

AMICE Insights

Winter 2019/2020 | Issue 12



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Sarah Goddard
AMICE Secretary General

“There are many initiatives at European level which have profound consequences for AMICE’s membership.”

Dear AMICE Member,

Last year was characterised by transition. The new European Parliament and Commission have brought an even greater emphasis on sustainability onto the agenda, which reflects the values and activities of members of our mutual/cooperative insurance community. At the end of 2019, it was announced that the Conference of Presidents has renewed the Social Economy Intergroup, strengthening the links between social economy players – in particular AMICE as one of the two main representative bodies participating in Social Economy Europe – and European institutions. This is likely to be one of the contributing bodies to next November’s European Social Economy Summit, taking place in Mannheim under the German Presidency.

The constant state of change and persistent need to adapt to an ever-shifting world is the overarching theme for our upcoming biennial Congress in Bilbao. Our sector, and its friends and supporters, will unite under the banner of “The Art of Transformation” in May, hosted by AMICE member Lagun Aro. For many years, it has been accepted that change is exponential; what this means practically for mutual/cooperative insurers to not only survive but most importantly to thrive in a world of accelerating evolution will be examined in many strands during our Congress. Colleagues from across our community will share their strategies and activities which are helping drive their businesses forwards for the benefit of their policyholders/members. We will be bringing new and stimulating components to the Congress, using the vibrancy of Bilbao to inspire fresh ideas.

You will see from the account in this newsletter of the work we have undertaken in the last quarter of 2019 that there are many initiatives at European level which have profound consequences for AMICE’s membership. Not least of these is the latest Solvency II Review. AMICE working groups have been looking in-depth at the proposals in the extensive consultation document and have finalised our response on behalf of our membership. We have corresponded with various European policymakers on several aspects of the review proposals, meeting with representatives from the institutions to clarify where we see shortcomings in the current regime. Our main aim remains to ensure that the European regulatory infrastructure fairly addresses the structures and activities of our members for a better European insurance industry.

A handwritten signature in black ink, appearing to read 'Sarah Goddard'.

Sarah Goddard,
AMICE Secretary General



UPCOMING MEMBER EVENTS

AMICE Congress 2020

The Art of Transformation: embracing change to create a brighter future

Bilbao, 10-12 May 2020

Registration is now open at the newly launched AMICE Congress 2020 [website](#). Early Bird discounts are available for members until 29 February 2020.

The biennial AMICE Congress is the leading European event for mutual/cooperative insurers.

Programme highlights at the seventh edition of the AMICE Congress include illuminating keynote speakers, wide-ranging panel discussions, an exceptional gala dinner and AMICE's annual general meeting, as well as the inaugural member-to-member meet-up session for which members will be able to request individual meetings with others or to take part in group discussions on specific topics.

Sessions will be themed around the strands of Advocacy, Promotion, Assistance and Future.

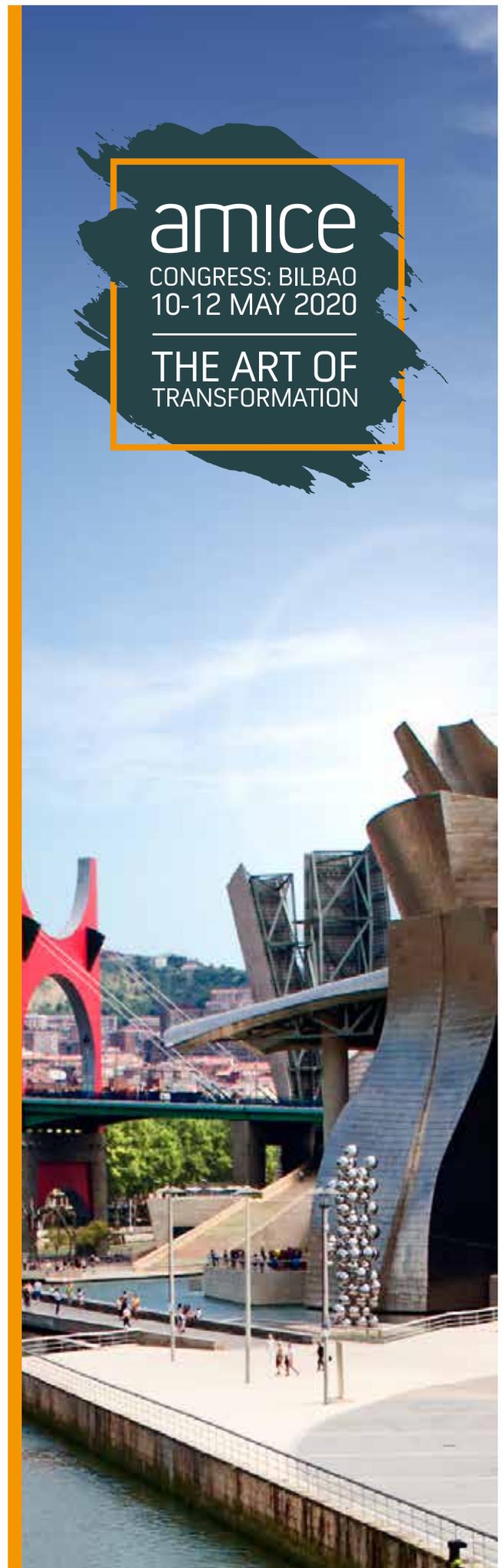
A session on the transformation of Europe will cover the myriad changes taking place in Europe, including the convening of a new European Parliament and Commission, the questions surrounding the UK's future relationship with the European Union (EU), and sustainability and data challenges. Speakers at this session will include representatives from European institutions.

