

# News

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President

**What you hold in your hands - or see on your screen - is the next step in the life of AMICE, our new association: the first issue of the newsletter. Neither with regard to its structure nor to its contents is the last word spoken. The Secretariat is looking forward to your constructive comments with the aim, over time, of tailoring the newsletter more and more to your expectations.**

## Welcome

We are looking back to the successful AMICE Congress 2008 which gathered almost 200 participants in Helsinki for two and a half days of networking, discussion and exchange, including a constructive meeting of the AMICE Board and the General Meeting. In this context, I would like to thank each and every one of you again who have contributed to the creation of AMICE by becoming members. At present, AMICE represents 125 mutual and cooperative insurance companies from 17 European countries and two African states. Directly and indirectly, we represent about 2,800 companies active on the European market, in other words, 40 percent of the insurance companies active in Europe, and 20 percent of the total premiums written.

This is a great start! But it is only the beginning - as the Congress and this newsletter are only the first results of the work on AMICE's communication concept. Later in this calendar year, we intend to launch the new AMICE website which we hope to turn into a key source of information on mutual and cooperative insurance in Europe. Of course the website will also be designed to serve as the key communication tool between the Secretariat and the members.

In my opening words in Helsinki, I borrowed a thought of John F. Kennedy, saying "Ask not what AMICE can do for you, ask what you can do for AMICE". I can only emphasise again that is up to us to support AMICE in its work to help the European mutual and cooperative insurance sector flourish. I invite you all to actively participate in the work of AMICE and its nine task forces. The Secretariat and I are looking forward to your feedback. Keep in touch with us and let us keep in touch with you.

And for now ... happy reading!

Asmo Kalpala

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## What is AMICE here for?

**As our members are aware, AMICE was created in January 2008 through the merger of the two previously existing associations of mutual and cooperative insurers in Europe, AISAM and ACME. We thought it would be useful to recall here the purpose and aims of the association.**

The prime purpose of AMICE is to ensure that the voice of the mutual and cooperative insurance sector in Europe is heard and that the interests of its members are taken into account in securing a level playing field for all insurers in Europe regardless of their legal form.

AMICE provides a platform for mutual and cooperative insurers of all sizes to combine resources and expertise, exchange experiences across national borders, discuss key issues and concerns relating to planned legislative and regulatory changes and developments and represent the interests of the sector with one united voice.

In order to achieve the above, AMICE aims to:

- enhance its standing as an effective lobbying organisation in the eyes of the EU institutions, international regulatory bodies and its own members;
- increase membership by building awareness amongst non-member companies in the sector across Europe of the value and benefits of belonging to AMICE;
- actively engage its current members in taskforces to support its initiatives in four key areas: Finance (e.g. Solvency II); Legal (e.g. Governance and EU laws); Member-to-Member (e.g. Reinsurance) and Communication (e.g. exchange of information);
- proactively share information with member companies through a range of dedicated services provided via the AMICE website (which is currently under construction) and through seminars;
- strengthen the mutual and cooperative insurance sector worldwide in collaboration with our world organisation, ICMIF.

The Brussels-based Secretariat exists to serve the members and to ensure AMICE meets these goals but it cannot do this without input and support from the membership too!

## The new graphic image of AMICE

"From my discussions with AMICE's membership and staff, one thing became clear to me from the very beginning", says Avi Ghosh, partner of Ghosh & Naylor, a reputed Brussels-based communications agency with an international focus. "As the result of the merger of two associations, AMICE is looking back on a divided past, but forward towards a strong and united future. Historic differences have faded away and the new joint association needed a strong message of unity and focus, a modern image, and a motto reflecting the common values of its members. This is why we proposed a graphic solution with arrow-like triangles symbolising the coming together of members and ideas of all sorts, focussing on a common aim and leaving a clear footprint of AMICE's activities. The choice of font and of the fresh orange colour is meant to transport a young and dynamic image as the basis for AMICE's important work on behalf of the sector." Avi adds that he was impressed by the involvement of the AMICE President during the whole process and by the commitment shown by the members involved in the process.

And thorough and reiterative the selection process really was. "This first task in the area of creating AMICE's communication strategy was both challenging and rewarding", recalls William Schouten of NFU Mutual (UK), the Chair of AMICE's Communications working group. "Ghosh & Naylor did a great job, involving a multinational panel of members right from the beginning, keeping in permanent contact with the President and the Secretariat, and finally coming up with proposals that we could whole-heartedly support." William knows how much work is still before him and the Communications WG, but: "With the help of professionals like Avi, we are confident that we will soon have a whole communications strategy available that will enable AMICE to transport its key messages to its members and to the outside world: We work for you and with you, professionally and thoroughly. We speak for the mutual sector, strong and united. We are AMICE – for mutual benefit."

