

News

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Hilde Vernailen
President

Today, mutuals operate in an uncertain European environment and face legal, economic and cultural challenges. A European legal framework that recognises mutuals would create equal opportunities providing them with the same instruments and opportunities as other social and economic organisational structures.

Dear colleagues,

AMICE's role is to ensure that the voice of the sector is heard in Europe and to influence European policymakers in order to gain recognition of our model. Our interaction with the European Parliament and its members is therefore key. Since our breakfast meeting at the Parliament in February to present the European Mutual Insurance Manifesto, I have had several positive meetings with Belgian MEPs to further promote the Manifesto and its proposals. I would be very interested to hear from you on how you have fared in your meetings at home or in Brussels.

Through the Social Economy Intergroup of MEPs, we have also had the opportunity to make our voice heard at hearings at the European Parliament. AMICE Board member Christophe Ollivier underlined the importance of mutual insurers and insurance cooperatives in the European economy and their investment role in financing the social economy at a hearing in June. Fellow Board member Grzegorz Buczkowski represented our association at last week's hearing, explaining the challenges faced by mutuals when operating in the EU and underlining the need for, and the benefits of, legal recognition of mutuals.

However, the general lack of understanding of the specificities of mutuals, of their governance or financing, for example, means that European legislation, for example Solvency II requirements, are not designed with mutuals in mind, as we all know. This lack of understanding also constitutes an important obstacle to the promotion of mutuality across the EU.

On the promotion front, I am glad that so many of you have sent the story of your creation to the secretariat for inclusion in the forthcoming publication on the origins of mutuality. This is a very positive way of showing the diversity of our sector, both in its past and still today. It is also a good example of members participating in the activities of the association which I encourage all of you to do as much as possible.

Hilde Vernailen

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Interview with MEP Jens Nilsson

Swedish MEP Jens Nilsson is President of the Social Economy Intergroup at the European Parliament (SEIG) and gave AMICE an interview after the hearing on 23 September.

1) The Intergroup on Social Economy was re-established at the Conference of Presidents of the European Parliament on 11 December 2014. What are its main objectives for the current parliamentary term?



The Social Economy Intergroup (SEIG) aims to promote social economy enterprises in order to achieve legal recognition for the social economy sector in Europe. This we will do by initiating debates and studies on the social economy at the European Parliament. We will act in the committees on issues and reports that are relevant for the social economy by writing amendments and by taking other initiatives depending on the specific context. We will also have continuous contact with the Commission and the

Council on issues relevant to the sector. The SEIG will, with the support of the EU-level representative organisation Social Economy Europe, bring together important stakeholders and social economy organisations for joint actions in order to influence the EU's policy making within the sector. Furthermore, we will encourage Members of the European Parliament to have a dialogue with politicians and other stakeholders within the social economy sector in their home countries in order to affect the Member State's position within the Council.

2) Why is there a need for legal recognition of mutuals?

Mutuals must be considered as a legal form that is able to work cross-border in the EU. Recognition of their legal existence would stimulate the development of the European social model. Mutuals are important investors with long term objectives carried by their management with a unique customer/member focus. They must be able to act across the whole EU, separately or together. Thus, they could also play a greater role in investments for jobs and sustainable development.

3) How do you think the European Parliament could contribute to it?

The question is not simple. If there are Member States that are blocking the issue, then the European Parliament could also influence their member countries through actions within the Parliament, through debates on how and which legal instruments shall be developed in order to get the Member States to understand the importance of a legal recognition of mutuals.

4) What are the main conclusions of today's hearing regarding the legal recognition of mutual insurers?

The four families have to acquire a common strategy and therefore also help each other in the political process. We need to consider how to overcome the resistance in some member countries in this regard.

5) In your opinion, are there any other concrete actions that could be undertaken to enhance the visibility and ensure the sustainability of the mutual sector?

I would like to add: strong cooperation between mutuals in Europe, a common political strategy that will convince the member countries that are blocking European legal recognition. Perhaps also an OECD-study that shows the potential of the Social Economy Sector for job creation, social inclusion and a sustainable development within the context of a global economy...

Thank you

Assistance I Updates

Corporate Social Responsibility

AMICE's CSR working group will be holding its next meeting at MACIF (Paris) on 16 October, the day same on which the guide to **improving risk management methods in insurance by integrating CSR**, which aims to show the contribution of CSR to the control of risk – operational and strategic - and to provide a methodology to facilitate its operational implementation, is launched. The other main topic on the agenda is climate change and members' actions in the field, particularly in view of COP21.

The following meeting is set for 18 November.

Health and Reinsurance

As a reminder, AMICE's **Health** working group meets at AMICE's offices in Brussels on 15 October to learn about the Danish health system and to progress the study on innovation in health.

The **Reinsurance** working group met on-line on 28 September and held a discussion on preparations for the ICMIF Meeting of Reinsurance Officials taking place in London on 6-8 June 2016, and how the working group could contribute.

