

News

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Hilde Vernailen
President

Recognition of the mutual and cooperative insurance sector and advocacy for an appropriate legal and regulatory environment is an important project, but it is of long-term character. In contrast, the implementation of Solvency II in our countries is of immediate concern to all of us.

Dear colleagues,

While I am still under the positive impression of our breakfast discussion in the European Parliament (see the article and the interview in this newsletter), I am deeply worried about what is happening in different countries across Europe in the context of the implementation of Solvency II. Implementation date (31 March) is almost here – and the market is not at all “single” and the playing field is all but level.

Already the application by national authorities of EIOPA’s Preparatory Guidelines, intended to secure a smooth and joint learning process towards 2016, showed how unevenly these were understood across Member States. And we see now, as national ministries finalise the transposing laws and regulators provide their drafts of implementation measures, how diverse their views are about the final framework: through differences in interpretation and in the exercise of national options, and in the level of adherence to the Guidelines.

It is therefore more important than ever that AMICE members exchange experience with each other and with the association’s Secretariat. The number of calls from members to the Secretariat asking whether we have information on how issues are solved in other countries is increasing. And often they take the form of a call for help. Advocacy work has to go on – there are still consultations out around Solvency II and regulatory activity around policyholder protection is on the rise. But at least equal attention is needed to the concerns about the day-to-day application of the new framework.

I invite you all to share your questions and observations with the Secretariat. AMICE will do whatever we can to help members on the last stretch towards Solvency II and towards a secure future for their activities and the sector.

Hilde Vernailen

Make your voice heard at AMICE!

The Annual General Meeting in Brussels on 19 May gives you the opportunity. Find information about the AGM and our symposium “The data triangle” inside this newsletter.

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Interview with Brando Benifei MEP

On 4 February, Brando Benifei hosted a breakfast discussion at the European Parliament organised by AMICE (see also the separate article on page 3). After the discussion, Mr Benifei gave AMICE the following interview.

Why do you believe the mutual and cooperative sector needs the support of the European Parliament and Commission?

The mutual and cooperative sector stands for an innovative, non-traditional business model, which answers customers' needs for good quality products, allows sustainable and responsible governance, provides for a more stable market in the long term and enriches European corporate plurality.



The European Parliament already called in 2013 for a common and coherent legal framework and a European Statute for the mutual sector, in full compliance with the principle of subsidiarity. Our commitment remains the same, we will work to push the European Commission towards developing further steps that enable these insurers to benefit from a fair business environment.

Which aspects of the mutual model are particularly beneficial to European citizens?

Mutual and cooperative insurers offer services to 230 million citizens across Europe, employing some 350,000 people. They successfully represent an innovative approach to business that can add value to EU growth strategies. European citizens can benefit from this business model oriented to customers' needs and focusing on long-term results. In addition, this sector brings indeed an alternative and additional choice to the market: plurality is an asset.

Do you believe that this type of business model could help Europe overcome the crisis?

After many years of crisis, we still face major challenges to growth in Europe, which we must try to solve by building a sustainable, inclusive economic and social model. Mutuals and cooperatives help to reinforce this goal, as their "innovative" governance structure promotes solidarity, participation and a long-term perspective; they have all the features to play an important role in developing positive solutions.

Which concrete actions would you propose to the European Parliament in order to ensure the sustainability of the sector?

First of all we need to raise awareness - also among my fellow MEPs - about the challenges that the mutual and cooperative insurance sector faces nowadays: we must keep the issue at a high level of public debate among legislators, also by reiterating the official position of the European Parliament (Toia and Berlinguer Reports). Secondly, we have to develop further concrete steps. Two examples: the mid-term review of the *Europe 2020* strategy and the process linked to the European Semester. In both cases, the European Parliament will have the opportunity to have a solid impact on results.

MEP Jens Nilsson announced the re-establishment of the Intergroup on Social Economy. Will you be involved in these activities? In your opinion, what would be the best course of actions of the Intergroup for the mutual insurance topic?

