



Annual Report 2008

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Welcome!

AMICE is the new, strong, united voice of the mutual and cooperative insurance sector in Europe.

AMICE, the Association of Mutual Insurers and Insurance Cooperatives in Europe, was created in January 2008 through the merger of the two previously existing associations of mutual and cooperative insurers in Europe, AISAM and ACME, to represent the interests of the sector with one united voice.

Its prime purpose 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 and discuss key issues and concerns relating to planned legislative and regulatory changes and developments.

With more than 125 direct members and 1,600 indirect members, representing a third of the insurance companies in Europe and 20% of the premiums, AMICE speaks for a significant part of the insurance sector.

Key messages

AMICE is the voice and **representative organisation** of the mutual and cooperative insurance sector in Europe.

Through **monitoring** EU policy and legislation, AMICE identifies and assesses risks and opportunities for mutuals.

Through lobbying, AMICE is committed to **levelling the insurance playing field** in Europe on behalf of mutuals and cooperatives.

AMICE promotes the **principles** of mutuality in Europe.

AMICE is **competition neutral** and encourages **the sharing of experiences** and discussion on industry developments.

AMICE looks after the **interests** of all mutuals in Europe: big and small.

And believes in human **values**.



Dear colleagues,

In one short year we have come a long way: since AMICE's inaugural and well-received Helsinki Congress in June we have not looked back.

That AMICE has successfully established itself as the voice of modern mutuality in Europe is just as well, because the need for a truly representative organisation for the mutual and cooperative insurance sector has never been greater.

Of the numerous policy initiatives which require our input, **Solvency II** is the one with the most far-reaching consequences for our sector. It introduces a totally new approach to insurance legislation, from product-based to solvency-based. AMICE has been a constructive presence at the heart of this often demanding and complex debate – we saw mutual insurers participate in record numbers in QIS4, for example. Our approach has been welcomed by policymakers and has helped to ensure that the new rules do not inadvertently discriminate against mutual and cooperative forms. The issue of proportionality remains central to this ongoing process.

Corporate governance is also the focus of much supervisory and regulatory interest. This welcome debate is an opportunity to highlight the values at the heart of mutuality and to demonstrate our natural alignment with responsible corporate governance practices. Looking forward, I see a key role for AMICE in increasing visibility and understanding of the mutual philosophy in Europe.

The creation of a **European Mutual Statute (EMS)** has to remain on the EU agenda. Although our mutual traditions are local, we have always remained open to Europe. Indeed, in today's interconnected and globalised world many established boundaries have disappeared. Ultimately, I believe that the EMS raises wider questions about the nature of mutuality and the creation of a true single market for insurance services. The outcome needs to promote mutuality in European markets, not marginalise it. AMICE calls on the European Commission to provide a clear evaluation of the advantages and disadvantages before initiating such a new legal form. In several reports, the European Parliament has repeatedly emphasised its support for an EMS project.

Economic concerns and not policy initiatives currently top all of our agendas. Although the effects of the **global financial crisis** are being widely felt, society's reaction to the downturn offers hope. As the faults behind the current malaise are analysed, we can expect the pendulum to swing away from remote, short-term profit focused capitalism and back towards human focused capitalism. Values-based businesses which are closely linked to society have real potential to emerge the stronger, following the irresponsible behaviour recently witnessed on the world's financial markets. Mutual and cooperative businesses have always looked to serve customers in a financially sustainable way.

So what next for AMICE? I am glad that our reinforced presence at European and international levels is already bearing fruit. By pooling our resources which were previously spread over two networks, namely AISAM and ACME, we are now better able to represent the mutual and cooperative sector. Although AMICE has only just begun, we have already created a high level of expectation from our stakeholders, be they members, regulators or supervisors.

We will continue to push for a **level playing field** for all types of insurance entities. Europe's mutual and cooperative insurers already play a key role in the economy - our insurance companies have premiums of more than €180bn EUR, we represent over 20% of the European insurance market and we provide more than 230 million European citizens with healthcare and social services – and we have the potential to keep growing.

As befits an organisation that is built on human values, we have a dedicated and resourceful secretariat team. I would like to thank them for their invaluable support, both in the preparatory phase, as the idea of AMICE gestated, and subsequently in successfully bringing our new organisation into the world. Added to this, I would also like to join the Secretary General in thanking all members of AMICE and their dedicated representatives on the AMICE Board and in our working groups and task forces for their efforts.

I believe that our mutual and cooperative values provide our strength and that this unique asset can allow us to face future challenges with confidence.