Small and medium-sized members

Just over a third of AMICE's SME members replied to the survey carried out in the spring to gauge what assistance AMICE could provide to these members. If you would still like to provide comments, feedback is always useful and welcome.

The replies showed that members thought that being able to join working group meetings on-line or by phone, hence avoiding travel, would be useful. This possibility now exists for all working groups – please contact the secretariat if you have questions on how this works. At the same time, respondees underlined the usefulness of the exchange of best practice, in person at seminars as well as through documented cases.

The results also indicated that time and language constraints remain a barrier but coordination at national level, via an association where it exists, would be useful. Another suggestion was the use of social networks which the secretariat will investigate.

→ AMICE on Twitter



You can follow AMICE on
Twitter: @AMICE_Mutuals



Advocacy | Updates

Solvency II

After months of intensive lobbying, AMICE welcomed this summer EIOPA's decision to allow national supervisory authorities to exempt insurers from the submission of some information about the credit ratings of their investment portfolio provided the firm has outsourced the management of those assets. The initial proposal, hotly contested by AMICE's members, would have forced insurers to pay rating agencies € 300,000 – € 1,000,000 per year to be able to submit the requested information.

Other legislative activity continues as the European Commission has made a proposal to review the Delegated Acts that should enter into force before the Solvency II framework becomes fully applicable by 1 January 2016. The proposed amendments to the Solvency II implementing rules take into account the specific nature of some long-term investments and allow for a more tailored treatment of investments in infrastructure projects in the Solvency II standard formula. AMICE supports this proposal that aims at promoting growth and employment, but investing in infrastructure should be possible for all insurance companies and not only for those using an internal model. The current proposal would have to be amended should the European Commission wish to ensure a level playing field among different players in the market.

At national level there is also still plenty to do; the deadline for transposing Solvency II into national law passed on 31 March but the legislative process is still under way in about half of EU countries. As a result, supervisory authorities in those countries have engaged different informal processes with their companies as they lack the legal power to approve applications on the ancillary own funds (e.g. supplementary calls), valuation of liabilities (volatility and matching adjustment), undertaking specific parameters, and internal models. The absence of a legal framework is putting the transition to Solvency II in jeopardy, as supervisors can take up to six months to give their opinion on internal models and other applications, longer than the time left before Solvency II goes live on 1 January 2016.

What it is not expected to change at least to enter the new regime is the UFR (i.e. the ultimate forward rate) as confirmed by Gabriel Bernardino, chairman of EIOPA, on 15 September. However, he confirmed that EIOPA is looking at the methodology behind the calculation of the UFR and that EIOPA will carry out a wide consultation in 2016 to revise the methodology used. This comes after growing pressure from the European Systemic Risk Board (ESRB) who had argued in a confidential report that the measure was masking the true costs of insurers' liabilities. The UFR is set at 4.2% for the Euro. However, the UFR is not a current rate but a long term interest rate and for the Euro does not fully apply until 60 years in the future. The Solvency II delegated acts say that the UFR's purpose is to "be stable over time and shall only change as a result of changes in long-term expectations". AMICE had stated, in an EIOPA workshop held in Frankfurt in mid-July, that the value of the UFR had to ensure stable cash flows and that any changes in its value had to be anticipated to allow the industry be prepared.

→ Solvency II Seminar

AMICE is organising the next in its series of seminars on Solvency II on 3 November in Paris, looking beyond implementation. Contact [Silvia Herms](#) for more information or [Tatiana Paraskeva](#) for registration details.

Regulatory Affairs

The next Regulatory Affairs working group meeting will take place at Folksam in Stockholm on 1 October 2015. Members will be discussing ongoing regulatory issues such as distribution (IDD and PRIIPs level 2), insurance guarantee schemes, cross-selling, IBER, data protection, the CMU action plan as well as corporate governance, social economy, social dialogue and other upcoming issues.

On 17 August, AMICE submitted its [comments](#) on the IAIS review of its Insurance Core Principles on **Corporate Governance**, drawing attention to the need to keep the standards as flexible as possible in order to take into account different corporate structures and jurisdictional legal regimes. AMICE worked in close cooperation with ICMIF on the preparation of their comments, but submitted a separate reply to the consultation. AMICE also contributed to GFIA's [response](#) on the IAIS' ICPs review.

On 23 September, the European Parliament's **Social Economy** Intergroup held its third public hearing on the legal framework for social economy enterprises. AMICE Board member Grzegorz Buczkowski explained the legal barriers faced by mutuals at EU level and emphasized the need for legal recognition of mutuals. At the second hearing on the financing of social economy enterprises in June, AMICE Board member Christophe Ollivier had presented the role of mutual insurers and insurance cooperatives in financing the social economy.