A session on the transformation of the mutual message will be opened by a keynote from José Maria Aizega, Director of the Basque Culinary Center. This session will explore how different types of mutuals communicate their ethical ways of doing business in a sector where trust and reputation are of paramount importance.

The values embodied by the mutual model of doing business speak directly to a new generation of Europeans. The Assistance session will address the transformation of the mutual business model and explore how AMICE members can use their core principles to connect with their customers. The guiding principle of this session will be members learning from one another.

The Future session will address the ways in which our organisations must prepare for the many transformations which are being demanded to address the challenges of climate change, sustainability, regulation and data access. We will discuss what changes are needed in our members' strategies in order to protect their future and maintain their customer focus.

We look forward to welcoming you to Bilbao in May 2020.



ADVOCACY

SOLVENCY II

2020 Review

The European Insurance and Occupational Pensions Authority (EIOPA) published its long-awaited [public consultation of the 2020 Solvency II Review in October](#). The 878-page document includes changes to long-term guarantee measures, risk margin, technical provisions, and Solvency II capital requirements.

As part of the review, EIOPA is also proposing the introduction of new regulatory tools for macroprudential issues, recovery and resolution, and insurance guarantee schemes (IGS).

The consultation paper includes proposed revisions to parts of the freedom of services provisions and changes to reporting and disclosure requirements.

The comment period on the EIOPA consultation paper closed on 15 January 2020.

In the run-up to the consultation, AMICE held several meetings with stakeholders and influential groups to discuss the potential shape of the consultation and our concerns and views.

Since its publication, this work has continued in parallel with AMICE working group meetings, both physical and online, to prepare AMICE's response.

AMICE has taken part in meetings with external bodies to continue discussions on our response to the consultation. The Secretariat attended a European Central Bank (ECB)/EIOPA joint event in Frankfurt, where we presented our preliminary views on the proposals to amend the reporting package and ECB/EIOPA concerns about the data quality in insurance submissions. An AMICE delegation also attended, by invitation, an EIOPA event on the review, at which the Secretariat presented our positions on the volatility adjustment, equity risk and proportionality.

AMICE has worked with Insurance Europe to develop a set of concrete proposals aimed at improving the application of proportionality in Solvency II, and the two organisations issued a joint position paper detailing these proposals. Proportionality is one of the key tenets of the European Treaties and is of vital importance to mutual and cooperative insurance undertakings.

AMICE and Insurance Europe welcomed the Commission's request that EIOPA include in its call for advice in the 2020 Review an assessment of whether and how proportionality could be enhanced.

Currently, there is patchy evidence of proportionality being put into practice in insurance supervision. The Insurance Europe/AMICE proposals are intended to help make proportionality work in practice and consistently across all Member States. The series of proposed changes include adding text to clarify how and why proportionality should be applied; the addition of a 'tool box' to the Delegated Acts to list simplifications and waivers; and a recommendation that EIOPA should publish an annual report on proportionality including ways to improve its effectiveness and consistency. Further joint correspondence was issued to the President

of the Economic and Financial Affairs Council (ECOFIN), Mika Lintilä, and European Finance Ministers, co-signed by the leaders of the main European insurance representative bodies, including AMICE's President, Grzegorz Buczkowski. The letter raises awareness within ECOFIN and Finance Ministries across the EU of certain aspects of the Solvency II 2020 Review, in particular those related to long-term business and the general burden, and noting the insurance industry's role in providing support for financial growth.

