Dear AMICE member,

Welcome to the first AMICE Insights of 2018. This publication is a compendium of the fortnightly briefing which we send to all our members, so that you can keep up to date with the work we are doing on your behalf in the Secretariat and working groups, and keep you abreast of the major developments taking place in the European institutions to which we represent on your behalf. You will find information on some of the changes which have happened as a direct result of our advocacy, and which will directly or indirectly assist you in your daily activities. Some, such as the delay to the implementation of aspects of IDD will give you more time to adapt to the new environment. Others, such as establishing appropriate calibration levels in certain aspects of Solvency II, mean that you will not be unnecessarily penalised for conducting your core business. These specific items may not apply to you individually, but it is likely that at some point we will be analysing and advocating on items which will, and thus it is vital that we are representative of the full community of mutual and cooperative insurers across Europe. Indeed, one of our members recently observed to me that they had assessed the value of their AMICE membership and found that when analysing the impact that AMICE’s work had had on their mutual, they had seen a substantial net financial value for their membership fees.

The following pages are just a brief taster of the range and depth of activities taking place in AMICE, none of which would be possible without the commitment and support of our members. We pride ourselves on being a member-led organisation, and want to ensure that what we do directly benefits you. We listened to you when you expressed reservations about the proposals for our closer cooperation with ICMIF, but also heard you when you said that you saw that there is value in the two organisations working closer together. As a direct result, AMICE and ICMIF are drawing up a Memorandum of Understanding between us so that we have transparency and certainty in how we will ensure that we stay connected and representative.

The member’s voice will also be important in the next step in AMICE’s evolution, as we work towards a new strategy for the association to start at the beginning of next year. Over the past 18 months we have made some changes to certain activities. This publication is just one of them; in addition, we have also established focused task forces to deal with specific issues and suspended working groups where they weren’t providing sufficient value. We have upgraded our technology systems to enable you to participate in our meetings and workshops without the need to travel to Brussels, and started a programme of coming to visit you to find out what you need from your association. These changes have been our interim adaptations in advance of the full assessment of what we do, how we do it, what we should do better and what we should do differently as our new strategy. This strategy is the ideal opportunity for you as the member to help guide the future of your association.

Community is an important theme within the mutual and cooperative world. AMICE provides the nucleus of that community in Europe. But an atom is so much more than its nucleus; its unique properties come from all the particles surrounding that core, and each AMICE member contributes to our uniqueness as an association. So from the home of the Brussels Atomium, I wish you a flourishing future in mutuality.

Sarah Goddard, AMICE Secretary General
Promotion

Communications Working Group meeting

In its first meeting of 2018, the Communications Working Group gathered in Brussels on 1 February to review progress on AMICE’s ongoing communications activities. The Working Group has an oversight role in the development of the biennial Congress, supporting the Secretariat in terms of developing the themes and sessions, and securing speakers. In addition to continuing the Congress planning activities, the Communications Working Group reviewed AMICE’s 2017 communications activities and provided the Secretariat with input and guidance on preparing the Communications Plan 2018.

An online meeting in March followed up on the Congress preparations, and the Working Group will next meet in Brussels on 23 April.

If you wish to take part or send someone from your company to the Communications Working Group, please contact Tatiana Paraskeva for more information.

European Mutual Insurance Award

The organising committee for this year’s European Mutual Insurance Award has decided that there were no entries which sufficiently addressed the core topic to be able to present the prize this year. The committee is considering future editions of the award.

Facts & Figures publication

AMICE’s legal intern, Amvrosios Panagasidis, has completed the legal research on our forthcoming Facts & Figures publication. We would like to thank him for his excellent work on the project, and wish him well with his future career. AMICE is continuing to collaborate with ICMIF on data aspects of the publication, which we will be producing in electronic format later this year.

AMICE Congress 2018

The “Mutual Connections” within our community and outwards with so many vital collaborators, partners, and stakeholders will be explored in-depth at our biennial Congress 2018, to be held in Stockholm on 3-5 June. Lots of information about the Congress is available on its dedicated website, including details on the programme and speakers, and information which will help you book your delegate place, hotel and travel to Stockholm.

AMICE members are entitled to a special reduced early bird delegate rate which expires on 30 March, so early booking is advisable using this link.

We are grateful to AMICE members Folksam and Länsförsäkringar for their support as hosts of this year’s Congress, and we look forward to seeing you in Stockholm.

Please contact the Secretariat if you need more information.

Assistance

Reinsurance Working Group

During an online meeting on 14 February, the Reinsurance Working Group discussed future activities in the area of reinsurance and the recent renewals season, which was perceived as generally positive for cedants. The working group proposes to launch a Forum for AMICE members to exchange on reinsurance issues.

Members welcomed the invitation from Länsförsäkringar to hold the next Meeting of Mutual and Cooperative Reinsurance Managers in Stockholm on 9-10 May 2019.