Asmo Kalpala, AMICE President



Dear members,

A successful industry association has to listen to and speak for its members and be visible to those to whom it undertakes to represent them. Since our inception, therefore, we have not only strived to be the eyes and ears of our membership, we have also made sure that AMICE is seen and listened to when it speaks on behalf of the mutual and cooperative insurance sector. Looking back over the past 12 months, we can take satisfaction in the fact that AMICE is already recognised and respected by financial services policymakers in Europe and internationally.

In addition to securing presence and visibility, getting AMICE up and running required a three-pronged approach. Year one was about securing a strong membership, creating a clear corporate identity for AMICE, and managing the operational, logistical and even psychological challenges involved in forming a new organisation from two distinct predecessors.

For AMICE to be fully representative of the European mutual and cooperative sector it required a membership active in all fields of the insurance industry. I am pleased to report that AMICE has benefited from the continuing allegiance of former ACME and AISAM members and that our diverse and growing membership is today established in 17 European (and 2 African) markets. This solid foundation has helped us quickly to become a credible voice with policymakers, supervisors and other stakeholders.

A passionate and committed membership is the cornerstone of a well-functioning association. AMICE is lucky in this regard and our strength is built upon the selfless efforts of our members who dedicate their expertise and their most precious resource, time, when supporting AMICE's activities. Direct membership by insurance undertakings, together with the membership of mutuals' associations in key markets, is truly a key strength of our organisation.

When establishing AMICE, we reflected deeply upon the values this new body represents. It has been time well spent as we now have a clear and distinct identity for our association; both intellectual and visual. Our corporate identity, including our 7 key messages, provides us with clarity of purpose when engaging with external stakeholders and it galvanises our membership around shared values.

From day one we were mindful of the need to build upon the strong legacy of our predecessor organisations, AISAM and ACME. That we have hit the ground running is in large part due to the goodwill of our members, the commitment of their representatives and the efforts of my colleagues in the AMICE Secretariat. We now have a new office, a reinforced AMICE team and a new working group structure in operation.

Having put the fundamentals in place there is already an air of expectation both from policymakers and from members. In continuing to influence, contribute to and ultimately help shape the rules which govern our members' operations, we need to enrich our input to the policy debate. This means optimising our limited resources in order to help strengthen Europe's mutual and cooperative insurance sector by creating a level playing field for all insurers.

AMICE is on track and our target is clear. So it's full steam ahead for 2009.

A handwritten signature in black ink that reads "Pozniak". The signature is written in a cursive, flowing style.

Gregor Pozniak, AMICE Secretary General

Solvency II

Solvency II is the most important and ambitious EU insurance project ever undertaken. By optimally aligning capital maintenance requirements with the specific risks of individual insurance entities, Solvency II is set to deliver on its objectives of protecting policyholders and the stability of the financial system. Solvency II also introduces substantial changes to the supervisory review process.

As the political and technical debate surrounding the European Commission's Solvency II proposal hardened, AMICE quickly established itself as a constructive presence – by benefiting from the

groundbreaking work of the former joint AISAM-ACME task force. EU supervisors and regulators have sought and received high-quality input from the European mutual and cooperative insurance sector. Both the diversity of membership – from market leaders to very small insurers – and AMICE's closeness to the marketplace are much appreciated. AMICE has enriched the Solvency II proposal by raising legitimate concerns, suggesting solutions and convincing EU policymakers to make appropriate changes. AMICE will continue to ensure the specificities of its members are taken into account during the rest of the process.

Creating a level playing field

AMICE has successfully drawn attention to aspects of Solvency II which could unintentionally distort competition in favour of limited liability insurers to the detriment of mutual and cooperative insurers.

Proportionality

The proportionality principle means that the requirements introduced by Solvency II are in a sensible proportion to the nature, scale and complexity of the insurer's risk exposure, but also to its overall size. AMICE has successfully defended the exemption of small insurers from the scope of Solvency II and has especially underlined the importance of the proportionality principle as regards the supervisory review process and reporting requirements.

Own funds

Mutuals do not have the same access to capital markets as other insurers and so are often reliant on excess policyholder funds as a source of capital to finance growth. Changes to the treatment of equalisation reserves under Solvency II need to take account of potentially disproportionate effects on capital maintenance for mutual insurers and to introduce appropriate measures to rectify this imbalance.

Calls from members (ancillary own funds)

The ability to turn to members for additional own funds

is a core characteristic of mutuals in many jurisdictions. It is a viable source of funding which provides an alternative to equity market funding. Solvency II must appropriately acknowledge this source of own funds for mutual insurers.

