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Sarah Goddard
AMICE Secretary General

“Without the input of our members, AMICE cannot fulfil its remit, and we are grateful for all the support and contributions we have received during the course of 2018.”

Dear AMICE Member,

As this year draws to a close, it is a good opportunity to look back at all the work we have been doing on your behalf. It has been a year of unexpected change, starting with enacting our membership’s decision at the end of last year for AMICE to have a closer relationship with the global federation ICMIF, but not in the terms proposed under the structural cooperation project. Subsequent to that decision, the Boards of both AMICE and ICMIF have approved and signed a Memorandum of Understanding between the two organisations which provides for clarity of activities and transparency of governance. We continue to have separate Boards, budgets and members, and closely cooperate on areas of common interest. Under this agreement, ICMIF and AMICE jointly met with the new Secretary General of the International Association of Insurance Supervisors (IAIS) in the summer, and more recently we jointly held a regulatory dialogue conference hosted by Covéa in Paris, attended by more than 100 delegates and addressed by senior representatives from the regulatory, political, policymaking and industry arenas. This was the second year we have held this joint event, and from the feedback we have received from our members who attended, there will be further dialogues like this in the future.

AMICE has continued to focus on our remit of advocacy and representing the specific interests of mutual and cooperative insurers in Europe during the course of 2018. We have met with delegations from many bodies such as the European Court of Auditors and EIOPA, provided policy positions and feedback on a range of dossiers including Solvency II (2018 and 2020 reviews), the Motor Insurance Directive, IFRS, PRIIPs and PEPP. We have seen the European Commission raise the sustainability agenda to become one of the most important areas of work this year, and this has brought members from many different areas of expertise to work together to develop AMICE’s position on how our sector can enhance the knowledge and direction of this work.

Without the input of our members, AMICE cannot fulfil its remit, and we are grateful for all the support and contributions we have received during the course of 2018. Where possible, we have met with you and others in the community to ensure that as much as possible we understand your businesses and challenges, and in turn you know first-hand what we are doing on your behalf and its relevance – directly or indirectly – to you. I have been privileged to meet many of you at meetings in your own countries or at our offices, and then with the membership “en masse” at our biennial Congress, held in Sweden this summer and kindly hosted by members Folksam and Länsförsäkringar. The knowledge and spirit gathered in Stockholm was inspiring – as was the dancing as we all relaxed and enjoyed each other’s company at dinner!

Alongside the Congress, we published our latest *Facts & Figures* publication, developed with ICMIF and the biggest longitudinal study of mutual and cooperative insurers in Europe ever undertaken. This is available to everyone on AMICE’s website, and illustrates clearly the diverse approaches to our sector taken across Europe. It provides excellent source information on how the sector has developed in recent years, and is a good platform for our advocacy for European Member States to understand and recognise mutuality.

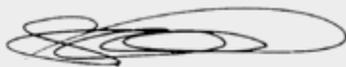
From a regulatory perspective, two mutual and cooperative insurance representatives were appointed to EIOPA’s Insurance and Reinsurance Stakeholder Group towards the



end of the summer. Both are keeping close to AMICE both centrally in the Secretariat and connecting with the relevant AMICE Working Groups to ensure that our positions and developments are up to date. We are grateful for their engagement with us and into EIOPA, particularly during this time of change with recent reviews and reports on EIOPA potentially indicating change on the horizon.

We are facing into another year of change in Brussels as well, with European parliamentary elections and a change in the European Commission all taking place in 2019. It is vital that we ensure that the new politicians and policymakers understand the value and contribution that mutual and cooperative insurers make in providing security and stability for people and businesses across Europe. This is one of the main focuses of our new strategy, which will commence next year and puts the member at the core of all AMICE's work.

