

1. ACTUARIAL CODE AND STANDARDS

ESAP3

- David Hare reported of the status
- ESAP3 does not cover all aspects of ORSA that are relevant to the actuary –where there is nothing to add to the directive or other documentation there is nothing in ESAP3
- ESAP3 received quite a lot negative feedback in Barcelona
- First consultation: scope not clear/too much non-core material/not sufficiently principles based/mixture of hard requirements and soft guidance/difficult to enforce
- Informal consultation, October 2016 – generally supportive, suggested changes: clarity over when to agree scope with principal/add reference to expected changes in business practices re: length of ORSA projections/minor improvements to phrasing (changes not adopted – requests for more detail)
- Formal consultation Dec 2016 – March 2017: all but 1 of the responses were generally supportive (The Dutch wanted more detail) – the one not supportive will be satisfied with more emphasis on the EAN
- minor changes after latest formal consultation
- ESAP3 received favourable feedback in the IC, not discussion here
- also the corresponding EAN was introduced here – EAN does not redefine or interpret ESAP 3 but to give better understanding and help to apply

ESAP5 – Independent review of the work of an actuary

- Wolfgang reported
- survey presented an inhomogeneous picture – some need this/others have no need, very black and white (less than third supports developing a standard – generally larger/more developed associations see less need for a standard whereas smaller ones want a standard – from the Finnish part we expressed less interest to go on)
- options: give a go/postpone until CPH/stop development
- short document will be produced before CPH to see what would be the principles in ESAP5 and why it is needed
- also noted – basically ESAP5 would fit more naturally into what the IAA is doing. But IAA does not want to. If the AAE does this standard it could be interpreted as an AAE position that independent review is always required in the S II context

Exposure Draft of a revised Code of Conduct

- acting against public interest caused concern to some respondents
- some smaller changes made (draft arrived on the same day as the meeting)
- if approved of in general assembly in CPH, associations have until end of 2020 to implement

2. STRATEGY REVIEW

Strategy

- strategy was well discussed already in Barcelona
- work done in a task force, mostly discussing governance

- on strategy finalising texts, without new need for consultation

Governance

- Board of Directors' ToR – clarifying roles
- composition – nine members, current/past/future chairman + six members with at least one from each voting category
- nominations panel: current and past chairperson plus two members of each voting category
- nominations panel defined in its own article in the statutes
- the names of committees taken out of the statutes because these will be decided by GA
- discussion point from Sweden – Board too large
- three-year period can IN EXCEPTIONAL CASES be extended by one year at a time
- interim report approved (with minor terms), officers will take things forward
- nominations panel will act on the assumption that new governance will be approved in CPH and there needs to be proposals for members to new positions
- current board prepares transition measures to new governance

UK FRC

- new standard framework in the UK
- new groups: pension actuaries and actuaries working in investments
- news on monitoring standards

Review of MRA

- survey undertaken was noted

CPD

- AAE will not go forward with CPD before we hear more from the IAA

Task Force on Risk Management

- started Nov 2016, 22 participants
- continuing

Customer Protection

- Béhar introduced
- important topic, will go forward