

News

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Asmo Kalpala
President

Solvency II has an inherent tendency to foster larger undertakings, operating at a larger scale within the Single Market. I firmly believe therefore that growth and cooperation between mutual and cooperative insurers are important ways to strengthen the undertakings of our sector and to assure their success also under the new regulatory framework. At the same time, our structures and governance sometimes make such cooperation projects complicated or even impossible. Of course, there must always be a place for small and independent insurance companies; but they may also see an opportunity in cooperation with the aim of enhancing their efficiency and strengthening their market position.

A couple of weeks ago, AMICE held its General Meeting in Brussels. It was good to see representatives from so many members coming together, networking at the members' dinner, exchanging experiences at our panel discussion and participating in the General Meeting.

The presentations and discussions during the panel gave a colourful overview of existing forms of cross-border business and of cooperation at the national and international level. It is very clear to me that innovative and flexible forms of expansion and cooperation are key to our success. AMICE will publish the presentations and main results of the panel discussion later this year.

During the General Meeting, we received a video message from Commissioner Michel Barnier, assuring us of his appreciation of the mutual insurance sector and underlining the important and valuable role of AMICE in the current difficult discussion processes about many technical and political aspects of Solvency II. In my written response to the Commissioner, I emphasised the importance of an adequate and proportionate application of the new regulations and, moreover, expressed our concern about the delay and possible downsizing of the European Commission's Europe-wide study on mutual insurance.

Finally, we had to say farewell to three of my colleagues on the Board of AMICE, Urs Berger from Switzerland, Michel Dupuydauby from France, and Jacques Forest from Belgium. I would like to extend to them the association's and my personal thanks for their engagement and for the valuable contribution they have provided to AMICE and its predecessor organisations over many years.

I warmly welcome their respective successors: Marcel Kahn from ROAM and MACSF in France as a new Vice President, Hilde Vernailen from Belgian member P&V as our new Treasurer and Markus Hongler from Swiss Mobiliar. I very much look forward to working with them for the benefit of our association and all its members.

Asmo Kalpala

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Promoting the principles of solidarity, emancipation and citizenship within society

We have spoken to Marnic Speltdoorn, who is not only Head of Communications at Groupe P&V Assurances, but is also the Executive Director of the P&V Foundation and Director of the “European Network of the Foundations for the Social Economy”

What led Groupe P&V Assurances to create the foundation?



Marnic Speltdoorn

Since it was created itself out of the cooperative movement, P&V Assurances has always striven to promote the principles of solidarity, emancipation and citizenship within society. In 1997, we thought that it was essential to centralise our sponsorship and patronage policy through the creation of the P&V Fund, followed by the creation of the P&V Foundation in 2000. We then decided to place the fight against the exclusion of young people at the forefront

of the P&V Foundation’s activities. Since young people are the adults of tomorrow, we believe that it is our role to increase their opportunities for self-fulfilment through projects that they directly support and participate actively in.

Could you give us an example of a project led by the P&V Foundation?

Last year we launched the GO 2030 project, which is designed to encourage the expression, creativity and sense of responsibility of young people. Having asked people aged between 16 and 26 to describe their vision of the future, we then asked a jury of young people to select the best two descriptions, which are now being transformed into large-scale artistic productions. The dissemination of these productions should enable young people to address their fears and also to have the ambition and the motivation to be involved in society and to take their future into their own hands.

Does the P&V Foundation also have a European vocation?

Absolutely! Since the P&V Foundation is based in Brussels, we felt that it would be appropriate to expand our activities to the European level. Our relations with other mutual and cooperative insurers, which have also created foundations (Fondation MACIF, Fondation MAIF, Fondazione Unipolis, Fundació Agrupació Mútua), enabled us to jointly create the European Network of the Foundations for the Social Economy in 1999. This is a non-profit international association with the following missions: the promotion of the good practices of the member foundations and the organisation of transnational projects in order to strengthen and to support social economy initiatives in Europe.