Long-term risks

AMICE noted certain difficulties with the calibration of the reserve risk for certain non-life lines of insurance business. Large insurers were being confronted with a specific long-tail challenge. AMICE has entered into a constructive dialogue with the European Commission and CEIOPS in order to find a suitable risk-based solution to this part of the solvency framework.

Mutual groups

The solvency framework for groups treats a group as one entity and not as a sum of separate legal entities. The original draft text inadvertently discriminated against mutual groups who wished to benefit from group treatment and reduced cost of capital as afforded by the option of group support. AMICE intervened constructively to help find a new definition that is not dependant on the legal form of the group companies. Thus, a more level playing field has been created even if the date for the introduction of cross-border group support has been delayed.

Solvency II: for mutual benefit?

Yanick Bonnet (GEMA, FR) and Markku Paakkanen, (Tapiola, FI) are the co-chairs of AMICE's Solvency II task force and together they lead AMICE's input to the far-reaching and ambitious Solvency II Directive.

What impact has AMICE had on the Solvency II project?

Markku Paakkanen (MP): EU policymakers have welcomed our positive input. Our dialogue with the policymakers has raised awareness and delivered specific solutions for our sector. For example, our concerns regarding non-life long tail business have resulted in changes to the standard formula. Although the process is still ongoing, this has been a real achievement.

Yanick Bonnet (YB): Of course, it is a two-way process. We support CEIOPS and the regulators by fully participating in the numerous consultations. The initial focus for 2008 was on QIS 4. AMICE did a lot of work by actively helping mutuals of all sizes to participate in record numbers in QIS4

MP: We were also major contributors to the partial internal model.

YB: Yes, the originally proposed internal model to be used under the standard approach was potentially very burdensome. We successfully introduced the concept of the 'entity specific' approach. Policymakers appreciated our engagement which will benefit the whole insurance market, not only mutual or cooperative insurers.

Has the financial crisis undermined Solvency II?

YB: No, but it has provided an extreme stress test that reinforces the need to manage risk effectively. Unlike the capital adequacy approach used by banks, Solvency II covers the potential risks on both sides of the balance sheet.

MP: Solvency II is simply a model: it does not remove responsibility from management to make the right business decisions. The crisis has shown us the worst the market can provide. Insurers need to effectively conduct their risk management and Solvency II will help them do that.

How does AMICE's Solvency II work benefit members?

YB: We provide EU decision-makers with insight coming directly from the marketplace. Our formal consultation agreements with the European Commission and CEIOPS mean that the concerns of mutual and cooperative insurers, both large and small, are being heard at Europe's top table.

MP: We also play a key role in keeping our members informed as to the relevant decisions being taken here in Brussels and which impact upon our businesses. A simplification approach has long been part of our strategy when communicating with members - by demystifying Solvency II we keep everyone informed about what they need to know.



Markku Paakkanen - Yanick Bonnet

A long road

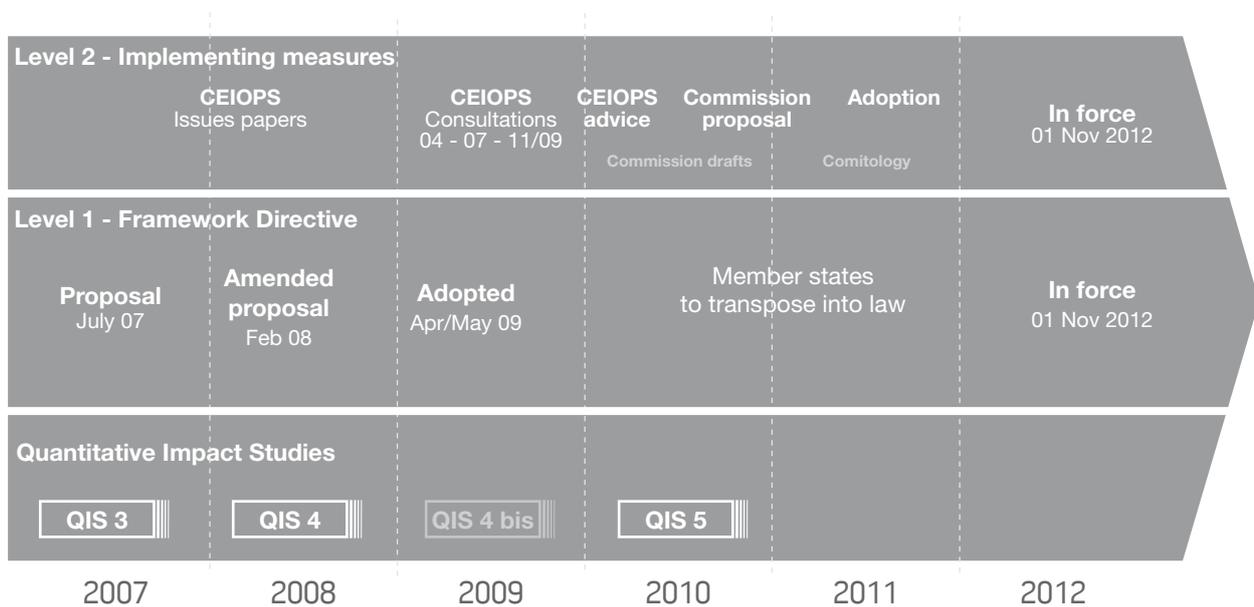
Solvency II has been in development since 2002 and the process is far from finished now that the European Commission, Parliament and Council have reached a political agreement and the directive has been passed.