In October, the Secretariat submitted [AMICE's response](#) to another consultation paper from EIOPA, this time on the proposed changes to the reporting package as part of the Solvency II 2020 Review. In this response we highlighted our concerns regarding the proposal to require an external audit of the Solvency and Financial Condition Report (SFCR), the proposed changes to some of the existing templates and the development of new quantitative reporting templates (QRTs).

Solvency II stress testing

During the summer, EIOPA published a discussion paper on the methodological principles of insurance stress testing. After consultation with AMICE members, we submitted a response in October, indicating our support for the objective to set out common methodological and technical principles to be used for future EIOPA stress tests.

The response also noted our view that stress tests should focus on macro impacts and that the Own Risk and Solvency Assessment (ORSA) is a better way to identify individual, micro issues.

We also reiterated that stress tests should be a useful experience for both supervisors and insurance undertakings and, as such, should be forward-looking in nature.



Consultations and discussion papers

AMICE has recently responded to several discussion papers and calls for advice on issues pertinent to the mutual and cooperative insurance sector. These include EIOPA's consultation on proposed guidelines on outsourcing to Cloud computing providers. The guidelines will apply from 1 July 2020.

We also responded to the Commission's consultation on proposals for a European Partnership for safe and automated road transport. We believe that an institutionalised partnership is the best option as it would enable the largest number of stakeholders to take part.

In October, the European Supervisory Authorities (ESAs) launched a [public consultation](#) on amendments to the delegated regulation on the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs). This aims to address regulatory issues identified since the implementation of the PRIIPs KID. The consultation ended on 13 January 2020.

Other developments at the European level included the Commission's first [report](#) on the implementation of the European framework for [Alternative Dispute Resolution \(ADR\)](#) and [Online Dispute Resolution \(ODR\)](#). While remaining positive about the ADR/ODR options for consumers, the Commission expressed its concern that these dispute resolution platforms remain underused.

SUSTAINABILITY

Non-financial reporting

Olivier Guersent, Director-General for Financial Stability, Financial Services and Capital Markets Union (CMU) at the European Commission, responded to a joint letter from a number of representative bodies in the financial sector including AMICE which expressed concerns about the timeframe for developing a regulatory technical standard on sustainability disclosures.

In his response, Mr Guersent said the ESAs are planning to resolve timing and compliance issues, though he reiterated that the Commission does not favour delaying implementation of the legislation.



IFRS 17

Exposure Draft

Over the course of the final quarter of 2019, work continued on our response to the International Accounting Standards Board (IASB) Exposure Draft (ED) ED/2019/4 Amendments to IFRS 17 Insurance Contracts. We submitted our [final comment letter](#) on the exposure draft, in which we requested the removal of certain paragraphs of the Standard as well as amendments to the IASB's educational material on insurance contracts issued by mutual entities.

As part of the ongoing effort to secure amendments to IFRS 17, we attended several meetings and events, including an online stakeholder event organised by the IASB to gather stakeholder feedback on proposed amendments.

We also took part in an informal call organised by the International Association of Insurance Supervisors (IAIS) aimed at informing the industry about the IAIS' final deliberations on the Exposure Draft. We took this opportunity to reiterate AMICE's views on the proposed amendments that relate directly to mutual insurers.

AMICE also took part in an Insurance Europe financial reporting working group meeting where the latest IFRS 17 developments were discussed along with other topics such as sustainability.

In late November, two further meetings discussed important developments relating to the implementation of IFRS 17. At an IASB Board Meeting, which the Secretariat attended online, Board members agreed to consider feedback from stakeholders on IFRS 17, notably including a proposed delay to the effective start date for IFRS 17 and IFRS 9. At the European Financial Reporting Advisory Group, Insurance Accounting Working Group (EFRAG IAWG) meeting, which took place the following day and also was attended by the Secretariat, participants discussed the potential interaction – and any mismatches – between IFRS 17 and IFRS 9, among other topics.

MOTOR INSURANCE

Automated transport

AMICE members participated in the working groups of the Commission's Single Platform on Cooperative, Connected and Automated Mobility (CCAM). This expert group is working on defining the objectives and priorities for a future EU agenda for research, testing and pre-deployment of CCAM, including the scope of a possible European partnership on Safe and Automated Road Transport.

The AMICE Secretariat attended an Insurance Europe event on the insurability of connected and automated vehicles during which EIOPA Chairman Gabriel Bernardino gave a [keynote speech](#) acknowledging that an urgent response is needed on the access to data enabling the consumer to effectively own their own data.

