

# AMICE Insights

Spring 2019 | Issue 9



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**Sarah Goddard**  
AMICE Secretary General

“The mutual and cooperative insurance model is more important than ever – more than 30% of European insurance is provided by mutual / cooperative insurers.”

Dear AMICE Member,

**A**MICE has a very simple and clear remit; to represent and serve its members at the European level. We have been examining this remit as we look to the future – the future of the mutual/cooperative insurance industry, the future of AMICE and ultimately the future of Europe. We have asked some difficult and challenging questions, in particular whether we have continued relevance as a sector and as an association.

We have sought the opinions of members, policymakers, strategists and our peers about our value. We have asked whether the mutual and cooperative model is outdated and facing obsolescence. We have asked whether the representation of our members is better conducted at national rather than European level. We have asked whether European activities are relevant to our members.

We have found that asking these difficult questions has resulted in simple answers. The mutual and cooperative insurance model is more important than ever – more than 30% of European insurance is provided by mutual/cooperative insurers. There is much work undertaken at national level to protect the interests of our sector to ensure it is treated fairly and appropriately, work which is complemented and supported by what we do at the European level. And at European level, which increasingly directs the national agenda, it remains vital that the specific interests of mutual/cooperative insurers are kept at the forefront of the policymakers' agendas.

The result of this work is AMICE's new strategy. In this, we clearly state our mission: to advocate, promote and ensure the fair treatment of mutual and cooperative insurers in a changing European environment, and deliver services to the AMICE membership to promote knowledge and collaboration for their continuous advancement.

This mission has been approved by AMICE's Board, and in our Secretariat we make a continuous commitment to keep the interests of each of our members as central to every decision, task and activity we undertake.

I will be taking the opportunity of June's General Meeting to personally explain the new strategy to you, and hear from you directly what you want from us. We will also use the gathering of mutual/cooperative insurers to describe and discuss the upcoming agenda by our changing European institutions, particularly in the area of sustainable finance. I look forward to welcoming you to Brussels in the summer, and to working with you to ensure the continued success of our sector.

**Sarah Goddard,**  
AMICE Secretary General



## UPCOMING MEMBER EVENTS

### 8TH MEETING OF MUTUAL & COOPERATIVE REINSURANCE MANAGERS

If reinsurance is important to you, either as a cedant or a provider, you won't want to miss AMICE's May event in Stockholm. The forthcoming meeting, the eighth time European mutual and cooperative reinsurance managers have met, will provide you with insights into the market developments which may affect your reinsurance programmes, helping you to optimise your reinsurance activities. The 8<sup>th</sup> Meeting of European Mutual & Cooperative Reinsurance Managers, hosted by Länsförsäkringar in Stockholm on 9-10 May, aims to give participants tools and information to help with their reinsurance-related decisions.

Speakers at the upcoming event include Johannes Bender, Director, S&P Global; Christian Bieck, Insurance Practice Leader, IBM Institute for Business Value; and Justin Wray, Deputy Head of the Policy Department, EIOPA.

Discussions will cover:

- the effects of legislation, including Solvency II;
- the geopolitical landscape in Europe;
- dealing with cyber and other emerging risks; and
- market conditions.

For more information [download the programme](#)  
To register, contact [Helen Sheppard](#)

### BIENNIAL BILBAO

#### AMICE Congress 2020

Preparations are well underway for the next AMICE Congress to be held in Bilbao 10-12 May 2020. The next edition of our headline event, hosted by AMICE member Seguros Lagun Aro, will gather mutual and cooperative insurance professionals from across Europe in this dynamic and vibrant city under the banner of "The Art of Transformation."

The main sessions of the 2020 AMICE Congress will take place at the Euskalduna Congress centre in central Bilbao, examining how we tackle the continuous transformations taking place.



