



## PRESS RELEASE

### **AAE comments on EIOPA's Note on the "Need for high quality public disclosure and the potential role of external audit"**

*Brussels, 16 July 2015:*

On 10 July 2015 EIOPA published a note on the "[Need for high quality disclosure: Solvency II's report on solvency and financial condition and the potential role of external audit](#)".

The Actuarial Association of Europe (AAE) shares the EIOPA view that the Solvency and Financial Condition Report (SFCR) "is a unique opportunity for (re)insurance undertakings to address stakeholders' perception on perceived opaqueness and inadequacy of publically disclosed information".

On 12 November 2014 the AAE published a position paper on "[The independent review of Solvency II reports](#)". In that paper the AAE considers the SFCR to be an important step in the realisation of transparency, one of the main goals of Solvency II.

EIOPA believes that "to ensure high quality public disclosure, external audit of such information can be a powerful tool" and that the main elements of the SFCR "could fall within the scope of an external audit".

The AAE believes, with EIOPA, that only high quality disclosed figures and good public reports can fulfil the goals set out by Solvency II. In its position paper the AAE stated that "the SFCR should be subject to an independent review of high quality so that stakeholders have confidence in the appropriateness of the information disclosed".

Irrespective of such a review being carried out internally or externally, by an auditor or by another qualified professional, the AAE is of the opinion that in any case readers and users of the SFCR should obtain full insight into the actuarial expert judgment used in the valuation of the risk exposure and technical provisions of an insurance or reinsurance undertaking. In order to assure the stakeholders that the expert judgments applied in the process are appropriate, this should be provided by obtaining an independent actuary's opinion.

Michael Renz, chairperson of the AAE, stated: "The AAE is keen to contribute with EIOPA and other stakeholders to achieve the intended high quality disclosure and the accompanying independent review".

*- End of press release -*

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#### *Notes for editors*

1. For further information please contact Ad Kok, Chief Executive (tel. +32 2 201 60 21), [aamkok@actuary.eu](mailto:aamkok@actuary.eu)
2. Copies of all AAE press releases are available on the AAE website ([www.actuary.eu](http://www.actuary.eu))
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