Sadly, we lost one of our colleagues during the course of this year. Tatiana Paraskeva was a strong and passionate believer in the principle of mutuality and touched many members both personally and professionally in her role as AMICE's communications officer. As we move forwards into our new strategy and policy cycle, we will keep that spirit as inspiration for a strong and bright future



Sarah Goddard,
AMICE Secretary General

UPCOMING MEMBER EVENTS

REINSURANCE IN THE SPOTLIGHT

8th Meeting of European Mutual & Cooperative Reinsurance Managers

Join us in Stockholm on 9-10 May 2019 for the biennial European mutual reinsurance event, to be hosted by Länsförsäkringar.

Sessions will cover:

- the effects of legislation, including Solvency II, IFRS and GDPR;
- the geopolitical landscape in Europe: barriers to business, especially cross-border, including Brexit and increased protectionism;
- dealing with cyber and other emerging risks;
- market conditions.

For more information, contact [Helen Sheppard](#)

BIENNIAL BILBAO

AMICE Congress 2020

Plans are underway for the next AMICE Congress to be held 10-12 May 2020 in Bilbao, Spain. The event will be hosted by AMICE member Seguros Lagun Aro. Every two years, the Congress gives AMICE members the opportunity to find out first hand the developments which may affect their business, and to meet other members of the mutual and cooperative insurance community around Europe to exchange knowledge and ideas.



Bilbao is a vibrant cultural centre that continues to undergo a social, economic and aesthetic revival. It currently holds the title of "Best European City," conferred at the Urbanism Awards, was appointed a "City of Design" by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 2014, and in 2010 won the Lee Kuan Yew World City prize. The resurgence of Bilbao through vision, courage and talent will be a great inspiration for our Congress.

For more information, contact [Sarah Goddard](#)

ADVOCACY

ADVOCACY | AMICE-ICMIF JOINT REGULATORY EVENT

Insurers around the world should receive fair regulatory treatment, according to their nature, scale and complexity, attendees at a recent AMICE-ICMIF event heard.



More than 100 delegates gathered in Paris on 4 December for our second joint regulatory event with the International Cooperative and Mutual Insurance Federation (ICMIF), Revisiting Insurance Regulation and Supervisions: Is there and optimal model? The Stakeholders' view.



International Regulation Panel



Pervenche Berès



Bertrand Labilloy



Dr Mamiko Yokoi-Arai

At the event, hosted by French mutual Covéa, delegates from across the world discussed regulatory convergence developments and how they are affecting policyholders.

We were delighted to have such excellent speakers at the event, including Pervenche Berès, Member of the European Parliament; Romain Paserot, Deputy Secretary General, IAIS; Dr Mamiko Yokoi-Arai, Principal Administrator, OECD; Dr Manuela Zweimüller, Head of the Policy Department, EIOPA; and Bertrand Labilloy, CEO, CCR.

Discussions ranged across a variety of regulatory-focused topics including whether a global level playing-field for insurance is within sight, and whether a global model for insurance regulation is the best solution.

At the European level, much of the discussion naturally focussed on the strengths and shortcomings of Solvency II, a topic on which AMICE has been lobbying hard for its members, notably in the area of proportionality.



Thierry Derez

Another fascinating area of debate was the interplay between global and regional standard-setting bodies.

Delegates also discussed the calibration of emerging risks such as climate change, cyber and long-term care, and how those should be treated by regulators globally.

AMICE members can download the presentations from the [AMICE website](#).

ADVOCACY | ACCOUNTING | IFRS 17

AMICE has been consistently advocating that IFRS is not an appropriate accounting system for mutual insurers because it has been designed for the investment community and not for the mutual model. However, there are several members which are subject to IFRS, whether as an internal decision or because of their national authority's decision. Thus we have been following the IFRS agenda closely, and keeping the standard setters aware of the challenges it poses. The International Accounting Standards Board (IASB) in November proposed a one-year delay to the implementation of IFRS 17 for insurance contracts until 2022 to allow insurers more time to prepare. IFRS 17 was due to replace IFRS 4 in January 2021, but the IASB has suggested a delayed start to give the industry more time for the overhaul. The standard will apply to insurers everywhere except the US and is intended to increase transparency. Many representative bodies in the insurance industry have called for a two-year delay, AMICE among them, though we have continued to point out that IFRS should not systematically apply to the mutual sector.