## ADVOCACY

### IFRS 17 | ACCOUNTING | IASB

AMICE continues to raise concerns about the applicability and suitability of International Financial Reporting Standards, in particular IFRS 17, for mutual and cooperative insurers. Although our core message is that IFRS is not relevant for our members, and that only those that want to adopt it should be subject to its remit, many countries demand that all insurers apply it. This makes it extremely important for us to ensure as much as we can that IFRS isn't a barrier for mutual and cooperative insurers.

There has been considerable work in the Secretariat in recent months, as IFRS 17 is developed. Following communications from the AMICE Secretariat, the issue of how it will apply to mutual and cooperative entities was a core topic at an exchange of views organised by the European Parliament's ECON Committee with the IASB (International Accounting Standards Board) Chairman Hans Hoogervorst, and Erkki Liikanen, Chairman of the IFRS Foundation Trustees. During that exchange, held in late February, Romanian MEP Theodor Dumitru Stolojan, Chair of the IFRS Permanent Team, specifically asked about solutions the IASB was considering to tackle the issues for mutual entities. Hans Hoogervorst pledged to discuss the issue further with IASB staff, while French MEP Pervenche Berès urged the IASB to further investigate the issues surrounding IFRS 17 and mutuals.

Before this exchange of views, AMICE attended a meeting with IASB Board Member Darrel Scott and two members of the IASB technical staff to discuss concerns regarding the educational material, *Insurance contracts issued by mutual entities*, published by the IASB in summer 2018, alongside representatives from Insurance Europe, Insurance Sweden and three Japanese mutuals. On 13 March, the Secretariat attended online an IASB Board meeting, during which the IASB Board continued its assessment of the concerns and implementation challenges raised by the insurance industry regarding IFRS 17. Following discussions, the IASB agreed on seven amendments relating to the scope, disclosure and transitional arrangements of IFRS 17. This followed two amendments agreed at a 7 February IASB Board meeting, which AMICE's Secretariat attended online, during which IASB Board members continued their assessment of concerns raised by the insurance industry as a whole about IFRS 17 and its implementation.

The AMICE Secretariat attended several other online meetings of the IASB Board to discuss IFRS 17 during the final weeks of 2018 and beginning of 2019. The IASB Board has been considering 25 potential amendments to IFRS 17 which were identified in October 2018.

AMICE also has taken part in several other meetings to raise awareness of the issue, including the European Financial Reporting Advisory Group's Insurance Accounting Working Group (EFRAG IAWG) and EFRAG's Technical Expert Group (EFRAG TEG).

## SOLVENCY II REVIEWS

Over recent months, AMICE representatives have taken part in various meetings and workshops on the current 2020 review of Solvency II and findings from the 2018 review.

Under our Memorandum of Understanding (MoU) with Insurance Europe, AMICE representatives have attended Insurance Europe meetings on these issues, and Insurance Europe representatives have in return joined relevant AMICE meetings. At an Insurance Europe meeting in March, the Secretariat heard updates on the 2018 review and sustainable finance as well as an exchange of views regarding the 2020 review. AMICE was also invited to participate in the third joint Insurance Europe/CFO Forum workshop on the 2020 review.

Our Prudential Regulation Working Group met in February to discuss the content of the European Commission's (EC) call for advice to EIOPA on the 2020 review. The group approved AMICE's draft response to EIOPA's call for input on the Solvency II reporting and disclosure review which focuses on the need to: simplify the amount of data that smaller insurers must provide; extend waivers; merge documents that contain duplicated or overlapping content; review the deadlines for quarterly and annual reporting; and remove unused templates. The Prudential Regulation Working Group also considered other related matters, such as possible changes to the upcoming EIOPA Stress Test 2020.

During the summer, EIOPA is expected to launch a public consultation on proposals to amend reporting under Solvency II.

AMICE also has been active in responding to EIOPA's request for feedback on the Solvency II approach to illiquid liabilities, the holding periods of insurers' assets and the risks of holding assets over the longer term.

The assessment and treatment of long-term guarantees is an important focus for AMICE and we have taken part in several discussions both internally and externally regarding a response on this issue under the 2020 review. Formal representations have been made in recent months to several European institution representatives to ensure that the concerns of our members are well understood and considered.

