

# News

## june 10



Asmo Kalpala  
President

**As companies of people rather than capital, mutual and cooperative insurers have and defend values that are fundamentally different from those of shareholder-driven companies. "Mutuality today: sustainable values" was the overall theme of our Congress in Genoa last month. If we take these values seriously and stand up to defend and promote them, they will also be the basis for mutuality tomorrow.**

Our second congress in Genoa was an extremely successful event, held in a very convivial atmosphere – not just thanks to the wonderful Italian hospitality – showing that AMICE truly unites the European mutual and cooperative insurance sector.

During the congress, we heard excellent presentations and discussions on how mutual and cooperative insurers have survived the credit crunch, on the challenges insurers will face in adapting to the new Solvency II risk management requirements and in offering cover for the changing risks in society.

The “why-not attitude” demanded by Professor Garelli, our keynote speaker, challenges us, as the leaders of our companies, to dare to differ from public listed companies. Our duty as mutual and cooperative insurers is to secure the customer care attitude and to recover the pure mutual and cooperative identity of our companies and to be ahead of the game in CSR.

These are our challenges for the coming years and, on the basis of the medium-term strategy univocally endorsed by the General Meeting last month, the newly elected Board will prepare AMICE’s work programme for the next 3-year mandate.

On behalf of the Board, I should like to thank all of you for confirming the Nomination Committee’s proposal for our governing bodies which now characterize the diversity of our membership, particularly given the election of a Vice-President representing our small and medium-sized members. Thank you also for your confidence in re-electing me as President of AMICE. We shall do our best to fight for the level playing field for all our companies in Europe.

*Asmo Kalpala*

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# AMICE Annual General Meeting

AMICE's Annual General Meeting took place on 24 May in the context of the AMICE Congress in Genoa. More than half of AMICE's 120 full members were present or represented and received the report from the Working Group Chairs and the Secretary General about the activities of the association over the past 12 months. The Assembly also approved the 2009 accounts and the budget for 2011, based on a linear increase in fees of 4 %.

After the end of the term of all Board members, delegates approved the Nomination Committee's proposal for the new Board, consisting of 26 members from 16 countries. New Board members are Thierry Derez, Covéa, France, Josef Schmid, Die Österreichische Hagelversicherung, Austria, Jerónimo Teixeira, Mutua dos Pescadores, Portugal, and Jorge Vázquez Morenés, Mutua Madrileña, Spain.



Asmo Kalpala, Tapiola, Finland was univocally re-elected for a second and last three year term as the President of the association. His Vice-Presidents are Michel Dupuydauby, ROAM and MACSF, France, and Werner Görg, Gothaer, Germany. Jacques Forest was re-elected Treasurer.

At the Board meeting on the same day, Jean-Luc de Boissieu, GEMA, France, and Cor Ensing, Univé Dichtblij, Netherlands, were designated new Members of the Executive Committee and Chairs of the Legal Affairs and Member-to-member working groups, respectively. OVM Univé de Onderlinge U.A., Netherlands, was welcomed as a new member of the association.

*The Annual Report 2009 is available from the publications section of the website in English and French.*

## Medium-term strategy – securing the well-being and growth for our sector

After nine months of discussion within the Board and with members, and based on the results of the member survey of last winter, the Board presented to the General Meeting the AMICE medium-term strategy. The document that was unanimously approved by the General Meeting focuses on six strategic aims:

- Promoting the mutual/cooperative business model in insurance and strengthening the mutual/cooperative brand
- Addressing the barriers for mutual and cooperative insurers
- Enabling SME insurers to achieve business success
- Improving the value of the association for its members and potential members
- Optimising the governance, transparency and efficiency of the association
- Securing the appropriate resourcing of the association

After the summer, these will be translated into a work programme for the coming years. The strategy document is available in the General Meeting folder in the Member Area and can be obtained from the Secretariat in English and French.

# Solvency II – More time for level 2 measures

The Commission will allow more time for the drafting of the level 2 implementing measures for Solvency II. The final draft will only be published in the spring of 2011 which creates the potential for better texts that are more widely agreed between all stakeholders. Moreover, the results of the QIS5 exercise, which will become available during the first quarter 2011, can be better taken in to account. At the same time, however, there is also a risk: The subsequent comitology process with parliament and member states will have to function extremely smoothly. If not, the time necessary for insurance undertakings to prepare for the implementation date of 01 January 2013 on the basis of the final text will be unduly shortened.

AMICE takes an active part in the non-public consultations and provides comments to most of the draft papers. We have submitted extensive comments on the draft QIS5 specifications and represented members in the working group on the design of the health risk module.

Pillar III of Solvency II (disclosure and reporting) is the source of mounting concern for AMICE members and most other insurance undertakings. Several AMICE members participate in CEIOPS' field test of the reporting templates for solo entities and for groups. Even large and very large insurers, commonly more confident about forthcoming capital and governance requirements, are highly concerned by the planned reporting duties. Small and medium-sized AMICE members see their existence threatened even more by these requirements.

In his statement at the Commission hearing on 4 May, the AMICE Secretary General commented explicitly on this serious problem.

## → AMICE Congress 2010

All speaker presentations, the Congress programme with speaker profiles and the Congress newsletter can now be downloaded from the Congress website [www.amice-congress-2010.it](http://www.amice-congress-2010.it) or via the link from the Congress section on the AMICE website.

The photographs from the event will shortly be available via the same links.

## Sustainable finance / capital maintenance

A long standing wish of President Asmo Kalpala, the Sustainable Finance task force kicked off its work in the freezing month of February in Stockholm under the chairmanship of Timo Laasko (Tapiola, Finland) with the purpose of “promoting sustainable mutual insurance operations with a view to increasing and maintaining AMICE members’ customer-owners’ benefits.”

