

E-Newsletter: latest news from the Groupe

The Groupe has in the past circulated a printed Newsletter from time to time. However, with the increasing use of the Web as our preferred medium of communication, it seems only natural that the Newsletter should evolve into part of the Groupe's Web site. In theory, one of the advantages of electronic news is that it can be published "as it happens" without having to wait while sufficient items accumulate to justify a print run. The idea is, therefore, - as our Web skills develop - to update the Web site regularly with news items, rather than issuing a Newsletter which may be largely out-of-date by the time it reaches you.

To make the transition from old to new, we have put together a digest of recent or currently active issues in which the Groupe is involved. These will be updated here on the Web site as developments occur. The Web site itself will shortly be undergoing a makeover which will incorporate the Groupe's new name and revised styling which we hope will be more attractive and easier to navigate. The redesign of the Web site will coincide with a new URL for the Groupe: <http://www.gcactuaries.org>.

The evolution of the Groupe cannot be merely cosmetic - it must reflect the fact that Europe has changed significantly since the Groupe was established almost 25 years ago. Member associations (now 30 in number compared with the original 12) are currently considering ideas for the Groupe's strategic development put forward by Ad Kok (Actuariel Genootschap, Netherlands) and will be debating them in the coming months. At the end of 2001 the Groupe actually had 33 member associations, but the latest news from France is that their four separate associations (the Institut des Actuaire Français, the Association des Actuaire Diplômés de l'ISFA, the Union Strasbourgeoise des Actuaire and the Association des Actuaire de Bretagne) came together as one - the Institut des Actuaire - on 1 January 2002.

It is disappointing to report that the question of mutual recognition with the American Academy of Actuaries remains unresolved. The nub of the problem is the syllabus of the Enrolled (ERISA) Actuaries, which does not conform to the IAA syllabus. This matter will be considered further at the forthcoming meeting of the IAA in Cancun, Mexico, in March.

Arrangements are in hand for the next Summer School, from 10-12 July 2002 at the Catholic University of Milan, on the subject of Finance of Insurance, and for the 15th Annual Colloquium on 18 October 2002 in Barcelona, on Risk Management and Capital Needs. Further details of these events appear elsewhere on the Web site.

Insurance

The Groupe, through its Insurance Committee, is working closely with the European Commission (Internal Market DG) on the Commission's Solvency II exercise. It is particularly noteworthy that the Groupe has been formally invited to join the life and non-life working groups established by the DG's Insurance Committee to review technical provisions - the only professional body represented here. These working groups have met on 26 September and 11 December (non-life - representative: John Ryan, Institute of Actuaries, UK), and 11 September and 14 November (life - representative: Bruce Maxwell, Society of Actuaries, Ireland). Amongst areas being examined by these working groups are:

- a possible review of the "Schiphol principles" set out by the Groupe in 1990, and which formed the basis of the 3rd Life Directive
- risk-based systems
- reserving practices

The next meetings of these two working groups will take place on 13 February (life) and 5 March (non-life).

Another area in which the Groupe's participation has been actively sought by the European Commission is reinsurance supervision. The reinsurance sub-committee of Internal Market DG has a representative from the Groupe (Dr Hans Peter Boller, Switzerland) who attended a meeting in Brussels with the Commission on reinsurance supervision last November. He is co-ordinating a substantive response to the Commission's discussion paper on technical provisions in insurance and reinsurance.

Nigel Masters (Institute of Actuaries, UK) has agreed to act as the Groupe's representative on the EFRAG (European Financial Reporting Advisory Group) insurance sub-committee, which holds its first meeting on 31 January. News of this committee's activities will be posted here in due course.

Responses have been prepared by the committee to Commission (Internal Market) papers on (a) the possible application of banking supervisory practices to insurance, and (b) risk based capital.

Pensions

The Pensions Committee is involved in a number of comparative studies of cross-border issues, some of which are already available elsewhere on the Groupe's Web site. Of particular significance at the moment is the recently revised survey of actuarial methods and assumptions used in the valuation of retirement benefits in the EU and other European countries. The Groupe has been invited to join a Commission delegation and give a presentation on this survey to the new Spanish Presidency, as a contribution to the development of a Directive on the activities of institutions for Occupational Retirement Provision. This presentation will be given by David Collinson and Paul Thornton on 1 February.

Further surveys, on the professional responsibilities of pensions actuaries, and on taxation of occupational pension schemes, are nearing completion. They will be published on the Web site shortly.

The Groupe is represented, through the Pensions Committee, on the CEPS (Centre for European Policy Studies) task force on portability of pensions. CEPS will also be undertaking a study on the economic consequences of ageing, to which the Groupe expects to contribute.

The actuarial methods and professional responsibilities surveys will form the focus for the annual meeting with EU Pensions Supervisors, to be held in Brussels on 8 April 2002. The meeting with Insurance Supervisors takes place the following day and is likely to include aspects of the Solvency II review and reinsurance supervision, as well as a contribution from the Investment and Financial Risk committee..

Investment and Financial Risk

Work continues on the Committee's surveys on the use of yield curves, and on mismatching. The forthcoming third round of consultation on capital adequacy by both the Basel Committee on Banking Supervision and the European Commission will provide a further focus for the Committee.

Education

Having decided not to pursue a SOCRATES application for curriculum development initiative (CDI) funding, the Education Committee is focussing its efforts on other ways of harmonising the education systems of the Groupe's member associations. These include: a survey of progress in implementing the Core Syllabus; a review of the Core Syllabus; an education seminar in Brussels on 15/16 April 2002; a joint seminar on education with the IAA in Berlin in November 2003.

In addition, Professor Carla Angela (Istituto dei Attuari, Italy) is developing proposals through the University of Rome "La Sapienza" for a European degree in Actuarial Science. She would be pleased to hear from other European universities interested in collaborating on this project. Her e-mail address is carla.angela@italian-actuaries.org

Other news

Representatives of the Groupe held one of their periodic informal meetings with staff of the Commission's Internal Market DG in Brussels on 20 November. Discussion topics included:

- Solvency II, in particular prudential supervision and the harmonisation of technical provisions
- Reinsurance supervision
- Fair value
- Private health insurance
- Insurance and terrorist cover
- Capital adequacy
- Directive on activities of Institutions for Occupational Retirement Provision.

If there are any items in this news update about which you would like to receive further information, or if you have any comments to make on it, please contact Michael Lucas, Secretary of the Groupe Consultatif (e-mail: michaell@actuaries.org.uk). To find out more about your association's role in the Groupe, you should contact your representative whose details appear elsewhere on the Groupe's website.

Michael Lucas
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