CSR Working Group

The CSR Working Group held a meeting in Brussels in March with non-financial reporting, sustainable finance and the Sustainable Development Goals on its agenda. Members were also invited to make a ten-minute pitch on how their organisation builds its CSR strategy. The next meeting of the working group will take place on 13 September in Helsinki.

Health Working Group

The Health Working Group met in Brussels on 21 March with a presentation on the Belgian health system, an update on the European Digital Health Society and the sharing of examples of innovative projects in health. The next meeting of the working group will take place on 10 October in Brussels.

GDPR workshop

GDPR is a major concern for all organisations across Europe dealing with data, not least for our members. To assist AMICE members in their GDPR preparations, we held a second workshop on GDPR implementation in March alongside the Health Working Group, supported by law firm Mayer & Brown. Members took the opportunity to benchmark their state of readiness and exchange experience with other members.
Advocacy

Core to AMICE’s work in Brussels is the wide-ranging advocacy activities we undertake. We work on a broad range of dossiers, always ensuring that the primacy of the interests of mutual and cooperative insurers is at the heart of our activities. The sheer volume and range of initiatives in this area coming out of the European and other institutions means that we split the Advocacy Commission into two main areas of operation – Regulatory Affairs and Prudential Regulation, each with their own dedicated working group which oversees the main work within these areas. Emanating from these working groups are specific task forces, set up as needed, such as the one we established for the REFIT review of the Motor Insurance Directive. We have two more focussed working groups, one looking at pensions in the light of proposals for a Pan-European Personal Pension Product, and the other tackling accounting. These structures and activities will come under review as we assess our work in the light of the forthcoming AMICE strategy, which will be implemented from 2019.

Regulatory Affairs Working Group

Regulatory Affairs is one of the busiest areas for both the AMICE Secretariat and membership, covering a wide range of dossiers, most recently including insurance distribution, data protection, sustainable finance, social economy and social dialogue. The Regulatory Affairs Working Group’s first meeting of 2018 took place in Brussels on 8 February, where these issues were considered, along with AMICE’s follow-up advocacy work on proportionality and the EIOPA review. The next working group meeting is scheduled for 19 April.

Insurance Distribution

IDD application date delayed

On 20 December, the European Commission adopted a legislative proposal to delay the date of application of the Insurance Distribution Directive by seven months to 1 October 2018.

In order to align the application dates, The Commission also proposed to align the application dates of two IDD Delegated Regulations (the Delegated Regulations on IDD-POG and IDD-IBIPS) with the Level 1 text.

At beginning of January, the European Parliament’s Committee on Economic and Monetary Affairs (ECON) sent a letter to the Bulgarian Presidency of the Council of the EU calling for a speedy adoption of the Commission proposal to postpone the date of application of IDD.

At the end of January, ECON discussed the Commission legislative proposal. MEPs voted in favour of a recommendation for “early non-objection” to the Commission proposal and after consultation with the Council, agreed to make an amendment to delay the transposition deadline. As a result, it was agreed:

- to delay the transposition deadline to 1 July 2018 instead of 23 February 2018 – Member States will have additional time to transpose the IDD rules into their domestic legislation.

- to postpone the application date to 1 October 2018 – companies will have some additional time to prepare for IDD implementation.

In mid-February, EU ambassadors also confirmed, on behalf of the Council, an agreement to delay the transposition deadline and application of new rules on insurance distribution.

IPID template

EIOPA has issued an editable template for the Insurance Product Information Document (IPID). The electronic template is available in all EU languages. It follows the layout shown in the Annex to the European Commission Implementing Regulation and is consistent with the relevant colours, fonts and logos required by the Regulation itself.

EIOPA specifies that manufacturers of non-life insurance products are not obliged to use these specific templates and may choose instead to develop their own IPIDs that meet the requirements of the IPID Implementing Regulation. The intention is to provide a technical aid to manufacturers.

EIOPA guidelines on IBIPs

EIOPA has published the translations of the Guidelines under the Insurance Distribution Directive on insurance-based investment products (IBIPs) that incorporate a structure which makes it difficult for the customer to understand the risks involved into all official languages of the European Union, indicating the start of a “comply or explain” reporting process. During a two-month period, competent authorities to which the guidelines apply need to confirm whether they comply or intend to comply with them. The guidelines in all EU official languages can be consulted here.

EIOPA consultation on draft RTS on professional indemnity insurance

On 1 February EIOPA published a consultation paper on draft Regulatory Technical Standards (RTS) adapting the base euro amounts for professional indemnity insurance (PII) and for intermediaries’ financial capacity under IDD. Based on a review carried out by EIOPA, which takes account of changes in Eurostat's European index of consumer prices, the proposed new amounts are EUR 1,300,370 and EUR 1,924,550 for the PII and EUR 19,510 for the financial capacity. Eurostat is the EU’s statistical office, which processes and publishes statistical information at a European level.