What type of transnational projects do you carry out within the European Network?

The majority of our projects have benefitted from the support of the European Commission. For example, in 2003, we organised a series of transnational meetings and published a white paper on “The social economy and the integration of young people from an immigrant

background into European society”. More recently, in 2010 we launched our first European Prize for “the employment of young people in the social economy”, in order to recognise exemplary entrepreneurial initiatives in the social economy that are promoted by young people and which create employment for young people. The ultimate aim is to identify transferable initiatives that can be implemented in other European countries.

Between now and the end of 2013, our projects will focus on social innovation, active citizenship, prevention and young people’s social entrepreneurship.

Do you believe that the European network will expand and become more international?

In fact, we wish to group together a larger number of foundations, notably those from the social economy. We are also prepared to provide guidance to social economy companies that wish to create their own foundation, by inviting them to attend workshops on practical issues.

Finally, the European Network is actively involved in the International Network of the Foundations for the Social Economy, which has the objective of promoting exchanges and forms of collaboration between foundations from different geographical regions: Europe, North America, Central and Latin America, Africa.

To find out more, visit: www.pefondes.eu or e-mail pefondes@pv.be

CSR taskforce future activities

AMICE’s CSR taskforce met at Folksam’s headquarters in Stockholm on 14-15 June to learn about Folksam and Länsförsäkringar’s CSR strategies and practical examples of their implementation. 15 AMICE members from six countries were inspired by Folksam’s experience with car safety and Länsförsäkringar’s example of local neighbourhood protection schemes. Karolina Windell of Stockholm University demonstrated the increase and then decline in importance of media interest in CSR-related issues and how this coverage can make or break a company. The presentations are available in the relevant meeting folder of the AMICE website.

The taskforce will organise its next workshop on diversity management at Ethias’ headquarters in Liège (1 hour from Brussels) on 14-15 December. Diversity managers from all AMICE members are invited to attend.

But the next big event for those interested will be the seminar in Madrid on 10-11 October where different examples of practical CSR for mutual insurers will be showcased. The aim is to inspire all members to communicate about their CSR activities which can help customer perception of their company: many mutuals have CSR activities but don’t make them known as such.

For more information, see the AMICE website or contact helen.sheppard@amice-eu.org.

Reinsurance for mutuals and cooperatives

32 participants from 14 countries met in Budapest on 12-13 May last at the invitation of AMICE member KÖBE, Hungary's largest, 100% Hungarian-owned non-life mutual insurer.



The first session on reinsurance collaboration used the example of the French mutual group, or SGAM, to show how working together can reduce costs and improve the benefits of reinsurance cover while maintaining the chain of mutuality. The second session addressed the technical question of the index or stability clause and whether it still met the aim of covering claims' inflation costs or whether a new reference index should be found. Session III showed the difference in results from using different catastrophe models and the way to render them useful. Finally, Session IV looked at optimising reinsurance in the future Solvency II regime.

After each session, participants divided into groups and discussed a set of questions proposed by the presenter, the oft-repeated one being about forms of pooling reinsurance among mutual insurers. As Mogens N. Skov, AMICE Board member, concluding the event put it: "Reinsurance collaboration and weather are the same thing: everybody speaks about it but nobody does anything about it."

100% of respondents rated the third Meeting of European Mutual and Cooperative Reinsurance Managers excellent or good and over 95% found each of the four presentations useful.

Members will find the presentations in the [Events](#) section of the Members' Meetings area of the AMICE website.

News from the Capital Maintenance taskforce

One year ago, we reported on the launch of a new taskforce called Sustainable finance/Capital Maintenance, which, a few months after its inception, chose to leave the 'sustainable finance' chapter to its colleagues in the CSR taskforce and to concentrate on capital issues in the wake of Solvency II.

