, Solvency II, digitalisation, social dialogue and recovery and resolution. The dialogue assists in enhancing the cooperation between AMICE and Insurance Europe, and developing joint positions where it is in both memberships’ best interests.
Assistance

7th Meeting of European mutual & cooperative reinsurance managers

The Reinsurance working group organised the 7th Meeting of European Mutual and Cooperative Reinsurance Managers in Paris at the invitation of Covéa on 4-5 May. There were 27 participants from 10 countries and from 14 European member organisations, and was organised in conjunction with ICMIF. Delegate feedback gave an overall evaluation of 4.7 out of 5.

Speakers included Mamiko Yokoi-Arai, Head of Insurance at the OECD, who kicked off the seminar with a presentation on the consequences of Brexit for the reinsurance industry. EIOPA’s Manuela Zweimueller gave an overview of the effects of legislation on reinsurance with a main focus on Solvency II, which gave AMICE members the opportunity to raise specific issues affecting mutuals and cooperatives to which Ms Zweimueller was very receptive.

Session 2 looked at new digital processes in reinsurance with a presentation by Justin Emrich, CIO at Lloyd’s underwriter Atrium and Chair of the TOM Innovation Exchange, the London Market Target Operating Model. Maya Bundt, Head of Cyber & Digital Strategy at Swiss Re, gave a wide-ranging overview of the various cyber risks and the possible insurance/reinsurance coverage during the third session. David Flandro, Global Head of Analytics at JLT Re, presented the current market conditions in the final session. Each session was followed by discussions in small groups allowing participants to exchange direct experience around the session topic from their daily work. Members can download the PowerPoint presentations from the AMICE website.

Reinsurance working group

The Reinsurance working group’s meeting prior to the 7th Meeting was hosted by Covéa at its headquarters in Paris on 13 March. This enabled the working group to visit the facilities in advance of the event to take place on 4-5 May. The group discussed session topics and questions for the discussion groups, focusing in particular on cyber risk and new digital processes in reinsurance. The working group then held a final online meeting on 10 April.

Other updates

Board | Athens meeting

AMICE’s Board met in Athens on 16 March at the invitation of Greek member Syneteristiki.

The Board welcomed one further European ICMIF member to AMICE, bringing the total to 23:

**France**
- MGEN - ISTYA Group
- UNMI

**Germany**
- DEVK Versicherungen

**Greece**
- Geniki Panelladiki

**Italy**
- Fondo Salute

**Norway**
- Meretrygd
- Trometrygd

**Spain**
- Confederación Española de Mutualidades (CNEPS)

**Turkey**
- Anadolu Sigorta

**UK**
- Association of Financial Mutuals (AFM)
- Benenden
- Co-operative Insurance
- Cornish Mutual
- Ecclesiastical
- Liveries Mutual
- NFU Mutual
- OneFamily
- Sunderland Marine
- The NFRN Mutual
- Simplyhealth
- The Shepherds Friendly Society
- UIA (Insurance) Ltd
- UMAL
AMICE-ICMIF Structural cooperation

AMICE-ICMIF meetings in April

AMICE’s Secretary General attended ICMIF’s Executive Committee meeting in Brussels on 4 April, which discussed, inter alia, the progress of the structural cooperation activities between the two organisations. This was followed up by a meeting of representatives from the two Secretariats later in the same week to progress on structural and strategic areas, including the International Advocacy Hub.

Secretariat progression meeting

Members of the AMICE Secretariat met with ICMIF to further progress the cooperation between the two organisations. We met in Manchester just two days after the terrorist attack, and extended our condolences on behalf of the AMICE membership and Secretariat to all those who were affected by the events.

The joint communications seminar in Dublin, joint membership engagement and services, ICMIF assistance with the AMICE Congress in Stockholm next year, shared services and streamlining infrastructure across the two organisations were all progressed.

Member meetings

The Secretary General has undertaken several member meetings, including with colleagues from ICMIF to enter into dialogue with members about their needs and explain the future strategic cooperation activities between AMICE and ICMIF. More meetings are being scheduled; please contact the Secretary General if you would like to meet or have any questions about the role and activities of AMICE, and the collaboration with ICMIF.