Intergroups provide us MEPs with the opportunity to broaden the discussion on issues which are transversal to the Committees' focus and competences. The Social Economy Intergroup wants to make the difference by highlighting the role of the social economy in developing a sustainable society and a strong European democracy. I would never miss the opportunity to support and get involved in the activities of such an Intergroup. Links between the mutual insurance sector and the broader social economy topic are manifold and strong; we need to develop all of them, first of all by spreading knowledge of the issue within and beyond the Intergroup and by convincing MEPs to keep their focus on it.

Thank you. AMICE is also looking forward to cooperating actively with you and your MEP colleagues, both within the SE Intergroup and on a bilateral basis.

→ AMICE on Twitter



You can now follow AMICE on
Twitter: @AMICE_Mutuals

Advocacy | Updates

Solvency II

With the transposition date set at the end of the quarter and full implementation only nine months away, several parts of the framework have been completed (at least for the time being):

- The Delegated Acts were published by the European Commission. High-level political discussions will determine whether some elements (e.g. on long-term infrastructure investments) may be re-opened earlier than during the general Solvency II review in 2018. See Commissioner Hill's [letter](#) to the EP.
- EIOPA's Guidelines on governance and ORSA are now final. See Silvia Herms' [note](#) on the outcome of AMICE's advocacy and the final shape of the Guidelines.
- The ECB published its first (still unofficial) Solvency II reporting templates, including ECB add-ons which are to be used by national central banks. Coordinated lobbying by the industry and EIOPA limited the "ECB add-ons" to five additional templates of which three are new.

On the other hand, AMICE's advocacy activities saw another culmination point in early March when we submitted 14 responses to EIOPA's consultations on the second wave of ITSs and guidelines. The response templates, assembled in the monthly meetings of the working group and in many conference calls and intense work by Silvia Herms, can be found on the AMICE website.

With national consultations and implementation measures on the way, we see that AMICE members have more and more questions about the interpretation of the texts at all levels. We try our best to be available to members and to assist them with their challenges. Please contact Silvia Herms, preferably by [e-mail](#), if you have any questions.

See also the short article about interesting national discussions, on page 4.

AMICE breakfast discussion at European Parliament on the European Mutual Insurance Manifesto

The breakfast discussion organised by AMICE and hosted by MEP Brando Benifei (IT) (see the interview on page 2) at the European Parliament on 4 February offered AMICE Executive Committee members the opportunity to meet with MEPs Jens Nilsson (SE) and Georgi Pirinski (BG), and the assistants of MEPs Maria Arena (BE), Patrizia Toia (IT), and Sirpa Pietikänen (FI). AMICE President Hilde Vernailen presented the EMIM and participants discussed the key challenges and opportunities with a view to determining the best course of action. MEPs agree that the mid-term review of the *Europe 2020* strategy is an appropriate moment for the EP to remind the Commission of models beneficial for Europe and its citizens in the current crisis. A [summary](#) of the event is available on AMICE's website.



Regulatory Affairs

At the meeting of the working group on 22 January, a Commission representative gave an overview of on-going initiatives, particularly the IMD, and announced a Green Paper on retail issues in financial services (insurance and banking) for the last quarter of 2015.

AMICE responded to EIOPA's consultation on Product Oversight Governance, warning against overlap or contradictions with IMD2 and specifically requesting the exclusion of non-complex products from the scope of any regulation in this context.

Complementary to comments provided by ICMIF on behalf of its members, AMICE decided to provide a specific European response to the OECD's questionnaire for the review of its Guidelines on Insurer Governance. We argued that Solvency II introduces high-quality standards for European insurers and that the OECD's assessment and review would benefit from postponing it to 2016 when Solvency II implementation will be completed across the EU. Both consultation responses can be found on the [AMICE website](#).

→ Briefing

If you work for an AMICE member organisation and would like to receive twice per month our briefings on our activities, please contact secretariat@amice-eu.org.