So far made up of a small group of members (Belgium, Finland, France, the Netherlands, Spain and the UK), under the skilled chair of Timo Laakso, CFO of Tapiola, the taskforce has produced two reports, one which draws preliminary conclusions after a mapping of existing capital instruments including hybrids and another entitled 'How can mutual insurers survive the application of Solvency II?', which was presented at this year's panel on cross border business and cooperation held on 8 June.

This second report notes the existence of many different types of capital instruments as well as a great diversity in the structure of capital of mutual and cooperative insurers. In order to prevent a rise in consolidations and demutualisations, the report concludes that there is a need for innovative, different types of financing, well positioned in the Solvency II and Basel III regimes, such as pooling structures with solid ratings and attractive risk and return prospects for investors.

The next task for the group would be to propose some of these instruments but to do so, it needs experts from member organisations in investment, legal services, accounting, SII matters. If you are interested in getting involved in this important project for the future of the industry, please contact catherine.hock@amice-eu.org

Solvency II – the process is getting more political

The intention by the European Commission to bring the informal discussions between Commission, industry and Member States about the Level 2 implementing measures to a close before the summer have led to particularly heated discussions in several working groups over the past months. Some of the most controversial topics – the treatment of long-term guarantees, the calibration on non-life underwriting risk, the inclusion of expected profits in future premiums (EPIFP), and the calibration of the CAT risk – have become more and more political. The differences in national markets and in prevalent practices are leading to a bargaining process in which business arguments sometimes have a reduced chance of winning.

With the engaged members of the Solvency II task force as the source for input and as a sounding board, AMICE's Solvency II expert Silvia Herms is taking part in the numerous meetings and conference calls of these working groups at EIOPA and Commission level. It remains important – and alliances to achieve results may vary – to defend the main positions of our sector and to continue to emphasise with particular strength the needs of the smaller and medium-sized members.

EIOPA continues to produce draft level 3 guidance, more recently on Internal Models and on valuation. AMICE is invited to take part in all these informal consultations, but will have to assess in some cases whether resources at the Secretariat and input from members allow a deeper involvement in the discussion process. EIOPA intends to start the first public consultations after the issue of the official Commission level 2 proposals, i.e. probably in November. Public consultation on the ORSA may be expected before the end of the year and on governance early in 2012.

EIOPA Stakeholder Groups

AMICE has been involved in the industry-wide coordination process for the nomination of members of EIOPA's new Stakeholder Groups for insurance and for pensions. Until summer 2013, our representatives in the Insurance Stakeholder Group will be AMICE President Asmo Kalpala and Solvency II taskforce co-chair Yanick Bonnet. Gunnar Andersson, chair of AMICE's Economics and Finance working group, was selected as a member of EIOPA's Pensions Stakeholder Group.



Tomorrow's emerging risks: challenges for insurers of people

Changing demographics, new health risks, climate change and emerging technological risks are the themes of the presentations on day one of this seminar taking place in Copenhagen on 22-23 September. On the second day, practitioners will present practical case studies on some of the topics mentioned on day one.

Whatever your insurance area of expertise, whether motor, accident, health or workers' compensation, or if you have a broader remit like corporate social responsibility, you will find useful aspects to the programme.

And of course, this is the opportunity to get to know AMICE member LB group and visit Copenhagen's famous Tivoli gardens before they close for the winter!

The number of places is limited so visit AMICE's [website](#) for more details and to register.

Polish mutuals come out top

Poland's largest business daily „Rzeczpospolita” publishes an annual ranking of the country's financial institutions. The prestigious ranking, divided into separate categories for banks, insurance companies, investment funds, retirement funds et al., takes into account factors such as revenue growth, capital strength, profitability and consumer opinions. In this year's edition, published on 22 June, two of the top five P&C insurers are mutuals: Concordia TUW (a joint undertaking of AMICE members Concordia Versicherungen and Vereinigte Hagelversicherung VVaG) was ranked number 2 while TUW SKOK, AMICE's direct member, was ranked number 4. The ranking reflects the recognition and excellent reputation mutual insurers enjoy both among Poland's consumers and the representatives of the industry, and should be a source of pride and hope for Poland's small but vibrant mutual insurance sector.