The IASB also proposed a one-year delay to IFRS 9 for financial instruments to coincide with IFRS 17.

Our Accounting Working Group met online in late October to discuss the IASB meeting, which AMICE attended, and the re-opening of the standard and delay to its implementation.

At the European institutions, discussions on the new standard continued apace. The European Parliament (EP) in October passed a motion for a resolution on IFRS 17. During the plenary session of the EP on 1 October, a representative of the European Commission (EC) and members of the EP noted the importance of assessing the impact of IFRS 17 on financial stability.

The European Insurance and Occupational Pensions Authority (EIOPA) in late October published an opinion stating that while it believed IFRS 17 generally to be positive, it had some reservations around some concepts contained within the standard.

AMICE will continue to monitor developments and report back to members through the Accounting Working Group and in the fortnightly Briefing.

ADVOCACY | SOLVENCY II

Solvency II, and the need for mutual and cooperative insurance undertakings to be treated proportionately, continues to be a major focus for AMICE.

In recent months, we have taken several actions as part of the European Commission's 2018 review, including a letter to the European Commission (EC) about proposed changes to the treatment of long-term equity investments, scheduled for 2019.

The Secretariat has been attending a variety of meetings about the 2018 Review, and in October Silvia Herms spoke at a Solvency II conference organised by AMICE members Mutualité Française and the Association des Assureurs Mutualistes (AAM) to give a high-level view of AMICE's lobbying efforts on Solvency II. She also spoke at an EIOPA event on reporting and disclosure and provided views on how this framework could be improved under Solvency II.

The Secretariat took part in a workshop hosted by the Directorate-General for Financial Stability, Financial Services and Capital Markets Union, EC (DG FISMA) on supervisory reporting under Solvency II. There were detailed discussions on a number of topics of particular interest to mutual and cooperative insurers.

Our Prudential Regulation Working Group met online in November to discuss EIOPA's request for feedback regarding the treatment of illiquid liabilities in Solvency II, among other topics. The group also discussed the EC's public consultation on amendments to the Delegated Acts following the 2018 Solvency II Review.

The Presidents of AMICE and Insurance Europe jointly wrote to EC Vice-President Dombrovskis to call for continued work on creating solutions for Solvency II in relation to the proposed amendments to the Delegated Acts, and the Secretariat attended a meeting held jointly by the European Central Bank and EIOPA to discuss reporting under Solvency II.

Meanwhile, we are gearing up for the 2020 Review of Solvency II. Our Secretary General wrote to Nathalie Berger, Head of Insurance and Pensions at the EC, highlighting inconsistencies, administrative burdens and errors in the Solvency II Directive and Delegated Acts that AMICE hopes will be addressed in the 2020 review. The letter puts forward several proposals to improve the design and calibration of certain parts of the standard formula, among other things.

The Prudential Regulation Working Group met subsequently to consider the 2020 review, with a particular focus on the treatment of long-term guarantees. The group also exchanged lessons learned from the 2018 stress test.

Separately, from 15 November, the UK regulator, the Prudential Regulation Authority (PRA), removed the requirement for certain small insurers to have an external audit for financial condition reports under Solvency II.



ADVOCACY | MOTOR INSURANCE DIRECTIVE

The EP's Internal Market Committee (IMCO) will vote on a report proposing changes to the Motor Insurance Directive (MID) on 29 January 2019.

Ahead of the vote, AMICE has been involved in various discussions about the proposed changes. In October, the Secretariat met the office of Ewa Charanzova MEP, the Rapporteur to IMCO, and voiced our concerns about some of the proposed revisions of the MID.

There followed an exchange of views within IMCO on the

EC's proposed changes and issues such as scope, minimum amounts of cover, insurance checks, insolvency of insurers and claims history statements.

In addition, the EP's legal affairs committee (JURI) published a draft opinion for IMCO on proposed amendments to the directive.