Board & General Meeting | 7-8 June 2017

Grzegorz Buczkowski chaired his first General Meeting as AMICE President when it met in Brussels on 8 June, with 43 members from 15 countries represented. As well as approving the 2016 accounts, a revised budget for 2017 and the budget and fees for 2018, the General Meeting also elected four new Board members: Cornelia Federkeil, AAM, France; Klaus-Jürgen Haltmann, HUK-Coburg, Germany; Christopher Lohmann, Gothaer, Germany and Robert Otto, Achmea, Netherlands. Pablo Mongelos, Jari Sundström and Jorge Vázquez presented the work of their Commissions, respectively Promotion, Advocacy and Assistance. The Secretary General’s overview of the year included insight into the multiple relations AMICE maintains with other stakeholders including the European institutions. Members also heard from the Secretary General and Shaun Tarbuck, ICMIF CEO, on the progress made in structural cooperation between the two associations.

Members can download all meeting documents, including the resolutions approved and presentations given from the AMICE website.

At the meeting, members received the Annual Report 2016 which is for the first time translated in four languages (EN, FR, DE, et ES) thanks to the help of ICMIF.

The ICMIF-AMICE European Market InSights 2015 publication was presented to the meeting. Data on premiums, market shares, members/policyholders, employment, and assets for the European mutual and cooperative insurance market (36 countries) and for the EU markets for life and non-life give an accurate overview of the mutual and cooperative insurance sector.

The report highlights that the mutual insurers held a 31.3% share (from 24.1% in 2007) of the total European insurance market (37 countries) and a 32.4% share (24.7% in 2007) of the total EU insurance market.

The AMICE Board met to make final preparations for the General Meeting the day before and welcomed one new member, the Polish Gas Insurance Mutual, to the membership.

Delegates spent a relaxing evening over dinner in the splendour of Brussels’ Grand Place on 7 June.
### AMICE-ICMIF Calendar 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>City</th>
<th>Organization</th>
<th>Event Description</th>
</tr>
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<tbody>
<tr>
<td>28 July</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Prudential Regulation working group</td>
</tr>
<tr>
<td>25 August</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Prudential Regulation working group</td>
</tr>
<tr>
<td>8-19 September</td>
<td>Stockholm</td>
<td>AMICE</td>
<td>Communications working group</td>
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<tr>
<td>21 September</td>
<td>Brussels</td>
<td>AMICE</td>
<td>CSR working group</td>
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<tr>
<td>25 September</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Regulatory Affairs working group</td>
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<tr>
<td>27 September</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Executive Committee</td>
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<tr>
<td>3 or 4 October</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Data protection workshop (date to be confirmed)</td>
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<tr>
<td>4 October</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Health working group</td>
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<tr>
<td>5 October</td>
<td>Brussels</td>
<td>AMICE</td>
<td>National Associations meeting</td>
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<tr>
<td>6 October</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Pensions working group</td>
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<tr>
<td>16 October</td>
<td>London</td>
<td>ICMIF</td>
<td>ICMIF Executive Committee</td>
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<tr>
<td>17 October</td>
<td>London</td>
<td>ICMIF</td>
<td>ICMIF Board Meeting</td>
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<tr>
<td>17-20 October</td>
<td>London</td>
<td>ICMIF</td>
<td>ICMIF Biennial Conference: Redesigning Insurance</td>
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<tr>
<td>7-8 November</td>
<td>Bern</td>
<td>ICMIF</td>
<td>ICMIF Intelligence Committee Meeting</td>
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<tr>
<td>14 November</td>
<td>Manchester</td>
<td>AMICE</td>
<td>Board</td>
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<tr>
<td>29 November</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Regulatory Affairs working group</td>
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<tr>
<td>7 December</td>
<td>Brussels</td>
<td>AMICE</td>
<td>Pension working group</td>
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### External Events Calendar 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>City</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-22 September</td>
<td>London</td>
<td><strong>Pricing in Personal Lines Insurance</strong>&lt;br&gt;Marcus Evans</td>
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<tr>
<td></td>
<td></td>
<td><strong>Discount for AMICE members:</strong>&lt;br&gt;2 day conference: -£200&lt;br&gt;2 day conference &amp; 1 workshop: -£250&lt;br&gt;2 day conference &amp; 2 workshops: -£350</td>
</tr>
<tr>
<td>11-13 October</td>
<td>Cannes</td>
<td><strong>28é congrès REAVIE</strong> - rendez-vous international des assureurs et réassureurs vie et de personnes l’Argus</td>
</tr>
<tr>
<td>13-14 November</td>
<td>Bordeaux</td>
<td>18. MutRé Meeting <strong>Prevention</strong> and the mutual model</td>
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