The deadline to respond to the consultation is 27 April 2018. EIOPA is required to submit the draft RTS to the European Commission by 30 June 2018.

EIOPA opinion on remuneration between asset managers and insurers

EIOPA issued an opinion on monetary incentives and remuneration between asset management services providers and insurers. The opinion is addressed to
national competent authorities (NCAs) and aims to promote consistent supervisory practices covering:

- how existing and upcoming EU law (IDD, PRIIPs Regulation, Solvency II) applies to conflicts of interest arising from the monetary practices.
- the practical application of principles laid down in IDD and Solvency II in managing assets of unit-linked policies.

EIOPA has invited the NCAs to take the necessary and proportionate supervisory actions to:

- emphasise to insurers that monetary incentives received from asset managers may be a source of conflicts of interest and that appropriate steps to prevent and manage the conflicts of interest should be taken.
- provide guidance on organisational or administrative arrangements to prevent conflicts of interest from adversely affecting the interests of policyholders and to manage unit-linked products in the best interest of policyholders.

### Consumer protection | ESAs’ virtual currencies warning

The European Supervisory Authorities (ESAs, including EIOPA) issued a warning to consumers regarding the risks of buying Virtual Currencies (VCs). The ESAs warn consumers that VCs are highly risky and unregulated products and are unsuitable as investment, savings or retirement planning products.

### European supervision

**ESAs’ review | Parliament debate on the ESAs’ review**

The ECON members had a first exchange of views on the Commission proposal to review the European Supervisory Authorities (ESAs, including EIOPA) on the basis of a working document which was published prior to the meeting. Several MEPs underlined that one of the most important points in the review will be the relationship between ESAs and national competent authorities (NCAs). The European Parliament held a public hearing on 27 February to discuss further the review.

### Pensions

**Pensions Working Group meeting**

On 22 January, AMICE’s Pensions Working Group held an online meeting during which recent national and European developments were discussed. Members exchanged views on the Commission’s proposal on PEPP, including the issues related to accumulation and decumulation phases, out-payment options, information requirements, distribution of PEPP and national compartments.

**ECON first exchange of views on PEPP**

In January, the European Parliament’s ECON Committee held a first exchange of views on the Pan-European Personal Pension Product (PEPP) proposal. A working document on the Commission’s proposal was presented by the Rapporteur MEP Sophie in’t Veld (ALDE, NL) and discussed at the meeting. Overall, all political groups supported the working document. The main points of discussion at the meeting concerned the default investment option, eligible PEPP providers, fiscal treatment of PEPP and the difficulty of creating national compartments in all Member States. The Rapporteur published her draft report on the Commission PEPP proposal in February and ECON is due to vote on the final report on 4 June.

**FFA & GDV event on PEPP**

The Secretariat attended a debate "PEPP – A true Pensions Product?", organised by FFA (the French Insurance Federation) and GDV (the German Insurance Association). The discussions focused on the future of the pan-European private pension system, as well as the factors that could contribute to the success of these products and best solutions for increasing saving rates.

**EIOPA 2017 Market developments report on IORPs**

EIOPA published its 2017 Market Development Report of the occupational pensions market and cross-border activities of Institutions for Occupational Retirement Provisions (IORPs) in the European Economic Area. The report shows a continuous shift from Defined Benefit (DB) to Defined Contribution (DC) schemes in the vast majority of Member States, triggering a transfer of financial risks and costs from employers and IORPs to scheme members.

**EIOPA IORP Stress test**

In mid-December, EIOPA published the results of its 2017 Occupational Pensions Stress Test. The results revealed that most European pension funds hold insufficient assets to meet their liabilities, which could be a wider threat to the EU’s economy.

**Insurance Europe Conduct of business meeting**

On 12 December, the Secretariat attended Insurance Europe’s Conduct of Business meeting. Iona Patascu from the European Commission gave an update on the ongoing revision of the Injunctions Directive. Florence Raynal, Presidency of Article 29 Working Party, briefed participants on recent data protection developments. Other issues discussed during the meeting included distribution (IDD and PRIIPs), Big Data, InsurTech and Insurance Europe’s consumer strategy.

**Data protection**

**#Data4Drivers campaign | Sign the petition and spread the word**

AMICE continues to actively supporting an online campaign to keep certain data in the control of drivers rather than manufacturers – #Data4Drivers – and we are actively encouraging our members and their clients to sign up to it. The initiative, which AMICE is supporting in conjunction with Insurance Europe, calls on EU policymakers to act to
ensure that drivers – rather than vehicle manufacturers – control who can access their vehicle data and for what purpose.