IMCO's report, which will be subject to the January vote, suggests that vehicles that are intended for use "in traffic" should be subject to compulsory vehicle insurance even when being used "outside traffic," and that motor sports should be exempt from the MID, among other things.

ADVOCACY | PENSIONS

During the autumn, EIOPA published a [Decision on the cross-border collaboration of national competent authorities \(NCAs\)](#) with respect to the [IORP II Directive](#) which is due to be transposed into national law by European Union (EU) member states by 13 January 2019. This Decision will replace the Budapest Protocol and aims to strengthen cross-border collaboration between NCAs on activities contained in the IORP II Directive. Under the changes, among other things, Institutions of Occupational Retirement Provisions (IORPs) should be able to transfer pension schemes to other IORPs across borders within the EU. EIOPA also issued a [report](#) on the "Implementation of IORP II in relation to the Pension Benefit Statement: Guidance and Principles based on Current Practices." The report forms part of EIOPA's work to facilitate the implementation of IORP II at national level and focuses on the requirement for IORPs to draw up pension benefit statements (PBS). It provides guidance on the design and content of PBS, among other things.



In November, the Secretariat participated in the Cross Border Benefits Alliance (CBBA) conference on cross-border provision of pension funds where participants discussed the challenges and opportunities posed by the upcoming IORP II Directive. The Secretariat also attended the 9 October launch of Better Finance's sixth [report](#) on private pensions which found that returns for long-term and pension savings lagged returns of capital markets.

Another report, "[Pension Markets in Focus](#)", published by the Organisation for Economic Co-operation and Development (OECD) this autumn, found that while the assets of defined benefit (DB) pension plans have been growing, they are not keeping pace with the growth in liabilities.

ADVOCACY | ESA WORK PROGRAMME

The Joint Committee of the European Supervisory Authorities (ESAs) has published its 2019 work programme. Next year, the Joint Committee will continue to focus on consumer protection, anti-money laundering and counter-terrorist financing.

Another important strand of the Joint Committee's work will be to address other cross-sectoral issues such as the UK's withdrawal from the EU.

ADVOCACY | PRIIPs

The European Supervisory Authorities (ESAs), including EIOPA, have held a consultation on amendments to the rules regarding packaged retail and insurance-based investment products (PRIIPs).

The ESAs in October sent a letter to the European Commission expressing concerns about the possibility of duplication of information from investment funds from 1 January 2020 and other issues that have arisen in the practical implementation of the PRIIPs KID. The ESAs consultation paper was open for responses until 6 December. The ESAs intend to propose targeted amendments to the PRIIPs Delegated Regulation in the first quarter of 2019.

ADVOCACY | SUSTAINABILITY

On 28 November, the European Commission (EC) adopted [a strategic long-term vision](#) for a prosperous, modern, competitive and climate neutral economy by 2050 – A Clean Planet for all. The EU is the first major economic bloc to declare its intention to be climate neutral by the middle of the century. The EC acknowledges the key role of the financial sector in supporting this aim.

Sustainability continues to be a major focus for financial services and our work in this regard continued during the autumn months. It is in an insurer's own long-term interest to ensure investments are sustainable while also delivering solid returns for policyholders. For mutual and cooperative insurers that motivation is further enhanced by the fact that policyholders are also the major stakeholders in the company.

We engaged in this debate on many fronts; for example, the Secretariat attended a debate on the topic of sustainable finance organised by Brussels-based think tank Bruegel.

AMICE [submitted comments](#) to an EIOPA survey on the integration of sustainability risks and sustainability factors in the delegated acts under both the Insurance Distribution Directive (IDD) and the Solvency II Directive. In our response, we underlined the fact that the consideration of environmental, social and governance (ESG) factors affecting investment decisions is relevant for all insurance undertakings, but these decisions are part of an individual insurer's investment strategy and should not be imposed. EIOPA has now launched the follow-up [consultation](#) on its [draft technical advice](#) on possible amendments to the delegated acts under Solvency II and the Insurance Distribution Directive (IDD) concerning the integration of sustainability risks and factors.