As well as coordinating the Social Economy Intergroup, Social Economy Europe has also prepared a [White Paper](#) to put forward its policy objectives to European policymakers to which AMICE contributed. The White Paper calls for a set of actions at European level to support the development of social economy enterprises, as well as better recognition of their added value.

AMICE also contributed to Social Economy Europe's joint document with specific proposals for the Council Conclusions on the Social Economy which will be put forward by the **Luxembourg Presidency of the Council** and voted in December. A major conference "[Boosting Social Enterprises in Europe](#)" will be held on 3-4 December in Luxembourg.



The Insurance Sectoral **Social Dialogue** Committee launched its project "The demographic challenge revisited: Innovative measures in the European insurance sector" at a kick-off workshop in Bratislava on 17 September. The result will be a collection of best practices from insurance companies across Europe around work/life balance; qualifications and lifelong learning; health and safety at work; telework; working longer to be published in 2016.

Promotion I Updates

Last chance to register for the AMICE Communications Seminar on 22&23 October

The seminar on “*Communication in the digital age - How mutuals can deliver quality content and engage with customers and the media*” will bring together communication professionals from AMICE members across Europe in October. Participants can learn, exchange experience and network at this two-day event in the beautiful city of Barcelona.



During the four working sessions, AMICE members will present case studies of their experiences with the press and customers, on social media as well as the organisation of the communication in their company. Experts such as Albert Closas, the Spanish journalist and TV director-presenter, will highlight what kind of economic journalism to present to today's audience. The [full programme](#) is now available and you can still register by completing the [registration form](#) and sending it back to the Secretariat before 15 October 2015. Mutual Médica has also arranged special prices with some hotels in the centre of Barcelona, you can find further information in the [sheet on practical information](#). The Secretariat is looking forward to meeting you in Barcelona!



Promoting mutual and cooperative values working group

On 3 September, the Promoting working group gathered in Brussels to work on the articles sent by members for the publication on the Origins of Mutuals. The working group and the Secretariat would like to thank members who have participated in this project. Many good articles have been received presenting the diversity in how mutual and cooperative insurers were created in the countries participating. The aim is to publish in printed form the 20 examples which show the greatest variety in their origins.

The working group also discussed a communication document to draw attention to the Panteia Study. This interesting and very exhaustive study on “the current situation and prospect of mutuals in Europe” published by the European Commission in November 2012 but which has not received the attention it deserves. This communication document, developed together with AIM, will be sent to all stakeholders to remind them of the report and promote our sector.

Communications working group

The Communications working group met in Brussels on 8 September to finalise the organisation of the Communications Seminar and to review the annual Communication working plan based on the results of the Communications Survey. The level of participation in the survey was very low this year compared to previous years. Members' feedback is very important for the work of the association as it enables the Secretariat to better serve members' interests and to assist them to a greater extent. So please do not hesitate to take some minutes of your time to participate in AMICE's surveys.

Overall we can say that participants in the survey are satisfied with the communication activities of the association. One hundred percent of respondents feel very well or fairly well informed by AMICE. Website visits have increased with 20% of respondents visiting it at least a dozen times in the last six months. The newsletter is less read than in 2013 with 83% stating that they read it 3-4 times but almost all respondents (97.1%) read the briefing and 93.3% rate it as good or excellent. Download the report of the survey [here](#).



The working group also progressed the programme of the 2016 AMICE Congress “#MutualValues: securing the future” which, like the successful 2014 Congress, will have four themed sessions with presentations by external experts and members. Session one will focus on the EU legislative agenda with its stated desire to protect consumers while the second session will examine the mutual model which has a lot of similarities with the new collaborative economy. Digitalisation and its effects on the way mutual and cooperative insurers do business will be the subject of the third session and the Congress will end with a session on capital maintenance. More information will soon be available on the Congress website.

→ AMICE Calendar 2015-2016

- 1 October Stockholm Regulatory Affairs working group
- 13 October Brussels Solvency II working group
- 15 October Brussels Health working group
- 16 October Paris CSR working group
- 22-23 October Barcelona Communications seminar
- 29 October Cologne Associations' meeting
- 5 November Paris Solvency II Seminar
- 13 November Brussels Solvency II working group
- 16 November Brussels Promoting working group
- 17 November Brussels Communications working group
- 18 November Paris CSR working group
- 24 November Athens Board
- 11 December Brussels Solvency II working group

- 1-3 June Gent AMICE Congress

→ External Events Calendar 2015-2016

- 7-9 October Minnesota, USA . . . Biennial Conference
ICMIF
- 23-24 November London Embedding the ORSA and Linking it with Business Strategy conference
Marcus evans conference
- 24 November Paris Colloque 2015 - Stratégie ESG Pour Investisseurs responsables
Novethic
- 26 November Paris Solvabilité II
Les Echos
- 3-4 December Luxembourg Luxembourg Presidency 'Boosting social enterprises in Europe'

- 6-8 June London Meeting of Reinsurance Officials (MORO)
ICMIF