The #Data4Drivers campaign has launched an online petition that calls on EU policymakers to take legislative action to ensure that any technological solution to access in-vehicle data lets drivers decide with whom they share their data. Drivers will only be able to do this if technological solutions put all stakeholders, including vehicle manufacturers, on an equal footing.

**Article 29 WP consultation on consent and transparency**

The Article 29 Working Party released its draft Guidelines on consent under Regulation 2016/679 (wp259) and Guidelines on Transparency (wp260). AMICE submitted its comments to the Article 29 Working Party's consultation in January. While welcoming some of the Working Party's guidelines such as the concept of "the average member's level of understanding" and the idea of layered privacy statements, we underlined that in several places the draft guidelines go beyond the Level 1 GDPR requirements.

**Digitalisation | EU Blockchain Observatory and Forum**

In February, the European Commission launched the EU Blockchain Observatory and Forum which will highlight key developments in blockchain technology, promote European actors and reinforce European engagement with multiple stakeholders involved in blockchain activities.

**Social Economy**

**European Parliament Social Economy Intergroup**

The European Parliament’s Social Economy Intergroup organised a hearing on 31 January on “The role of the Social Economy in shaping the Future of Work”. Nicolas Schmit, Minister for Labour, Employment and Social and Solidarity Economy of Luxembourg, opened the debate by underlining the need to consider how to use new technology to reduce inequality and the role social economy enterprises can play if they have the legal framework to do so.

**Social Economy Europe**

At the February Social Economy Europe Board meeting, members discussed the draft European Parliament-JURI report on a statute for social and solidarity-based enterprises and the proposals to be made by SEE for a European Commission Action Plan on the social economy to which AMICE has contributed.

**Social economy and internal market**

The Secretary General recently presented at a joint meeting of the European Economic and Social Committee and AIM on social economy and its access to the internal market, practical experiences of cross-border work. She identified that there are barriers to cross-border activities as a result of inconsistencies in application of Solvency II across the EU, as well as the lack of consensus on proportionality in Member States.

**Social dialogue**

**Digitalisation**

In December, AMICE, Insurance Europe and Bipar, the three employers’ representatives on the European insurance social dialogue committee (ISSDC), met with Uni Europa, the employees’ representative, to follow-up on the joint declaration on the social effects of digitalisation. The discussion focussed on three sections of the declaration: time and place of work; dealing in a social way with digital structural change; and employees’ representatives in the digital age.

**Insurance Sectoral Social Dialogue Committee meeting**

As one of the three employers’ social partners in the insurance sector, AMICE attended the ISSDC plenary meeting on 19 January. Participants exchanged views on the demographic challenge, the impact of digitalisation on the insurance business and employment, as well as the follow-up to the ISSDC joint declaration on digitalisation. Annika Stenström from Nordic Financial Unions (NFU) presented the findings of a survey on the impact of the new regulatory requirements on employees from the finance sector in the Nordic countries. Social partners agreed to issue a common statement on overregulation and the impact of IDD requirements on employees.
Climate change

Appeal on climate change

International insurance and reinsurance industry
2017 Appeal on climate change

AMICE, together with more than 30 insurance and reinsurance associations from around the world, co-signed the insurance industry’s 2017 Appeal on climate change. The appeal reiterates the industry’s full commitment to contributing to the fight against global warming, highlighting in particular the need for concrete actions and proper financing in order to honour the Paris Agreement commitments made in December 2015, and limit the rise in global temperature to below 2°C.

The appeal points out that insurers and reinsurers are committed to and directly involved in the fight against climate change, including prevention and adaptation, participation in public-private-partnerships, compensating insured losses from natural hazards, and providing long-term financing by investing in green and sustainable assets. The appeal warns that failure to successfully address climate change will make it more difficult for insurers to provide affordable protection, and have disastrous consequences for the economy and society at large.

Public consultation meeting on EU adaptation strategy on climate change

AMICE’s Secretary General participated by invitation at a European Commission public hearing on the EU strategy for adaptation to climate change in January. The evaluation of the EU strategy highlighted that the area most underdeveloped is Action 8, which refers to the insurance sector.


The Secretary General highlighted the role of insurers as both risk transfer/management experts and investors, and explained that the long-term perspective of the mutual and cooperative insurance sector naturally lends itself to resilient and sustainable activities. Other areas discussed included the sharing of data and how to connect different sectors more effectively to help achieve the goals of the strategy.

Sustainability

AMICE response to EC consultation on sustainability

In January, AMICE responded to the European Commission’s consultation on institutional investors and asset managers’ duties regarding sustainability. In our response, we noted that our members have a large number of commitments that require them to invest with a long-term perspective and sustainability is an integral part of their product offering, as has always been the case due to their particular customer-centred business model.