On 18 October, the Secretariat attended the EC's stakeholder meeting on non-financial disclosures. The EC is currently working on the revision of its [guidelines on non-financial reporting](#). These non-binding guidelines will provide further guidance to companies on how to disclose climate-related information and on climate-related metrics being developed under a new EU taxonomy system. This work will be completed by Q2 2019.

ADVOCACY | SOCIAL ECONOMY

Social Economy Europe (SEE), of which AMICE is a member, held a general meeting in Paris in November. Among the topics discussed was a follow-up to the policy paper "The future of EU policies for social economy: towards a European Action plan." The paper, which will form the basis of Social Economy Europe's (SEE) policy position towards the European Parliament (EP), is being sent by the EP's Social Economy Intergroup to European Commission Vice-President Jyrki Katainen.

ADVOCACY | EIOPA AUDIT REPORT

In November, the Secretariat exchanged views with members of the European Court of Auditors (ECA) prior to the publication of a performance audit report on EIOPA, focussing on cross-border insurance and internal models. The ECA concluded that EIOPA had made good use of a wide range of tools in its cross-border supervision but said that their design and follow-up could be improved, and recommended an increase in resources and activities.

ADVOCACY | IGS

AMICE [responded](#) to EIOPA's discussion paper on resolution funding and national insurance guarantee schemes (IGS). Our position is there is no need for a minimum degree of harmonisation in this area as Solvency II already provides strong safeguards for policyholders.

ADVOCACY | ENFORCEMENT | EP WORKSHOP ON COLLECTIVE REDRESS

The issue of collective redress continues to be an area of focus for our sector, with concerns to avoid a US class action-style system in the EU. The AMICE Secretariat attended the European Parliament's workshop on collective redress at which the European Commission's Head of Consumer Law Unit presented the key principles of the proposal on collective redress issued earlier this year. Representatives from industry, trade unions and consumer organisations shared their views on the proposal.

ADVOCACY | INSURANCE EUROPE CONDUCT OF BUSINESS MEETING

The Secretariat attended Insurance Europe's October conduct of business meeting during which attendees discussed distribution, insurance guarantee schemes, financial education, ePrivacy and InsurTech, among other topics. A representative from the European Commission gave an overview of the implementation status of the EU Action Plan on FinTech.

ADVOCACY | IAIS STAKEHOLDER MEETING

The Secretariat took part in the International Association of Insurance Supervisors (IAIS) stakeholder discussion session on comments received during the IAIS' public consultations on a range of topics during 2018. The meeting also included a public background session on the draft application paper on recovery planning.

ADVOCACY | SOCIAL DIALOGUE

The social partners in the European insurance sector (AMICE, BIPAR, Insurance Europe and Uni Europa) held a Bureau meeting on 29 November to finalise the follow-up statement to the [joint declaration on the social effects of digitalisation](#) and a joint declaration on the effects of overregulation on employees which was approved by the AMICE Board on 16 November. They also agreed on the work programme for 2019-2020.

EXTERNAL RELATIONS

The Secretary General attended several events during the autumn, raising the profile of our association and the mutual and cooperative insurance sector in general. Those events included a financial conference in Dublin where she gave a "Brussels view of Brexit," as well as updating financial services professionals about the profile and activities of mutual and cooperative insurers. On the same topic, the Secretary General attended a summit hosted by the City of London to discuss Brexit-related impacts on the financial services industry.

She also attended the leaving reception for outgoing Lloyd's of London CEO Inga Beale, meeting both a number of industry representatives and specialist insurance media during her visit.

The Secretary General also met, separately, with Insurance Europe and the International Association of Mutual Benefit Societies (AIM), to exchange ideas on areas of mutual interest.