## SUSTAINABLE FINANCE

Sustainable finance has been a hot discussion topic in recent months as well as being a feature of past and current Solvency II reviews. AMICE has been very engaged on this topic with various stakeholders and interested parties.

In March, for example, the Secretariat attended a conference on sustainable corporate reporting held by the newly-formed European Corporate Reporting Lab, which was set up by EFRAG. During the event, there was a keynote speech from Commissioner Valdis Dombrovskis as well as lively panel discussions on innovation and how to overcome challenges in corporate reporting. The European Lab has begun work on climate-related reporting and is expected to launch a public consultation in the near future, which AMICE will follow with interest.

Meanwhile, the European Commission's Technical Expert Group on Sustainable Finance has issued a first proposal for a European Union (EU) Green Bond Standard (GBS).

The Technical Expert Group has proposed a voluntary EU GBS that would build on, and be compatible with, existing market practices. Such a standard would rely on a strong verification and accreditation structure and would be closely linked to the new EU-wide classification for environmentally sustainable economic activities, known as the EU taxonomy. The work to create the taxonomy forms part of the so-called third pillar of the sustainable finance package, under which the Commission has proposed a regulation for a framework to determine what can be considered an environmentally sustainable economic activity in the EU. Earlier this year, the European Parliament and Member States reached a political agreement on disclosure requirements relating to sustainable investments and sustainability risks. This proposal introduces transparency requirements for how institutional investors, such as insurers, integrate environmental, social and governance factors into their investment decisions.

To ensure our members' interests were properly expressed to policymakers, the AMICE Secretariat attended EIOPA's second roundtable discussion on sustainable finance at the beginning of the year, with discussion centring around industry's response to EIOPA's consultation on the integration of sustainability risks in both Solvency II and the Insurance Distribution Directive (IDD). Also, in January, the European Commission issued draft rules on how insurers should take sustainability into account when advising clients under the IDD.

The following month, the European Commission sent a call for advice to each of the European Supervisory Authorities (ESAs), including EIOPA, in order to develop a report presenting evidence and proposing advice about potential undue short-term pressure on corporations. If the evidence revealed significant issues, the Commission invited the ESAs to provide advice and assess whether regulatory input would help.



## PAN-EUROPEAN PERSONAL PENSION PRODUCTS (PEPPs)

The European Parliament's ECON Committee has voted to approve the creation of a Pan-European Personal Pension Product (PEPP). Member States must now approve the shape of the text to be adopted before it becomes law.

The ECON Committee's vote followed political agreement between the European Parliament and Member States reached in February on the creation of the PEPP, which is one of the key measures in the Commission's Action Plan to strengthen the Capital Markets Union (CMU). The PEPP will be a voluntary plan for retirement saving and will complement existing public and occupational plans as well as national private pension systems.

## PACKAGED RETAIL AND INSURANCE-BASED INVESTMENT PRODUCTS (PRIIPs)

The European Parliament's ECON Committee in February held a scrutiny meeting on packaged retail and insurance-based investment products (PRIIPs). A wider review of PRIIPs is expected in 2020, but in the meantime, Gabriel Bernadino, current chair of the Joint Committee of the European Supervisory Authorities (ESAs), provided an update on the ESAs' work on the delegated acts for the key information documents (KIDs) for PRIIPs. In response to concerns from stakeholders, the ESAs are working on changes to the level 2 PRIIPs text, and a consultation is planned before the summer.

Earlier this year, the ESAs had said that considering the implications of a potential deferment of the KID by certain types of investment funds to beyond 2020, no targeted amendments would be made at this stage. Instead a comprehensive review of the PRIIPs delegated regulation will be launched during 2019.

## ESAs REVIEW

The Economic and Financial Affairs Council (ECOFIN) in February confirmed its general approach regarding the review packages of the European Supervisory Authorities (ESAs), including EIOPA. The review aims to bolster the powers of the ESAs and to create greater supervisory convergence.