SOCIAL DIALOGUE

Social Economy

AMICE's work to facilitate dialogue on the social economy continues. In November, we hosted the Board of Directors and General Meeting of Social Economy Europe (SEE), the EU-wide umbrella organisation in which AMICE is the representative for the mutual insurance sector. Discussions at the meeting focussed on the re-establishment of the European Parliament's Social Economy Intergroup as well as SEE's work plan.



AMICE attended an event co-organised by SEE and several MEPs to discuss renewal of the Intergroup, which was created in 1990 and has been continuously active ever since. The group is aimed at ensuring a permanent dialogue between the European Parliament, European Institutions, Member States and representatives of the social economy sector.



EUROPEAN UPDATES

Social Economy

The Joint Committee of the European Supervisory Authorities has published its joint 2020 Work Programme. Areas of particular focus include PRIIPs, financial innovation, the European Commission's FinTech action plan and the work of the European Forum for Innovation Facilitators (EFIF) – as well as sustainable finance and securitisation.

ASSISTANCE

GERMAN MEMBERS' MEETING

In September, AMICE's President and Secretary General attended the annual ARGE meeting in Berlin to update AMICE's German members and other actors in the mutual and cooperative sector about our activities. We met members individually as well as presenting at the meeting, and received strong support from attendees.

AMICE-ICMIF JOINT REGULATORY EVENT

More than 100 delegates gathered in Paris on 4 December for our third joint regulatory event with the International Cooperative and Mutual Insurance Federation (ICMIF), *Stakeholders' dialogue: What are the drivers of change for insurance in the next decade?*

At the event, hosted by French mutual Covéa, delegates from across the world discussed regulatory developments and how they will affect policyholders in the coming decade.

We were delighted to have excellent speakers at the event, including Pervenche Berès, former Member of the European Parliament; Justin Wray, Head of Policy Department, EIOPA; Yoshi Kawai, Chair, Insurance & Private Pensions Committee, OECD; Martin Merlin, Director, Bank, Insurance and Financial Crime, European Commission; and Jean-Paul Gauzès, Chair, European Financial Reporting Advisory Group (EFRAG).

Discussions ranged across a variety of regulatory-focused topics including Better Regulation; sustainability and fostering long termism; how insurance is adapting to change; digitalisation and ethical issues in insurance. The discussion was lively and challenging, and the varied points of view gave a full picture of the current positions on these areas, and some interesting insights into the future directions they may take.



Panel session



Thierry Derez



Silvia Herms

CSR

Sustainability

Sustainability continues to be a major focus for the mutual and cooperative sector, as well as for the insurance industry and the European economy as a whole.

In September, the European Council reached an agreement on its [negotiation mandate](#) for the taxonomy regulation proposal. The Council's criteria would give Governments more powers to decide what is "green"; initial proposals by the European Commission had sought to give independent experts a larger role in deciding which projects are environmentally friendly. The Finnish Presidency subsequently launched trilogue negotiations with the Parliament and the Commission to try to find agreement.

The Technical Expert Group (TEG) on Sustainable Finance in September issued its [final report](#) on climate benchmarks. The report recommends a set of minimum technical requirements for the methodology of EU climate benchmarks to help investors who wish to adopt climate-conscious investment strategies to make informed decisions.

At the AMICE level, the focus on sustainability continues.

Dutch member Achmea hosted a meeting of AMICE's Corporate Social Responsibility (CSR)/Sustainability group at its Leiden offices in November.

Achmea gave a series of impressive presentations on its sustainability activities. There was also much food for thought in presentations given by Professor Mario Calderini on the imperative for change, and Raphael Delearde of OFI Asset Management on sustainable investment.

REPRESENTATION

Statutory | Board and Executive Committee meetings

The AMICE Executive Committee and Board gathered in October and November respectively for their last meetings of 2019. Both bodies received reports on the activities of AMICE's three commissions, Promotion, Advocacy and Assistance, and made various decisions on issues such as key stakeholders' relationships, plans for the forthcoming biennial Congress in Bilbao, and progress on the 2019-2023 strategy. The Board also welcomed a new member, Kommunal Landpensionkasse, Norway's largest pension company.

Secretariat | High-level meetings

AMICE's Secretariat has taken part in a number of high-level meetings with the aim of communicating the mutual and cooperative insurance message and defending and promoting members' interests both within Europe and internationally.