HLEG Final report on sustainable finance

The European Commission’s High-Level Expert Group on Sustainable Finance (HLEG) has delivered its final report which maps out the challenges and opportunities faced by the EU in developing a sustainable finance policy. It identifies ways in which the financial sector can reconnect with the real economy to support the transition to a more resource-efficient and circular economy. The report sets out the following key recommendations:

- a classification system, or ‘taxonomy’, to provide market clarity on what is ‘sustainable’.
- clarifying the duties of investors when it comes to achieving a more sustainable financial system.
- improving disclosure by financial institutions and companies on how sustainability is factored into their decision-making.
- an EU-wide label for green investment funds.
- making sustainability part of the mandates of the ESAs.
- a European standard for green bonds.

On the basis of the HLEG report, the European Commission published an EU Action Plan on sustainable finance on 8 March, which was discussed at a high-level conference in Brussels at the end of March.

European Parliament debate on sustainable finance

In February, the ECON welcomed the chair of the HLEG on Sustainable Finance Christian Thimann to present the final recommendations of the HLEG. He said that the report was a blueprint for sustainable finance. He explained that there was no single switch capable of transforming the entire system, but that sustainable finance involved thinking long-term and broadly. The report’s recommendations include a taxonomy to identify areas where investment is needed, a clarification of investor duties, an upgrade of risk disclosures and an establishment of standards.

The meeting took place in the context of the own-initiative Report on Sustainable Finance (Rapporteur Molly Scott Cato (Greens/EFA)) which the Committee expects to adopt by the end of April.

European Parliament public hearing

On 21 February, the Secretariat attended the European Parliament’s public hearing on sustainable finance. Eric Usher from the United Nations Environment
Programme Finance Initiative (UNEP FI) highlighted the role that the insurers can play in sustainable finance as institutional investors, risk managers and risk carriers.

Parliament and Council issue draft report and presidency note

Following the report from the HLEG, the ECON Committee issued a draft report, written by Molly Scott Cato, the rapporteur on sustainable finance. In addition, the Council issued a presidency issues note on sustainable finance and the HLEG.

Sustainability | Global Green Finance Index

The Secretary General was a guest speaker at the official launch of the Global Green Finance Index, in Brussels in early March. AMICE has been increasing its activity around this agenda, reflecting our members’ interests and the importance being placed on it by the European institutions.

Non-financial reporting | Report on Member State implementation

CSR Europe, GRI and Accountancy Europe have published a report mapping the Member State Implementation of the EU Directive for non-financial reporting. The report provides:

- an overview of the transposed national laws concerning the Directive 2014/95/EU in each of the Member States.
- mapping of similarities and differences across transposed laws.
- an overview of the EU policy context related to non-financial reporting.

Coping with compliance

In January, the Secretariat participated in a conference organised by the Nordic Financial Unions. The event was the occasion to present the new NFU report “Coping with Compliance” which gives a perspective from inside the financial sector and sheds a light on how finance employees and consumers seeking financial advice and services are affected by compliance demands stemming from EU legislation.

EIOPA updated work programme for 2018

EIOPA published an updated work programme for 2018, highlighting and specifying its activities and tasks for the coming year, within the framework of a multiannual work programme 2017-2019.

SMEs | Consultation

The European Commission has launched a public consultation on the review of the SME definition. The consultation period runs until early May. Anybody interested in contributing should contact the Secretary General.

IMF Financial Sector Assessment Programme

Members of the AMICE Secretariat met online with representatives from the IMF FSAP team undertaking a review of the Euro area on 26 February. The review, expected to be published towards the end of the third quarter this year, is focusing on three pillars of regulation and supervision, systemic risks and vulnerabilities, and crisis management and preparedness, in a follow-up to the EU FSAP of five years ago. The IMF team was particularly interested in proportionality and the challenges for smaller companies, as well as assessing the impact of Solvency II on the sector.

Enforcement | Commission report on collective redress mechanisms

During a public hearing organised by the European Parliament’s Legal Affairs Committee, the European Commission presented the findings of its recent report on the collective redress possibilities in Member States. The report examines the progress made by Member States on the implementation of collective redress measures following the Commission’s 2013 Recommendation. The report shows that the availability of collective redress mechanisms as well as the implementation of safeguards against the potential abuse of such mechanisms is still not consistent across the EU. This will be addressed in the forthcoming "New Deal for Consumers" which will aim to further strengthen enforcement and redress.

Prudential Regulation

Working Group meetings

The Prudential Regulation Working Group met in December in Brussels to discuss AMICE’s response to EIOPA’s Second Draft Consultation Paper on the Review of the Solvency II Standard Formula. The group also started discussions to build a position on EIOPA’s review of its Solvency II Guidelines.

The group next met online in February, predominantly for an exchange about the latest European Commission and EIOPA updates, as well as the forthcoming EIOPA Insurance Stress Test 2018. The Secretariat briefed participants about recent exchanges at an EIOPA conference call on the review of the Solvency II Standard Formula, during which AMICE’s comments on the draft advice were discussed. Member companies were further briefed on EIOPA’s recent visit to AMICE to discuss the proposed review of the Solvency II Guidelines and discussions held at EIOPA’s Catastrophe Risk workstream.