The European Parliament and the Council Presidency reached a provisional agreement in late March and, pending technical finalisation of the text, it will then be submitted for endorsement to EU Ambassadors and MEPs. The Parliament and Council will be called on to adopt the proposed regulation at first reading.

Several aspects of the approach reflect proposals made by AMICE in our response to the ESAs review, for example, as regards the authorities' funding, the final text preserves the existing system of contributions coming partly from the EU budget and partly from national competent authorities, adding the possibility of any voluntary contribution from Member States or observers. The reference to the principle of proportionality is retained in the final compromise text.

## SOCIAL ECONOMY

The social economy agenda has been an important strand of EU work in recent months. In February, Albert Lautman, CEO of FNMF, a French AMICE member, spoke at the final hearing of the European Parliament's Social Economy Intergroup for a mandate on a "social economy for the future of the EU."

During the hearing, Social Economy Europe presented ten proposals for the upcoming European elections. The President of the European Economic and Social Committee, Luca Jahier, and the President of the European Committee of the Regions, Karl-Heinz Lambertz, both lent their support to the idea of a Social Economy Action Plan for the forthcoming parliamentary cycle.

Earlier this year, DG GROW, the department of the European Commission responsible for internal market, industry, entrepreneurship and SMEs, published a call for tender on the cross-border activities of social economy enterprises – including mutuals and cooperatives. The aim of the exercise is to find ways to help social economy enterprises enter the internal market by establishing cross-border cooperation and activities.

## SOCIAL EUROPE

Discussions continue apace at the European level about the creation of a "Social Europe." Work towards the creation of a fairer and more inclusive EU follows the adoption of the Pillar of Social Rights by EU leaders in 2017. AMICE is playing a role in this effort.

As part of an action plan ahead of the upcoming European elections, the Secretariat took part in an event organised by AMICE member FNMF in Brussels on 19 March. The event formed part of a wide-ranging consultation of citizens aimed at gathering proposals for a social Europe.

Those proposals are being presented to French MEP candidates in April.

## COOPERATION

AMICE's Secretary General met ICMIF CEO Shaun Tarbuck and Vanessa Smith, a member of ICMIF's senior management team, to exchange an update on each other's work under our joint MoU.

As well as exchanging on key developments in both organisations, it was agreed that AMICE and ICMIF will co-host a third joint regulatory dialogue event this year, following the success of the previous two editions.

## DATA PROTECTION

The European Data Protection Board recently held a public consultation on the Guidelines on Codes of Conduct and Monitoring Bodies under the EU General Data Protection Act, which closed in early April. All such codes that had previously been approved must be reviewed and re-evaluated in line with General Data Protection Regulation (GDPR).

# ASSISTANCE

## ESTONIA | AMENDMENT TO INSURANCE ACT

AMICE warmly welcomes the recent amendment to the Estonian Insurance Activities Act (Kindlustustegevuse seadus), which came into force on 2 March. The amendment broadens the scope of insurance company structures in Estonia, recognising insurance associations – a type of mutual insurer – and European cooperative societies. The change will open up the market to greater choice for policyholders. The AMICE Secretariat assisted external bodies in supporting the development of this new legislation, and continues to respond to requests for support in setting up new mutual insurers under the amended regime. AMICE's Reinsurance Working Group has also been assisting in the search for reinsurance partners.

The amended consolidated Insurance Activities Act is available in [Estonian](#) and [English](#) on the Riigi Teataja website.

## MEMBER MEETING

The Secretariat attended AMICE member ROAM's annual conference in Paris on 22 January. During the event, a panel, introduced by the French supervisor, discussed how legal requirements can be transformed into commercial opportunities. The event also saw the presentation of ROAM's annual insurance innovation prize, organised with students from the Ecole Européenne des Métiers de l'Internet (EEMI).