The Solvency II Directive is a framework (or in the EU jargon, 'level 1') directive. Its objective is to set out the principles of a risk-based economic framework for insurance supervision. It has still to be supplemented

with detailed implementing measures (level 2) which will be issued by the European Commission after receiving advice from CEIOPS.

AMICE has remained vigilant during the level 1 negotiations in order to ensure that hard won improvements were upheld. In 2009, AMICE's attention will be primarily focused on the level 2 implementing measures.

Solvency II - timeline



Accounting for insurance contracts

Whilst some mutual and cooperative insurers are required by law to apply International Financial Reporting Standards (IFRS), others do so on a voluntarily basis and many more are gearing up to do so in the future. As a result, AMICE takes an active interest in accounting issues and participates in EFRAG, the advisory group set up to assist the European Commission in the endorsement of International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB), by providing advice on the technical quality of IFRS.

The IASB is currently reviewing its rules as regards insurance contracts. The project will tackle contentious

issues such as the nature and scope of insurance contracts, the measurement of insurance liabilities, exit value versus fulfilment value and revenue recognition. The project has not yet made the expected progress in part because of the recent economic downturn which has highlighted the difficulties of using concepts such as 'fair value' in a volatile marketplace.

An IASB exposure draft is now expected before the end of 2009 and a final standard in 2011. All work on accounting by insurance undertakings is closely connected to the Solvency II project, as the third pillar deals with reporting to supervisors.

Legal Affairs

Financial services regulation remains a priority at the European and international level – notably in reaction to the financial crisis. Hence, there are a significant amount of policy initiatives which will have a direct impact on the future shape of the insurance business. The AMICE Legal Affairs working group identifies, monitors and evaluates the potential risks and opportunities of such initiatives for mutual and cooperative insurers. Policy issues such as insurance guarantee schemes, consumer rights and credit rating agencies have been identified as areas where AMICE input on behalf of its membership is needed.

Mutual and cooperative insurers cherish their governance model and strive to demonstrate and explain its particularity to policyholders, supervisors and the public at large. AMICE has prioritised its contribution to the corporate governance debate which is the subject of an issues paper by the IAIS and which is also the focus of the second pillar of the Solvency II Directive.

“Mutual and cooperative insurers have a **balancing effect** on capital markets.... policymakers must ensure that insurance markets are based on pluralism”

Asmo Kalpala,
AMICE President & CEO of Tapiola Group (FI),
speaking at the Eurofi Conference
in September 2008 in Nice

European Mutual Statute

As the emphasis of the EU’s regulatory strategy for financial services has shifted from a product-based to a capital market approach, an unintended consequence has been increasing unevenness in the competitive landscape for insurers.

As long as the specific mutual legal form remains inadequately recognised at European level, diversity in the insurance sector will be systematically undermined by the inexorable march towards a common European financial market.

AMICE’s members remain fully committed to levelling the insurance playing field in Europe; in this context, mutuals have for a long time been calling on the European Commission to create a European Mutual Statute (EMS) – in parallel with existing statutes, e.g. for the European Company or the European Cooperative.

An original proposal for an EMS was withdrawn by the European Commission in 2006 due to lack of progress in the legislative process. AMICE’s predecessor organisations, ACME and AISAM, together with AIM, the representative body for mutual providers of health insurance and social protection, published a revised proposal for an EMS regulation in the autumn of 2007.