The Prudential Regulation Working Group’s next meeting was online on 22 February to discuss AMICE’s response to the European Commission consultation paper on the Fitness check on supervisory reporting and in person on 9 March in Brussels to discuss the EIOPA’s Advice to the European Commission on the...
Review of the Solvency II Standard Formula and EIOPA’s decisions on the Catastrophe Risk Sub-Module. The group also discussed EIOPA’s Stress Test 2018, EIOPA’s review of the Solvency II Guidelines and its upcoming Review of the Solvency II Reporting Package. The group also provided a high-level overview of the latest European Commission / EIOPA/ ICS developments.

**Solvency II**

**Review of the Solvency II Standard Formula**

Towards the end of last year, the Secretariat took part in a conference call organised by EIOPA to discuss the industry comments to EIOPA’s second set of advice on the Solvency II review of the Standard Formula. This was an opportunity for the Secretariat to put forward the main points of AMICE’s response to EIOPA’s public consultation on its second set of advice on the Solvency II review that was sent in January.

AMICE submitted comments on the recalibration of standard parameters of premium and reserve risk, volume measure premium risk, the recalibration of mortality and longevity risk, health catastrophe risk, man-made catastrophe risk, natural catastrophe risk, interest rate risk, market risk concentration, currency risk at group level, unrated debt and unlisted equity, simplification of the counterparty default risk, treatment of exposures to CCPs and changes resulting from EMIR, simplification of the look-through approach, look-through at group level, loss-absorbing capacity of deferred taxes, risk margin, comparison of own funds in insurance and banking sectors, capital instruments only eligible as tier 1 up to 20% of total tier 1 and the impact assessment.

**European Court of Auditors meeting**

Members of the AMICE Secretariat met representatives from the European Court of Auditors (ECA) to share views as part of the ECA’s audit of EIOPA, which is one of their key activities for 2018. The audit is focussing in particular on supervisory convergence and stress tests, and AMICE took the opportunity to share our memberships’ experience of both. The report is expected to be published before the end of this year.

**EIOPA catastrophe risk workstream**

In mid-January, AMICE participated in a two-day meeting organised by EIOPA to discuss the “holistic” recalibration of 22 country factors for windstorm and 15 country factors for flood. The group also discussed comments received on the amendments proposed in EIOPA’s consultation paper on the second set of advice on the Solvency II advice regarding health catastrophe risk (accident concentration, mass accident and pandemic risk), man-made risk (fire risk sub-module, marine risk sub-module, motor vehicle liability risk sub-module and the identification of the largest man-made catastrophe exposures on gross against net of reinsurance basis risk sub-module) and the natural catastrophe risk sub-module.

The discussions around the calibration of natural catastrophe risk continued over the following weeks, and AMICE remained a key stakeholder and contributor to this work.

**EC call for tenders on equity risk study**

As announced by the European Commission in its Mid-term review of the CMU Action Plan, DG FISMA issued a call for tenders on a study on the drivers of equity investments by insurers and pension funds. The tender closed in mid-January, and AMICE will be following the study’s progress, reporting back to the membership where relevant.

**EIOPA publications**

EIOPA published in December 2017:

- a first analysis of a sample of SFCRs. Re/insurers will be required to submit year-on-year comparisons in next year’s submission (May 2018) of solvency and financial condition reports (SFCRs).
- its annual report on the use of long-term guarantees measures and measures on equity risk.

EIOPA also published in January and February 2018:

- a report on Group Supervision dated from 22 December. This document was produced at the request of the European Commission and will inform the EC review of how the application of group supervision is performed.
- its Risk Dashboard based on the third-quarter 2017 data. The results show that the risk exposure of the insurance sector in Europe remained stable overall.
- EIOPA explained that despite positive macro and market trends, the risks linked to the low interest rates and to potential credit risk mispricing continued to be major concerns for the European insurance industry. Improvements in the solvency ratios were mainly driven by the increase in the eligible own funds. EIOPA added that some profitability and underwriting indicators deteriorated due to the impact of the recent natural catastrophes. Market perception remained stable with some improvements in the rating outlooks.
- its Financial Stability Report for December 2017 in which it highlighted that a prolonged low-yield environment and low market volatility coupled with high levels of economic and political uncertainty continued to represent major challenges for European insurers and pension funds. It also identified that the insurance sector was adapting investment strategies and business models in response to the ongoing macroeconomic environment and technological challenges. The lack of granularity of the data available regarding occupational pensions seriously limited the relevance and decisiveness of the regular risk...
assessment and financial stability analysis of the sector.