Interesting national implementation discussions

It is worth noting that three different strands of discussion that have accompanied us throughout the past years and in which AMICE has always taken an active role are now finding interesting solutions at national level:

- Veteran Solvency II warriors will remember that a **definition of mutual groups** was inserted in the Directive through the European Parliament. In 2011, AMICE discussed at a symposium whether the French SGAM model would be compliant with the expectations that the Directive puts on insurance groups. And Jean-Luc de Boissieu came to the conclusion that “either SGAMs assimilate themselves to groups – or they won’t be recognised as groups.” There are discussions in France now on whether to strengthen the national definition of a mutual group (a SGAM) in a way that makes SGAMs (automatically) Solvency II compliant and to introduce another, less tight concept of grouping of mutuals that does not strive to fulfil group conditions under Solvency II.
- Highlighting challenges in the raising of **capital for mutuals** has always been a core issue for AMICE. During the past months, the sectors in two countries have made great progress towards legal solutions to this challenge: the UK House of Commons has passed the Mutual and Deferred Shares Bill, and in France the implementing regulation (decret) for the mutual certificates (under the Social and Solidary Economy Act) has been published.
- During all discussions, AMICE has always appreciated the Commission’s choice to keep **governance rules** in Solvency II flexible by introducing the concept of the “AMSB” (“administrative, management or supervisory body”[1] – Art 40) instead of allocating at Directive level specific duties to management, to boards, supreme organs (assemblies) etc. We see now during the implementation phase in some Member States that mutual insurers have the possibility to identify and work out with their regulators solutions that take into account specificities of mutual governance, e.g. the involvement of policyholder-members or their representatives in the governance of the mutual.

Social Dialogue

Representatives of UNI Europa, Insurance Europe, AMICE and BIPAR, the partners to the Insurance Sectoral Social Dialogue Committee (ISSDC), signed the Joint Declaration on Telework on 10 February. In the declaration, the social partners identify relevant factors to be considered in individual or collective telework agreements at national or company level.



Assistance | Updates

6th Meeting of European Mutual and Cooperative Reinsurance Managers | Madrid, 16-17 April

Mutua Madrileña will be hosting AMICE’s 6th reinsurance event in Madrid on 16-17 April next. The Meetings are held in alternate years to the larger ICMIF global Meeting of Reinsurance Officials (MORO), with the aim of providing reinsurance managers with the opportunity to discuss their particular business concerns with their peers from other mutuals and cooperatives. ICMIF’s secretariat has been actively involved in preparing the programme for the Meeting which is open to AMICE and ICMIF members. Attendees also include the reinsurers which have Observer status with AMICE and ICMIF.

The programme will include four working sessions:

- **Session 1:** Are Insurance Linked Securities a viable option for small and medium sized mutual or cooperative insurers? (Rick Thomas, Executive Director, Willis Re International)
- **Session 2:** Identifying the real obstacles to reinsurance collaboration between mutuals or cooperatives in order to discover whether they could be bridged once and for all. (Mike Ashurst, Reinsurance & Professional Development, ICMIF)
- **Session 3:** Matching reinsurance cover to Solvency II scenarios to steer the risk of mutual insurers. (Philippe De Longueville, CRO, P&V, Belgium)
- **Session 4:** How Retrospective Reinsurance can help to relieve part of the burden of claims reserves. (Efe Tokmen, Swiss Re)

Download the full programme and registration information from the [AMICE website](#).

CSR – inspirational case studies

AMICE’s CSR working group has started to make available on-line short descriptions of innovative projects which they believe may be of inspiration to other members. The aim is to extend the sharing of experience to members who are unable to attend working group meetings. The two-page descriptions include an overview of the project, its objectives and target audience, lessons learned and results achieved.

Eight examples are currently available for download from the [AMICE website](#). Other members can also share their own case studies by completing the template which can be downloaded from the same link.

Support for SMEs

AMICE's small (under € 200 million gross premium) and medium (€ 200-1,200 million) sized enterprises (SMEs) received a short survey by email in February asking them how AMICE could serve them better.

If you did not receive the survey and would like to reply, please contact [Helen Sheppard](#).

Solvency II – ORSA report

AMICE's French member association, FNMF, has developed a sample ORSA report for the Board members and staff of its 450 member mutuals. This sample report is divided into three sections. The first describes all the key elements of the mutual's decision-making and organisational processes which interconnect with the ORSA, in particular its strategy, its market environment, and governance and risk management systems. The second explains how to evaluate the mutual's risk and solvency position at a given date in order to show how the mutual's risk profile compares to the hypotheses contained in the standard formula with the aim of proving conformity. The third includes a summary showing the overall solvency needs of the company projected over the lifetime of the company's strategy and the ensuing action plans as regards the necessary own funds, developments in governance and changes to risk management tools or evaluation, as necessary.