The Secretary General attended the general meeting of the Global Federation of Insurance Associations (GFIA) in Luxembourg on 8 November. This meeting reviewed GFIA's annual report and discussed the work of various groups, including an exchange of views on issues regarding IFRS 17. This meeting was immediately followed by the IAIS' annual conference on the theme of "reimagining insurance," which the Secretary General also attended.

ASSISTANCE

ASSISTANCE | MEMBER MEETING

The Secretary General addressed the annual board and management committee training day of Belgian member Fédérale and delivered a presentation on the position of the mutual and cooperative insurance community in Europe. She updated attendees on developments in the sector at the European level as well giving an analysis of the Belgian mutual insurance sector. The event, held on 11 October, also featured a lively question and answer session covering various aspects of the current and future market.

ASSISTANCE | REINSURANCE

The Reinsurance Working Group has met online several times during the last quarter to advance preparations for the next Meeting of European Mutual & Cooperative Reinsurance Managers to take place in Stockholm in May (see earlier item for details). Members also discussed the forthcoming renewals for which rates appears to be stable or softer than last year, and the effects of Brexit where the impression is that many UK reinsurers have solutions in place or in development. A request from Estonia regarding a possible reinsurer for a future mutual agricultural insurer was also discussed: interested members are invited to contact the [Secretariat](#).

OPERATIONS

STATUTORY | AMICE BOARD & EXECUTIVE COMMITTEE MEETINGS

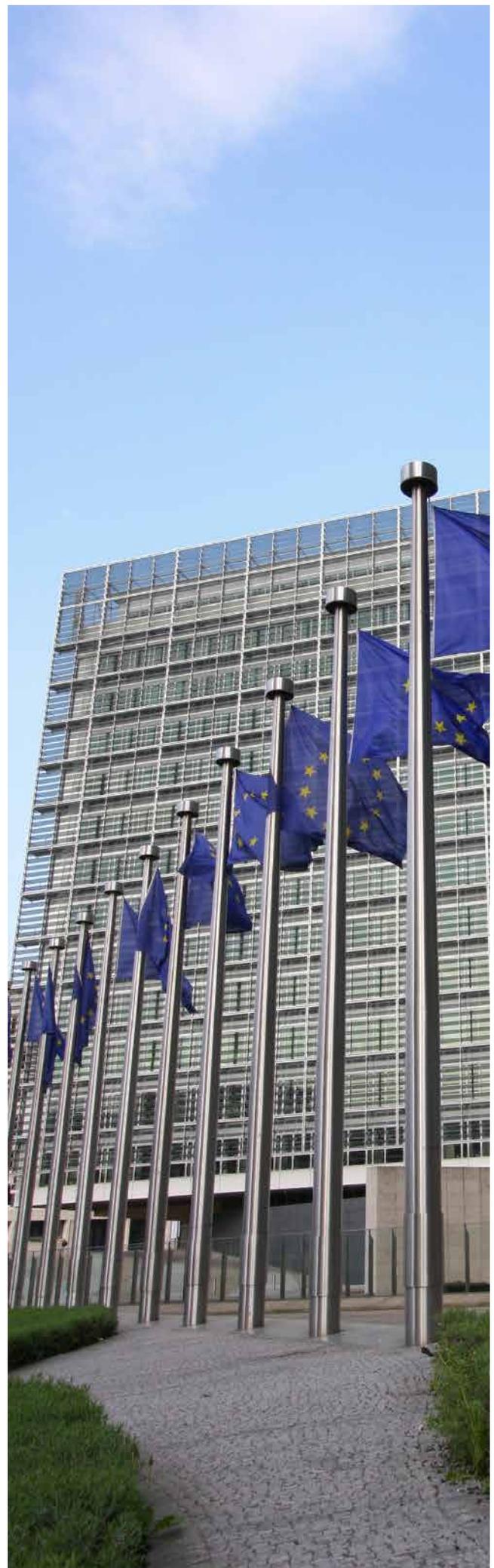
AMICE's Executive Committee met on 9 October, mainly focussing on preparation of AMICE's strategy from 2019 onwards. Members also discussed the criteria for supporting members, possible avenues for AMICE's future communications, and the past and future Congresses.