→ Mark your calendars: 14 September in Barcelona

AMICE is holding its third seminar for the benefit of its small and medium-sized members

'No to a one-size-fits-all approach! Yes to proportionality: appropriate regulation throughout the three pillars!'

With such a stimulating title, AMICE's third seminar designed for small and medium sized players will undoubtedly draw a good number of participants who will have the opportunity to exchange with their peers and with supervisors on their concerns regarding the new Solvency regime's introduction.

The programme will start with a keynote address from Danish supervisor Michael Holm on how to match supervisors' demands with companies' capabilities. Then, we will follow the Directive's three pillar-structure with external speakers and case studies from AMICE member companies. We expect to hear from

- Olaf Ermert, from German BaFin and Chair of FinReq work at EIOPA who will speak of the latest developments regarding technical provisions, investment and capital rules;
- Ana Teresa Moutinho, from the Portuguese supervisory authority, who will discuss the systems of governance and ORSA.

Parts of the programme will also feature topics which go beyond the strict application of the Solvency II directive with an insight into some markets' innovative projects, provided e.g. by Germany's small mutuals association and by French members on the groupings of mutuals called SGAM and UMG.

For more information about the event, see the AMICE [website](#) or contact catherine.hock@amice-eu.org

New members

Since the last edition of the Newsletter, AMICE has welcomed 3 new full members and 1 Observer to the association.

Founded in 1967, **GF Forsikring**, Denmark, is owned by 68 agents which are independent, non-profit associations ("mutual clubs"), in turn owned by their customers. Active in non-life, GF Forsikring has premium income of € 183 million and 280 employees.

Integrale CCA, Belgium, is a mutual insurer active in supplementary pensions, mainly group pensions, founded in 1925. Integrale has gross premiums of € 160 million, 100,000 insured and around 80 employees.

Mutual Mèdica de Catalunya i Balears, MPS, was founded in 1920 to provide protection for doctors in retirement and in case of work incapacity and to provide help to the family in the case of the death of the insured. Since 2011, other health professionals such as physiotherapists, nurses, dentists, etc. may join Mutual Mèdica. Today, Mutual Mèdica has 35,000 member-policyholders, employs 72 staff and has annual premium income of some € 34 million.

Finally, **Risk Dynamics**, a Brussels-based advisory firm which performs independent risk audits across all risk types (credit, operational, market, ALM and insurance risks), joined AMICE as an Observer.

2012 congress

"Solidarity and mutuality: stable values in an unstable world" is the theme of the next AMICE congress to be held in Gdansk, the home city of the Solidarity movement, on 6-8 June 2012.

Don't forget to block the date in your agenda!



→ AMICE meetings and events

- 6 September Brussels Executive Committee
- 7 September Brussels Communications working group
- 14 September Barcelona SME seminar on Solvency II
- 15 September Barcelona Solvency II taskforce (tbc)
- 22/23 September Copenhagen “Tomorrow’s emerging risks: challenges for insurers of people” seminar
- 3 October Brussels Capital maintenance taskforce
- 4 October Brussels Board
- 10/11 October Madrid CSR seminar
- 8 November Brussels Executive Committee
- 10 November Brussels Legal Affairs taskforce
- 28 November Brussels Annual AMICE reception
- 29 November Brussels Board
- 30 November Brussels Communications working group
- 14/15 December Liège CSR workshop & taskforce

- 17 January Brussels Executive Committee
- 14 February Brussels Board
- 20 March Brussels Executive Committee
- 17 April Brussels Board
- 10 May Brussels Executive Committee
- 6 June Gdansk Board
- 6 June Gdansk General Meeting
- 6/8 June Gdansk Congress