Towards the end of 2019, the Secretariat welcomed a delegation from the Local Finance Association of South Korea and exchanged views on how regulatory developments pertain to mutual structures.

The Secretariat also attended EIOPA's annual conference

in Frankfurt, an excellent opportunity to hear updated messages from EIOPA as well as to represent our members' interests.

At a meeting with Didier Millerot, the Head of the Insurance and Pensions Unit in the European Commission, and representatives from his office, the Secretariat discussed various issues of interest to AMICE members, including the 2020 Review of Solvency II.

Secretariat | International Award

We are pleased to announce that Silvia Herms, AMICE Secretariat's Head of Economic and Monetary Affairs, was named one of 2019's "[Women to Watch](#)" in the insurance industry by leading international insurance and risk publication *Business Insurance* magazine.



Silvia was one of just 20 women from the EMEA region to receive this accolade, which was awarded at a ceremony in London in November.

The Women to Watch programme honours women doing outstanding work in the field of risk management and commercial insurance.

Silvia was recognised for her extensive experience and successful advocacy for the mutual and cooperative insurance sector, notably her work on Solvency II.

We are delighted that Silvia Herms is counted as one of the industry's extraordinary leaders. Her role in making a difference within the association and in the broader insurance industry is greatly valued and serves to uphold the mutual aims of strong, inclusive leadership.



PROMOTION

AMICE PRESIDENT'S EUROPEAN INSIGHT FOR ACADEMIC PUBLICATION

AMICE President Grzegorz Buczkowski authored an in-depth essay that appeared in French academic publication *Revue d'Economie Financière*, on the topic of European priorities for mutual insurers. The essay gives an overview of the European mutual and cooperative insurance market and the challenges for the sector in the current European agenda, in particular those which AMICE is engaged with or intending to tackle.

AISAM ARCHIVE

The archives of AMICE's predecessor organisation, the Association Internationale des Sociétés d'Assurance Mutuelle (AISAM), are now preserved in the Historical Archives of the European Union (HAEU). In September, AISAM's archives were shipped from AMICE to the HAEU at Villa Salviati in Florence, to be conserved and made accessible to researchers.

We are excited to have been able to hand our archive from AMICE's predecessor AISAM to such an important and prestigious project as the HAEU. Our archive is now available to researchers to help them better understand the work of our association as one of the recognised European financial services representative bodies contributing to the development and evolution of the European Union.

AISAM was founded in 1964 and began by representing mutual and cooperative insurers with worldwide membership, before becoming more focused on Europe over time. It merged with the Association of European Cooperative and Mutual Insurers (ACME), the European regional association of ICMIF, in January 2008 to form AMICE.

The European University Institute's HAEU Director, Dieter Schlenker, welcomed the deposit of AISAM's archives in Florence noting that researchers into the history of European integration have received a new, valuable resource. Once processed and inventoried, these archives will shed light on an important element in the history of 'Social Europe' – the cooperation and harmonisation of the insurance sector in the history of the European Union since the early 1960s.