AMICE's Board then met in Brussels on 16 November. The main topic of discussion was AMICE's strategy for 2019-2023 which will be circulated to members separately.



At that meeting, the Board welcomed the membership application from the UK [Association of Financial Mutuals \(AFM\)](#). Sadly, the Board said goodbye to Joost Heideman (Netherlands) at his last AMICE Board meeting before he leaves Univé at the end of this year.

For more information, contact [Sarah Goddard](#)





CALENDAR 2019

AMICE

11 January	Online	Prudential Regulation Working Group
22 January	Online	Pensions Working Group
25 January	Brussels	Prudential Regulation Working Group
31 January	Brussels	Communications Working Group
19 February	Brussels	Executive Committee
6 March	Brussels	Regulatory Affairs Working Group
19 March	Brussels	Board meeting
30 April	Brussels	Executive Committee
9-10 May	Stockholm	8 th Meeting of European Mutual & Cooperative Reinsurance Managers
15 May	Brussels	Regulatory Affairs Working Group
4 June	Brussels	Board meeting
5 June	Brussels	General meeting
2 October	Brussels	Regulatory Affairs Working Group
8 October	Brussels	Executive Committee
5 November	Brussels	Board meeting
4 December	Brussels	Regulatory Affairs Working Group

ICMIF

12-17 May	Manchester, UK	ICMIF Advanced Management Course
21-23 August	Mendoza, Argentina	ICMIF/Americas Annual Conference
21-23 September	Medellin, Colombia	Annual Meeting of the Latin American Association for Reinsurance Education (LARG)
12-15 November	Auckland, New Zealand	ICMIF Biennial Conference

External Events Calendar

16 January	Paris	OFI Asset Management conference on Responsible Finance
23 May	Bucharest	Insurance Europe international conference

AAM	Association des Assureurs Mutualistes	IAIS	International Association of Insurance Supervisors
AFM	Association of Financial Mutuals	IASB	International Accounting Standards Board
AIM	International Association of Mutual Benefit Societies	ICMIF	International Cooperative and Mutual Insurance Federation
AMICE	Association of Mutual Insurers and Insurance Cooperatives in Europe	IDD	Insurance Distribution Directive
BIPAR	European Federation of Insurance Intermediaries	IFRS	International Financial Reporting Standards
CBBA	Cross Border Benefits Alliance	IGS	insurance guarantee scheme
CCR	Caisse Centrale de Réassurance	IMCO	European Parliament's Internal Market and Consumer Protection Committee
CEO	Chief Executive Officer	Insurance Europe	European insurance and reinsurance federation
DB	Defined Benefit pension plan	IORP	Institutions of Occupational Retirement Provisions
DG FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets Union, European Commission	JURI	European Parliament Legal Affairs Committee
EC	European Commission	KID	key information document
ECA	European Court of Auditors	LARG	Latin American Association for Reinsurance Education
EFRAG	European Financial Reporting Advisory Group	MEP	Member of the European Parliament
EIOPA	European Insurance and Occupational Pensions Authority	MID	Motor Insurance Directive
EP	European Parliament	NCA	National Competent Authority
ESAs	European Supervisory Authorities	OECD	Organisation for Economic Co-operation and Development
ESG	environmental, social and governance	PBS	pension benefit statement
EU	European Union	PRA	Prudential Regulation Authority
G20	Group of Twenty – international forum for the governments and central banks of 19 countries plus the European Union	PRIIPs	packaged retail and insurance-based investment products
GDPR	General Data Protection Regulation	SEE	Social Economy Europe
GFIA	Global Federation of Insurance Associations	UNESCO	United Nations Educational, Scientific and Cultural Organization



AMICE aisbl
 Rue du Trône 98/14
 BE-1050 Brussels
 T: +32 (0)2 503 38 78
 E: secretariat@amice-eu.org
www.amice-eu.org

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