FNMF has kindly made this report available to other AMICE members and it is currently in translation into English. If you would like a copy of the document in English or French, please contact the [Secretariat](#).

→ ICMIF Voice magazine

ICMIF has published issue 81 of Voice magazine in EN, FR and ES. [Click here](#).

→ AMICE's membership growing

We hope to be able to present to you in the next newsletter up to five new members of the association whose applications are in preparation and will go now to the AMICE Board for approval.

AMICE General Meeting & Symposium Brussels, 18-19 May 2015

Big data is the must have to succeed as a digital business in the 21st century. At the 2014 Congress in Nice, members rated the speaker on the subject very highly, showing the relevance of the subject for the sector. **Data protection** regulation ensures the rights of consumers but access to individual data is seen differently depending on national culture.

But isn't there a **third dimension** to the question? What about the **ethics** of using data of their members for mutual and cooperative insurers? Does the sector have a different approach and/or responsibility in its use of data of or about member-policyholders-? Do/should mutuals use genetic data in their analysis of risk?

Alongside the General Meeting in Brussels on 19 May next, all members are invited to attend AMICE's Symposium on 'The data triangle'. See the [AMICE website](#) for the programme and [registration form](#).

Promotion | Updates

Promoting mutual and cooperative values working group

In January, the Promoting working group gathered in Brussels to discuss and decide on its work programme over the three next years. The working group proposes to publish one publication every year to support AMICE's advocacy activities and to promote the sector. For 2015, the group is working on a collection of case studies on the origins of mutuals. Articles will present how and why mutual and cooperative insurers were created; the aim being to raise awareness among policymakers and the general public about mutual and cooperative insurers, their background and their values. The publication will show that some values are common to all mutual insurers, even if they come from different countries or backgrounds. AMICE members will soon be invited to send to the Secretariat their own story.

Communications seminar, Barcelona, October 2015

A **Seminar on Communication in the digital age – How mutuals can deliver quality content and engage with customers and the media** will be organised by the Communications working group and hosted by Mutual Médica in **Barcelona**. The event will take place on **22-23 October 2015** (not on 8-9 October 2015, as originally planned). Four sessions will address the following topics:

- **Session 1** | How to deliver content that interests the press?
- **Session 2** | Which methods and what content should mutuals focus on to engage with customers?
- **Session 3** | Organising outward communication
- **Session 4** | Digital age and communications

More information can be found on AMICE's website in the section [Assistance events](#) and AMICE's members may already register by completing the [registration form](#) and sending it back to the [Secretariat](#).

→ AMICE Calendar 2015

- 16-17 April Madrid Meeting of Mutual & Cooperative Reinsurance Managers
- 21 April Ghent Communications working group
- 27 April Brussels Solvency II working group
- 29 April Brussels Regulatory Affairs working group
- 18 May Brussels Board & Gala Dinner for General Meeting participants
- 19 May Brussels Symposium “The data triangle”
- 19 May Brussels General Meeting
- 21 May Brussels Solvency II working group
- 22 June Brussels Solvency II working group
- 9 September Brussels Executive Committee
- 15 September Brussels CSR working group
- 1 October Stockholm Regulatory Affairs working group
- 15 October Brussels Health working group
- 22-23 October Barcelona Communications seminar
- 18 November Paris CSR working group
- 24 November Athens Board

→ External Events Calendar 2015

- 15-16 April Rome 3rd Annual Life Insurance Forum
Fleming Europe
*15%discount for AMICE members.
Please contact the Secretariat to get your promotional code
- 23-24 April Prague 4th Annual Insurance ERM Forum
Uniglobal
- 26-27 May Luxembourg 7th International Conference and Insurance Europe General Assembly events
- 8-9 September Frankfurt 4th Conference on Global Insurance Supervision
EIOPA & Goethe University Frankfurt
- 7-9 October Minnesota, USA ICMIF Biennial Conference
- 18 November (tbc) Frankfurt EIOPA conference