AMICE’s focus is now on achieving the launch of an impact assessment or feasibility study to evaluate whether the creation of a European Mutual Statute would enable the mutual insurance sector to compete on a more equal footing with limited liability companies.

Adoption of an EMS is potentially a means by which mutual insurers could attain stronger formal European recognition as an alternative form of business model to the joint stock company model. It would provide a legal framework tailored to the modus operandi of a mutual (such as the absence of share capital and the close involvement of policyholder-members in the governance of the company) which would be valid throughout the whole of the EU. An EMS could thus also serve as a valuable tool in promoting the mutual society model in countries where it is less prevalent or does not yet exist.

Corporate governance of insurers

Mutual and cooperative insurers' governance practices are the subject of international and European scrutiny. Maarten Hage, Chair of the IAIS Governance and Compliance Subcommittee, outlines the motives behind the IAIS-OECD Issues Paper on Insurer Corporate Governance.

Why is corporate governance prominent on the supervisory agenda?

The IAIS and the OECD have joined forces so as to encourage a consistent international approach to corporate governance for insurers. Our decision to review is timely; the recent credit crunch and subsequent global economic downturn have graphically highlighted the need for effective governance throughout the financial services sector. We are examining key governance aspects insurers need to have in place to effectively control their risk management, internal controls, compliance, audit, and actuarial matters.

What lessons result from the financial crisis?

Clearly some market practices have been less ideal and many existing corporate governance regimes have failed to pick that up. Remuneration is one obvious example, improvements in governance could help avoid inappropriate levels of executive involvement in the design of remuneration schemes and encourage more balance between long and short-term interests.

Are insurance-specific improvements necessary?

Absolutely. When we look at governance in an insurance context we need to be sure that the board retains effective oversight and authority over the key functions of the business especially as practices become ever more sophisticated. Risk management is a case in point - it is a core function for the insurance industry that is growing in importance. How do boards continue to oversee these technically challenging functions? Obviously the 'fit and proper' requirements for board members must reflect the evolution of the insurance business.



Maarten Hage

In Europe, Solvency II will also tackle governance standards...

European supervisors are very aware of both processes and there is good dialogue between the IAIS, the OECD and the European Commission. The respective processes will be complementary. That said, the IAIS/OECD project is at a more advanced stage – we will soon move from the descriptive to the prescriptive stage.

Are mutual insurers well aware of the governance challenge?

Certainly, AMICE has made a welcome input to the drafting of the Issues Paper and we have been encouraged by the level of engagement we have had with mutual and cooperative insurers. We have taken note of the importance they place on putting policyholders at the centre of the governance model.

Does one size fit all?

A strength of the insurance industry is its diversity. That is why governance rules need to be proportionate to the size of the entity concerned whilst maintaining the same level of protection for all policyholders. Regardless of size therefore, the governance system needs to demonstrate an entity's sound and prudent management and clearly allocate responsibility.

Supervisors do not create guidelines for academic satisfaction; on the contrary, our objective is to improve insurers' governance. That's why I believe that the commitment shown by AMICE in this process is a positive indicator that the marketplace is ready to move its corporate governance practices forward.

IAIS, the International Association of Insurance Supervisors, represents insurance regulators and supervisors in nearly 140 countries. AMICE has observer status at the IAIS.

Other legal issues

Block Exemption Regulation

The Block Exemption Regulation (BER) grants the insurance sector specific exemptions from EU competition rules. The European Commission has been consulting the insurance industry on whether or not it should renew the current BER which is due to expire in March 2010. AMICE has been working with its smaller members to encourage them to respond to the consultation and to highlight the particularly negative impact on smaller insurers, of all legal types, should the BER cease to exist.

As a first positive result, the Commission indicated in spring 2009 that it might support a BER for cooperation agreements in the area of joint calculations, tables and studies as well as for joint coverage of certain types of risks (reinsurance and coinsurance pools). However, an extension of the BER for standard policy conditions and for safety devices currently seems less likely.

Non-Discrimination Directive

European citizens are protected by law from discrimination based on age, religion or belief, sexual orientation or disability in the workplace. In July 2008, the European Commission adopted a directive proposal with the aim of extending such protection beyond the workplace to include social security, health care, education and access to goods and services which are commercially available to the public, including insurance.