OPERATIONS

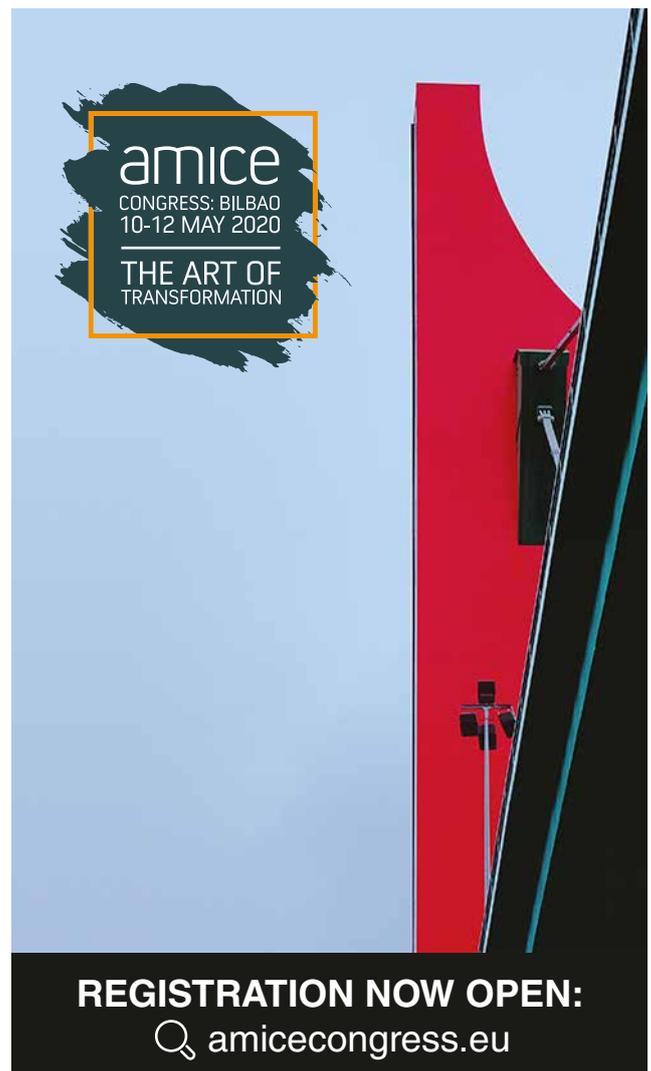
SECRETARIAT | PERSONNEL

Helen Sheppard, Deputy Secretary General of AMICE, has stepped down after 18 years with AMICE and its predecessor organisation AISAM.

Helen has been a strong defender of the mutual/cooperative model and has worked tirelessly as AMICE's lead representative on social economy issues and at Social Economy Europe. We would like to extend our thanks and best wishes to Helen.

Belma Yashavora has been promoted to Head of Policy and will continue to represent AMICE at Social Economy Europe.

The changes are the result of the implementation of AMICE's latest strategic plan.



The image is a promotional poster for the AMICE Congress. It features a light blue background with a large, dark, abstract brushstroke shape on the left. Inside this shape, the word 'amice' is written in a white, lowercase, sans-serif font. Below it, the text 'CONGRESS: BILBAO 10-12 MAY 2020' is written in a smaller, white, uppercase, sans-serif font. At the bottom of the brushstroke, the text 'THE ART OF TRANSFORMATION' is written in a white, uppercase, sans-serif font. On the right side of the poster, there is a vertical red shape that resembles a stylized '1' or a similar character. Below this red shape, there is a black silhouette of a person standing on a stage, possibly a speaker or performer. At the bottom of the poster, there is a black horizontal bar with the text 'REGISTRATION NOW OPEN:' in white, uppercase, sans-serif font. Below this text, there is a white magnifying glass icon followed by the website address 'amicecongress.eu' in white, lowercase, sans-serif font.



CALENDAR 2020

AMICE

28 January	Brussels	Regulatory Affairs Working Group
18 February	Brussels	Executive Committee
17 March	Brussels	Board
10 May	Bilbao	Board
10-12 May	Bilbao	Congress
11 May	Bilbao	General Meeting
06 October	Brussels	Executive Committee

ICMIF

10-12 June	Helsinki, Finland	<u>Meeting of Reinsurance Officials (MORO)</u>
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External Events Calendar

4 June	Brussels, Belgium	Insurance Europe 12 th international insurance conference
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ACME	Association of European Cooperative and Mutual Insurers	IASB	International Accounting Standards Board
ADR	alternative dispute resolution	IAWG	Insurance Accounting Working Group, EFRAG
AISAM	Association Internationale des Sociétés d'Assurance Mutuelle	ICMIF	International Cooperative and Mutual Insurance Federation
AMICE	Association of Mutual Insurers and Insurance Cooperatives in Europe	IFRS	International Financial Reporting Standards
ARGE	German mutual insurance association	IGS	insurance guarantee scheme
CCAM	Cooperative, connected and automated mobility	Insurance Europe	European insurance and reinsurance federation of national associations
CEO	Chief Executive Officer	KID	key information document
CMU	Capital Markets Union	MEP	Member of the European Parliament
CSR	corporate social responsibility	ODR	Online Dispute Resolution
EC	European Commission	OECD	Organisation for Economic Co-operation and Development
ECB	European Central Bank	ORSA	Own Risk Solvency Assessment
ECOFIN	Economic and Financial Affairs Council	PRIIPs	packaged retail and insurance-based investment products
ED	Exposure Draft	QRT	quantitative reporting template
EFIF	European Forum for Innovation Facilitators	SEE	Social Economy Europe
EFRAG	European Financial Reporting Advisory Group	SFCR	solvency and financial condition report
EFRAG IAWG	European Financial Reporting Advisory Group, Insurance Accounting Working Group	TEG	Technical Expert Group
EIOPA	European Insurance and Occupational Pensions Authority		
EP	European Parliament		
ESA	European Supervisory Authority		
EU	European Union		
HAEU	Historical Archives of the European Union		
IAIS	International Association of Insurance Supervisors		



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