- the first in a series of papers aiming at contributing to the debate on systemic risk and macroprudential policy. EIOPA explained that through this series of papers it will try to ensure that any further extension of the debate about the insurance sector fully reflects the industry’s specific nature. This first paper outlines the lessons learnt from the financial crisis and the banking sector affecting the insurance sector, as well as the current status of debate within the sector.

EIOPA’s Updates

In January and February, EIOPA published:

- the technical information on the symmetric adjustment of the equity capital charge for Solvency II with reference to:
  - the end of December 2017
  - the end of January 2018
- the risk-free rate term structure for Solvency II with reference to:
  - the end of December 2017
  - the end of January 2018
- the Q&A on EU 2015-2450 with regard to the templates for the submission of information to the supervisory authorities
- the Q&A on EU 2015-2452 with regard to the procedures, formats and templates of the solvency and financial condition report
- the Q&A on Commission Delegated Regulation (EU) 2015/35
- the Q&A on Guidelines on system of governance
- the Q&A on Risk-Free Interest Rate
- the Q&A on Symmetric adjustment of the equity capital

EC Public Hearing

The European Commission organised a Public Hearing on Solvency II Implementing Measures. The hearing took place in Brussels on 27 March 2018 and was opened by Valdis Dombrovskis, Vice-President of the European Commission. Speakers included experts from the insurance and asset management sector, representatives of the supervisory community, representatives from civil society and from the European Parliament as well as AMICE Secretary General, Sarah Goddard who addressed the need for proportionality.

Insurance Europe meeting

In February, the Secretariat attended Insurance Europe’s Solvency II committee meeting where the main discussions focused on EIOPA’s review of the Solvency II Standard Formula, the insurance stress test 2018 and the upcoming guidelines review. Insurance Europe also updated participants on the content of EIOPA’s LTG report and its opinion on the dynamic VA.

Accounting

EFRAG meeting

In December, the Secretariat attended a meeting of the Insurance Accounting Working Group of European Financial Reporting Advisory Group (EFRAG) which focussed on the draft case study developed by the EFRAG Secretariat that will be used as a supporting tool for developing the endorsement advice on IFRS 17 Insurance Contracts. The meeting also considered some application issues in relation to the standard, the key US GAAP requirements on insurance accounting as input to the draft endorsement advice and some transition issues regarding IFRS 17.

At the January meeting, the Secretariat discussed with the working group the draft consultation paper on the CSM release and the level of aggregation, a position paper on the sharing of risks, the issues submitted to the IASB Transition Resource Group and the treatment of financial reinsurance in IFRS17. The next month’s working group meeting discussed the EFRAG background papers on CSM, Level of Aggregation and Transition, and items submitted to the IASB Transition Resource Group.

IASB TRG IFRS 17

The Secretariat attended a Transition Resource Group for IFRS 17 Insurance Contracts (TRG) meeting online on 6 February. The TRG discussions were based on agenda papers which provided an accounting analysis of the implementation questions submitted to the TRG. The group discussed seven different topics and put forward a number of issues for the next meeting scheduled on 2 May 2018.

EFRAG Case Study on IFRS17

EFRAG has launched a simplified case study on IFRS17 for those who do not have the resources to complete the full case study. EFRAG has requested that any European insurer applying IFRS Standards which is not completing the full case study, should participate in this case study. The case study, including details on how to complete it, can be found here. The closing date for responses is Thursday 31 May 2018.

EFRAG Endorsement Advice IFRS17

EFRAG has issued an open call for tenders to assist EFRAG in its impact analysis of IFRS 17 Insurance Contracts. EFRAG is looking for economic and behavioural expertise as input to EFRAG’s endorsement advice on IFRS 17.

Insurance Europe

On 12 February, the Secretariat attended a meeting of the Financial Reporting Committee at Insurance Europe where an EFRAG delegation presented the content of their simplified case study on IFRS 17. Other discussion items included the IASB Transition Resource Group and the Insurance Accounting Directive.
Other updates

Statutory

Board | Cooperation with ICMIF

AMICE’s Board held an online meeting on 18 January to discuss how AMICE will adopt our members’ views as expressed at the Extraordinary General Meeting in December. Because of the lack of a clear mandate to continue the proposed structural cooperation from the members attending the EGM, the Board decided that AMICE should acknowledge the EGM vote and retain an ongoing informal relationship with ICMIF, with the option of developing a formal structural cooperation in the future if appropriate opportunities and circumstances arise.

The lack of sufficient member support for an automatic combined membership structure has been reflected in the Board’s decision that organisations which were previously members of AMICE only or ICMIF only will continue to be members of one or the other association, and will not automatically be conferred membership of one if they have membership of the other. Organisations which are members of both will have a separate relationship with each association. Nevertheless, we will continue to work together as Secretariats to support each other where appropriate, and to continue to uphold the principle of mutuality and the interests of our wider memberships.