The next step for the Communications working group has been the creation of this newsletter on which your feedback is welcome – and expected. The aim is to produce 4 issues a year. And work has also begun on the new AMICE website which should be launched towards the end of this year. In the meantime, the temporary website [www.insurance-mutuals.org](http://www.insurance-mutuals.org) continues to serve as a basic communication tool.





## AMICE Congress 2008

**Helsinki saw AMICE's first Congress on 16-18 June this year. Almost 200 delegates from 17 countries listened to presentations and panel discussions involving no less than 24 speakers, under the overall congress motto of "Mutuality Today: a natural solution for a changing society". Key success factor was the generous hosting effort and impeccable organisation by AMICE's Finnish members - Tapiola Group, Fennia Group, Local Insurance Group, Veritas Mutual, and Ålands Ömsediga Försäkringsbolag.**

Participants had the opportunity to complete an evaluation form at the end of the event. Delegates were asked to give their opinion on the individual speakers, on the organisation of the sessions and the time given to discussion, on the meeting room facilities as well as the social programme. The reply rate of 36% was above the norm – although more would have been even better!

"An overall satisfaction rate of 73% certainly means that we got most things right," commented Gregor Pozniak, Secretary General of AMICE since March 2008, with a smile of relief. "With an approval rate of around 90 per cent, we obviously found the right balance between speaking time and discussion. But there were other things that we can clearly improve for our next Congress – for example, the panel discussion was not as appreciated by delegates as we had hoped," the Secretary General added.

The Communications working group of AMICE has been given the task of using the lessons learned in Helsinki to assist the designated hosts of the 2010 Congress in their preparations. In his invitation at the end of the Helsinki Congress, Luigi Lana, Italian Board Member of AMICE and CEO of Reale Mutua, said: "Genoa and its region is the perfect place to hold AMICE's next congress in 2010 and we are really looking forward to hosting this important event, together with the other Italian AMICE members. But we know there is a lot of work to be done between now and then. The feedback given by delegates in Helsinki, such as the 86% in favour of the interactive voting system, will be a great help in planning the Genoa Congress."

All speeches and presentations from the 2008 congress can be found on AMICE's temporary website [www.insurance-mutuals.org](http://www.insurance-mutuals.org).

## Solvency II

Among AMICE's 125 members, there are insurers of all sorts (mutual and cooperative), all sizes, (some among the largest European players, others very small), and almost all business lines (life and non-life, doctors, farmers, teachers, fishermen, and so on).

As a consequence, the expectations of our members in Solvency II and their individual type and level of fears of what Solvency II may bring differ greatly. Of course, we share many of the major concerns that the insurance industry has in common, regardless of origin, size, or legal structure. On these issues we cooperate closely with our colleagues at the CEA. But there are several issues in Solvency II where mutuals are particularly alerted.

A first one is proportionality. As you know, proportionality is one of the big "credos" of Solvency II. Proportionality, as we initially understood it, was mainly a principle to be applied for the benefit of smaller insurers, making sure that they are not overburdened by laws, regulations, and – importantly – also not by supervisory practice. It is for this reason that we continue to support the Commission strongly in their intention to maintain a threshold for the application of the Solvency II regime. We know that the old threshold, some 20 years old, stood at EUR 5 million. We believe that a revaluation would only be fair and therefore lobby for an increase of the threshold to EUR 10 million from the start, together with a flexible adaptation or revaluation facility for the future. At the same time, insurers falling below the threshold should be offered an opt-in into the Solvency II regime.

However, in the context of CEIOPS' consultation on proportionality, we also argued that the concept of proportionality should not be used by supervisors or national legislators to require larger insurers to go beyond what is expected from them or prescribed for them in the Directive.

You are probably aware of the fierce political battle between several member states and their insurance sectors on the issue of surplus funds. Mutual insurers have restricted possibilities to raise capital without compromising their mutuality. Therefore, it is very important that their specific capital structure and sources of funding are respected and considered as equivalent to the options that joint stock insurers have. The recognition of calls from members and the acceptance of surplus funds are the key lobbying topics for AMICE in this context.

A study published by AMICE's predecessor association, AISAM, in 2007, showed that the currently common actuarial approaches are insufficient when dealing with non-life long tail insurance risks. We have provided input into QIS 3 and QIS4 on this particular aspect and await with interest the outcome. Among AMICE's membership, we have large non-life insurers, for example in France, which are confronted with a specific long-tail challenge such as constructors' and architects' liability insurance which in some cases ends only 30 years after the construction.

And finally, AMICE focuses on the discussions about the regime for mutual groups. Mutuality is not only a concept for small and/or regional insurers, but is also the legal form of choice for large insurers too and many mutuals have grown into a size of a truly European dimension. But the current situation and market position should not, cannot and must not be the ceiling for mutual insurers.