# PROMOTION

## COMMUNICATIONS WORKING GROUP

The Communications Working Group met online on 12 March to discuss the title, theme, logo and promotion of the 2020 Congress (see item on p2 for more information). Members also proposed ideas for the programme, which is in development. The next meeting will take place on 29 April.

# OPERATIONS

## STATUTORY | AMICE BOARD & EXECUTIVE COMMITTEE MEETINGS

The AMICE Board met in Brussels on 19 March, a month after the Executive Committee held its first meeting of the year. The Board unanimously approved a new application for membership, and we welcomed [Univé Zuid-Nederland](#), part of the Dutch group Univé, into our membership.

The Board discussed the progress and continuing implementation of AMICE's strategy for 2019-2023. The strategy involves an adjustment to the working structures of AMICE's commissions, while maintaining a focus on the three strategic aims of Advocacy, Assistance and Promotion.

The Board also approved the 2018 accounts and agreed a draft budget for 2020, which will go to the General Meeting for approval on 5 June.





# CALENDAR 2019

## AMICE

17 April	Brussels	Accounting (financial reporting) Working Group
29 April	Online	Communications Working Group
30 April	Brussels	Executive Committee
9-10 May	Stockholm	8 <sup>th</sup> Meeting of European Mutual & Cooperative Reinsurance Managers
15 May	Brussels	Regulatory Affairs Working Group
4 June	Brussels	Board
5 June	Brussels	General meeting
2 October	Brussels	Regulatory Affairs Working Group
8 October	Brussels	Executive Committee
5 November		Board
4 December	Brussels	Regulatory Affairs Working Group

## ICMIF

12-17 May	Manchester, UK	Advanced Management Course
12-15 November	Auckland, New Zealand	ICMIF Biennial Conference

## External Events Calendar

23 May	Bucharest	<a href="#">Insurance Europe international conference</a>
6-9 June	Bucharest	<a href="#">CIRIEC Research conference “Social and Solidarity Economy: Moving Towards a New Economic System”</a>
14-15 October	UK	AFM Annual Conference & AGM
19 November	Frankfurt	EIOPA 9th Annual Conference

AFM	Association of Financial Mutuals	ICMIF	International Cooperative and Mutual Insurance Federation
AMICE	Association of Mutual Insurers and Insurance Cooperatives in Europe	IDD	Insurance Distribution Directive
CEO	Chief Executive Officer	IFRS	International Financial Reporting Standards
CFO Forum	Chief Financial Officers' Forum	Insurance Europe	European insurance and reinsurance federation
CMU	Capital Markets Union	KID	key information document
DG GROW	Directorate General for internal market, industry, entrepreneurship and SMEs, European Commission	MEP	Member of the European Parliament
EC	European Commission	MoU	Memorandum of Understanding
ECOFIN	Economic and Financial Affairs Council	PEPP	Pan European Personal Pension
ECON	Economic and Monetary Affairs Committee, European Parliament	PRIIPs	packaged retail and insurance-based investment products
EEMI	Ecole Européenne des Métiers de l'Internet	ROAM	French association of mutual and SME insurers
EFRAG	European Financial Reporting Advisory Group	SME	small to medium-sized enterprise
EFRAG TEG	European Financial Reporting Advisory Group, Technical Expert Group		
EFRAG IAWG	European Financial Reporting Advisory Group, Insurance Accounting Working Group		
EIOPA	European Insurance and Occupational Pensions Authority		
EP	European Parliament		
ESA	European Supervisory Authority		
EU	European Union		
EU GBS	European Union Green Bond Standard		
FNMF	Fédération Nationale de la Mutualité Française		
GDPR	General Data Protection Regulation		
IASB	International Accounting Standards Board		



**AMICE aisbl**

Rue du Trône 98/14

BE-1050 Brussels

T: +32 (0)2 503 38 78

E: [secretariat@amice-eu.org](mailto:secretariat@amice-eu.org)

[www.amice-eu.org](http://www.amice-eu.org)

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