AMICE will maintain a separate budget and call its own fee for 2018, which will support AMICE-only activities.

Executive Committee | 27 February

AMICE’s Executive Committee met in Brussels on 27 February to prepare for the Board meeting on 20 March. In particular, it focused on the reconfiguration of the AMICE governance requirements, 2018 budget and 2018 membership fee following the Board’s decision in January that AMICE remains in a looser cooperation with ICMIF than previously anticipated. The Executive Committee also held some initial discussions on developing the new AMICE strategy, which incepts in 2019.

Operations

Association management

The Secretariat attended the annual end-of-year review by the Federation of European and International Associations (FAIB) based in Brussels, at which international law firm Bird & Bird explained forthcoming changes to the Belgian law on associations which will affect the activities not-for-profit organisations can carry out in Belgium. The review also noted the possible modification to the European transparency register rendering it compulsory, and – of course – GDPR.

AMICE has been reporting its activities through the European transparency register since 2009, and as such has signed the Transparency Register Code of Conduct.

The Secretariat also attended a seminar organised by Brussels law firm Loyens Loeff on the changes expected to the law for non-profit organisations in Belgium including international associations such as AMICE. AMICE’s governance already respects many of the proposals in the new single code for companies, associations and foundations.

Members’ meetings | Rendezvous de ROAM

ROAM hosted its annual conference for its membership and the wider French insurance sector on 19 January in Paris. An introduction by the Vice-Chair of the French supervisory authority, ACPR, touched upon the lack of an obligation to provide advice in the European Commission’s proposal for a PEPP, the reasons for the absence of a single market in insurance, and the confusion in EU proposals between insurers and asset managers. The first roundtable of the conference allowed representatives from various intermediaries’ organisations to exchange views on the IDD and how it will affect their members, whether they are considered to be manufacturer or co-manufacturer, and the usefulness of the IPID. A French government representative speaking at the conference confirmed that the national legislation would be published as soon as the European texts were officialised.
### AMICE

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Event</th>
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<tbody>
<tr>
<td>19 April</td>
<td>Brussels</td>
<td>Regulatory Affairs Working Group</td>
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<tr>
<td>20 April</td>
<td>Brussels</td>
<td>Prudential Regulation Working Group</td>
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<td>23 April</td>
<td>Brussels</td>
<td>Communications Working Group</td>
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<td>25 April</td>
<td>Brussels</td>
<td>Executive Committee</td>
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<tr>
<td>3 June</td>
<td>Stockholm</td>
<td>Board</td>
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<td>4 June</td>
<td>Stockholm</td>
<td>General Meeting</td>
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<td>3-5 June</td>
<td>Stockholm</td>
<td>AMICE Congress 2018</td>
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<tr>
<td>13 September</td>
<td>Helsinki</td>
<td>CSR Working Group</td>
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<td>20 September</td>
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<td>9 October</td>
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<tr>
<td>10 October</td>
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<td>Health Working Group</td>
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<td>15 November</td>
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<td>20 November</td>
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### ICMIF

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<thead>
<tr>
<th>Date</th>
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<tr>
<td>9-10 April</td>
<td>Manchester</td>
<td>Executive Committee</td>
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<tr>
<td>23-25 April</td>
<td>Montreal</td>
<td>Meeting of Reinsurance Officials (MORO)</td>
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<tr>
<td>13-18 May</td>
<td>Manchester</td>
<td>Advanced Management Course (AMC)</td>
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<td>16-18 May</td>
<td>Bologna</td>
<td>Intelligence Committee meeting</td>
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<tr>
<td>TBC</td>
<td>Manchester</td>
<td>Communications Leaders’ Forum</td>
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<tr>
<td>9-11 October</td>
<td>Brussels</td>
<td>High Potential Course</td>
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<td>16 October</td>
<td>Brussels</td>
<td>Executive Committee</td>
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<tr>
<td>17 October</td>
<td>Brussels</td>
<td>Board</td>
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<tr>
<td>8-9 November</td>
<td>Espoo, Finland</td>
<td>Intelligence Committee meeting</td>
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### External Events

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<tr>
<th>Date</th>
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<tbody>
<tr>
<td>30 April-1 May</td>
<td>Lisbon</td>
<td>First international Privacy XChange Forum meeting CyberScout</td>
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<tr>
<td>24 May</td>
<td>Madrid</td>
<td>10th International Insurance Conference – Overcoming underinsurance Insurance Europe</td>
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<td>24-25 May</td>
<td>London</td>
<td>Strategic Risk Management for Transformation in Insurance Marcus Evans Discount for AMICE members:</td>
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<tr>
<td></td>
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<td>• 2 day conference: -£200</td>
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<td>• 2 day conference &amp; 1 workshop: -£250</td>
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<td>• 2 day conference &amp; 2 workshops: -£350</td>
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