Solvency II fosters cooperation between insurers and sets out to introduce a modern, dynamic and appropriate concept of group supervision. Mutual insurers want to benefit from this modern concept. They want to exploit the possibilities that group treatment holds in store for insurance groups. They want to benefit from diversification benefits. They want to be able to form a cross-border group. They want in this context to concentrate their contacts with supervisors to the greatest extent possible and they want to avail themselves of the facilities of group support. Just like their joint stock competitors.

The draft directive text as presented by the Commission makes it very difficult for mutual groups to fulfil the definition of an insurance group because this definition is constructed solely with corporate structures of parent & subsidiary in mind. AMICE is lobbying heavily to make this definition more flexible so that mutual groups which are designed in a non-capitalistic way may enjoy the same group benefits as limited liability groups. This is for us plainly an issue of a fair competitive playing field.

The AMICE Solvency II task force continues its work and will next meet in Brussels on 26 September and in Paris on 21 October.



## Social economy conference

**European conference on social economy - "Building Europe with social economy players" - 21-22 November 2008 in Strasbourg**

*The concept of "social economy" is derived from the French "économie sociale" which commonly designates four types of organisations: cooperatives, mutuals, associations and foundations.*

Together with its French national member CEGES, SEE ([www.socialeconomy.eu.org](http://www.socialeconomy.eu.org)), of which AMICE is a member, is holding a European conference on the social economy - "Building Europe with Social Economy players" – on 21-22 November 2008 in Strasbourg.

The conference will show that a common vision of development for the benefit of all requires a legislative and regulatory framework adapted to the specific features of our organisations.

The afternoon of Friday 21 November will be the stage for three workshops dealing with economic development and competitiveness for the social economy sector, two of which will feature a presentation by AMICE members: workshop # 1 will question the appropriateness of European policies for all sizes of companies - from very small to very large; workshop # 2 will show the development of social economy organisations as well as the existing and still missing European legislative framework.

The day will conclude with a presentation by the European Economic and Social Committee on its draft advice on the diversity of corporate forms.

Saturday 22 November will be devoted to competition law, touching in particular on cooperative societies and the notion of general interest when applied in public procurement, Private Public Partnership and State aid.

In parallel with the conference, the partners of the Mediterranean social economy network (ESMED) will hold their meetings.

The AMICE secretariat will be represented at the Conference and will report from it at a later stage. Should you be interested in participating, please see [www.eco-soc2008.eu](http://www.eco-soc2008.eu).

## CSR seminar

**Corporate Social Responsibility (CSR) – Paris seminar, 23-24 October 2008**

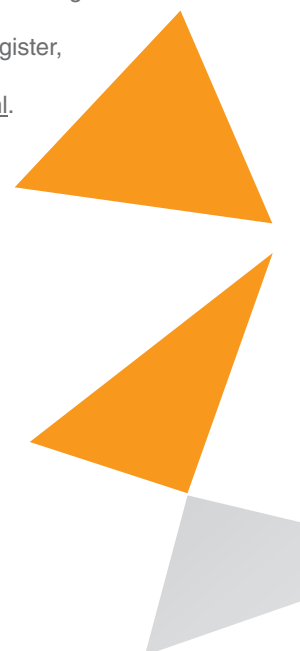
AMICE's CSR task force is organising a seminar on CSR in the mutual and cooperative insurance sector in Paris on 23-24 October next: our thanks go to AMICE member MACIF for hosting the event.

On the first day, CEO's from some of AMICE's members will demonstrate how and why CSR is an integral part of their company strategy and the advantages of such a policy. The second day is organised around workshops allowing practitioners to exchange experience on:

- How to make CSR part of company strategy and convince top management;
- How to measure CSR
- How to manage CSR on a daily basis
- Deciding what to report and how to report it

With case studies from Sweden, France, Belgium, the UK and Finland, the aim is for participants to take home inspiration from a whole range of good practices.

For the full programme and to register, see [www.insurance-mutuals.org/CSR2008/index.html](http://www.insurance-mutuals.org/CSR2008/index.html).



## → AMICE meetings and events

16 September	Brussels	Monitoring & Advice (company law & governance) task force
18 September	Brussels	Corporate Social Responsibility (CSR) task force
22 September	Brussels	Communications working group
25 September	Brussels	Accounting/IFRS task force
26 September	Brussels	Solvency II task force
03 October	Teleconference	EMS task force
16 October	Teleconference	WCI task force
21 October	Paris	Solvency II task force
23-24 October	Paris	AMICE CSR Seminar (see above)
29 October	Brussels	Executive Committee
17 November	Paris	Member to Member working group
24 November	Brussels	AMICE Reception (18h00, tbc)
25 November	Brussels	Board
10 December	Zurich	Solvency II task force