At this stage comprised of members from Finland, France, the Netherlands and Sweden (and soon Spain) and an observer from ICMIF, the group’s motto could be ‘How can mutuals capitalise themselves in a Solvency II world?’ Concretely, this means looking at the various capital (including hybrid) instruments in use by mutual/cooperative insurers in the EU with a special focus on potential provisioning techniques which could be ranked in Tier I/II in Solvency II; examining the proportionality principle under Pillar I, i.e. simplified methods and techniques to calculate capital requirements and technical provisions and exploring promising capital instruments in use or under development in the banking sector in order to decide which of these capital instruments merit follow-up by AMICE.

After the summer holidays, the task force will resume its work in Spain (Madrid, 6 October) hosted by AMICE’s new member, Mutua Madrileña.

## → Solvency II task force meeting

The 26 August Solvency II task force meeting will feature a workshop on Data Standards in the Insurance Industry, animated by ACORD<sup>1</sup> on topics such as

- global drivers, trends, impact on insurance
- history and overview of existing standards in Europe
- Efficiency and information insight – including case studies from business acquisition, risk transfer and administration
- Opportunities and challenges from the business and IT perspective, data governance and standards

For more information, contact [catherine.hock@amice-eu.org](mailto:catherine.hock@amice-eu.org) or [silvia.herms@amice-eu.org](mailto:silvia.herms@amice-eu.org).

<sup>1</sup>The Association for Cooperative Operations Research and Development is a global, nonprofit standards development organization serving the insurance industry

## New member: Mutua Madrileña

Mutua Madrileña is one of Spain’s largest insurers. Its portfolio is made up of approximately 2,400,000 insured parties distributed among the various branches in which it operates. The Group has a team of more than 1,900 professionals and a network of regional offices in the leading geographical locations in Spain.

Since its incorporation in 1930, Mutua Madrileña has founded its success in the insurance sector on three values that constitute the pillars of its business: its commitment to members, transparent management and the highest quality services.

In recent years, Mutua has carried out a complete transformation to consolidate its position as a diversified entity, both geographically and in its business areas. Its activities are grouped around two fundamental areas: insurance activities and asset management. In insurance, activities are focused on the motor segment, where the company handles more than 1,800,000 car, motorcycle, household and accident insurance policies. In addition, the Group has a division devoted to the management and marketing of life assurance.

In asset management, Mutuactivos manages the Group’s financial assets and offers savings and investment solutions to third-party customers. Mutuactivos S.G.I.I.C. is the leading independent fund manager for banking groups in Spain. With 20 years’ experience, it handles more than 15 investment funds and its long-standing experience has been recognised by numerous awards. For its part, Mutua Inmobiliaria manages the Group’s real estate assets, currently consisting of buildings located in the most representative areas of Spain’s main cities. Among them is the Torre de Cristal in Madrid, Spain’s tallest office building.

The mutual model has been crucial in Mutua Madrileña’s solid growth over the 80 years of its existence. For that reason Mutua is a staunch supporter of this model and attaches great value to being a member of AMICE as a necessary step to achieving a strong and single voice for European mutuals, particularly at this key moment when Solvency II is about to enter into force, and to defending a mutual model that, given the impact of the crisis, has proven its immense worth in terms of sustainability.



**MUTUAMADRILEÑA**

## AMICE publications

### Mutual and cooperative insurers have 25% market share

The mutual and cooperative insurance sector has a steady market share of close to 25% in Europe. This is the main result of a statistical report based on 2008 figures issued by AMICE at its Genoa Congress. The market share of the sector is above 25% in non-life insurance and between 20 and 25% in life insurance. The report is available from the AMICE website (see link on homepage).



The report was based on research by ICMIF who had published their global “Mutual Market Share 2007-2008” report earlier this year.

### Mutual Insurance companies in the USA

As a supplement to the AISAM publication of 2007 covering five European countries (BE, ES, FR, IT, NL), AMICE has published a study on the regulatory, financial and fiscal arrangements for mutual insurers in the US thanks to the active contribution of ROAM, France, who compiled the study based on answers from State Farm and NAMIC in the US.

The original study and the US supplement are available free to AMICE members: please contact [secretariat@amice-eu.org](mailto:secretariat@amice-eu.org) for a paper copy or see the Reference library in the Member Area of the AMICE website.

## Block Exemption Regulation

The new Insurance Block Exemption covers only joint compilations, tables and studies, and pools. Standard contractual terms and standards for securities devices will in the future be addressed by horizontal guidelines on which the Commission is currently holding a consultation.

[http://ec.europa.eu/competition/consultations/2010\\_horizontals/index.html](http://ec.europa.eu/competition/consultations/2010_horizontals/index.html)



## → AMICE meetings and events

- 1 July . . . . . Zeist . . . . . Legal affairs task force
- 26 August. . . . . Brussels . . . . . Solvency II task force
- 30 August. . . . . Brussels . . . . . Communications working group
- 31 August. . . . . Brussels . . . . . Executive Committee
- 16 September . . . . . Telephone . . . . . MCN/WCI task force
- 23/24 September. . . . . Turin . . . . . CSR workshop & task force
- 29 September . . . . . Brussels . . . . . Board
- 1 October. . . . . Brussels . . . . . Solvency II task force
- 6 October. . . . . Madrid. . . . . Sustainable finance/Capital maintenance task force
- 19 October. . . . . Brussels . . . . . Executive Committee
- 2 November. . . . . Brussels . . . . . Solvency II task force
- 9 November. . . . . Brussels . . . . . CSR workshop & task force
- 15 November. . . . . Brussels . . . . . Annual Reception
- 16 November. . . . . Brussels . . . . . Board