AMICE and CEA have worked together to inform legislators about the non-discriminatory actuarial principles needed to accurately calculate risk when developing an insurance policy. Mutual and cooperative insurers wholeheartedly support the directive's objectives and are working to ensure that well meaning amendments to the directive do not undermine objective actuarial principles and thus create legal uncertainty or the withdrawal of insurance coverage.

eCall Project

eCall is an emergency call generated by in-vehicle sensors in the event of an accident. AMICE is an observer to the European eCall implementation platform.

Communications

It was clear to membership and Board from the beginning that, in addition to the working groups that were established to continue the substantial work of AISAM and ACME in the areas of economics and finance, legal, and member-to-member, the new association would need a communication strategy to ensure the effectiveness of internal (to and from members) and external communication.

The Communications working group was tasked with developing such a strategy addressing all communication activities of AMICE, including the website, news management (regular newsletter, letters to members, policy papers, etc), publications (annual report, research reports, facts & figures), press releases, public relations (e.g. information brochures) and knowledge and information management.

Moreover, the group was instrumental in developing AMICE's corporate image and set of key messages, with the assistance of an external communications agency.

The group is also involved in the planning of and follow-up to the biennial AMICE Congress.

AMICE website

The AMICE website is up-and-running since the beginning of 2009. In the second quarter of the year, it will be considerably upgraded by adding a password-protected members' area which will greatly enhance communication with members as it will contain all materials for the work in the task forces as well as information about all members and other material.

AMICE newsletter

The newsletter is published four times a year in four languages (DE, EN, ES, FR) and is actively distributed by e-mail to all members and to a list of interested further recipients. In addition, it is publicly available on the AMICE website.

Social dialogue

The European insurance social dialogue committee has been reinvigorated by greater political recognition and its respective social partners recently agreed on the future priorities for the EU body. AMICE is an active member of the committee, representing insurance employers alongside CEA (the European insurance and reinsurance federation) and BIPAR (the European Federation of Insurance Intermediaries).

In 2008, the committee concentrated on EU enlargement (extending the dialogue practices to the CEE Member States) and on the consequences of demographic change. Projects for 2009 include the production of a best practice guide for social dialogue in the insurance sector.

AMICE welcomed a recent important breakthrough in achieving high level political recognition of the European social model: the European Commission has adapted its impact assessment guidelines for new legislation: from now on, such consultations have to systematically seek input from relevant social dialogue committees as regards proposals which have potential social implications.

Social Economy Europe

AMICE is a member of Social Economy Europe (SEE) which brings cooperatives, mutuals, associations and foundations together at European level. The European social economy accounts for 10% of businesses and 6% of employment. SEE members are democratic private companies that value human capital over financial capital.

The social economy continues to be high on the political agenda: it was the theme of a major conference held in the Council of Europe and European Parliament in Strasbourg, in November 2008. AMICE contributed to the conference on a number of topics, including the development of social economy organisations within an uneven European legislative framework. Significantly, the social economy was also the subject of an own initiative report by the European Parliament. The report's author MEP Patrizia Toia (ALDE, Italy) emphasised that the social economy model is firmly established in the market economy and that it must be recognised and respected within the internal market.

Noting that the social economy is recognised by the European Treaty, SEE is calling for a common vision of EU development which embraces diversity and which seeks to adapt the legislative and regulatory framework to the specific features of the social economy.



“It is important for the Commission that all employers regardless of the size and legal form are represented at the EU level. AMICE takes part in and contributes to discussions and projects addressing the employment and social challenges in the sector.

The social dialogue is a key element of the European Social Model and the social dialogue at EU level is crucial for EU governance.

The role of social partners is recognised by the Treaty and the social partners are formally consulted by the Commission on any legislative initiative in the social field. They are also key players with regard to the Lisbon Strategy and the modernisation of employment and social protection policies.”

Jean-Paul Tricart, Head of Unit - European Social Dialogue, European Commission

Member-to-Member

A key function of AMICE is to provide a competition neutral forum where all members, both large and small, can network and benchmark on relevant issues. AMICE's Member-to-Member working group is the place where members meet to exchange knowledge and experience on topics which are of importance to their day-to-day insurance business.

To support its member activities, AMICE operates a number of task forces which deal with specific subjects, such as motor claims management, reinsurance and workers' compensation insurance.

AMICE regularly organises seminars and conferences inviting wider participation in order to promote exchange of best practice on specific themes. The member networks evolve in line with the needs and requirements of AMICE's membership.

Member-to-Member events 2008/2009

CSR Seminar	23-24 Oct 2008 Paris
Reinsurance Managers Meeting	23-24 Apr 2009 Athens
Workers' Compensation Insurance Seminar	11-12 May 2009 Lisbon
Motor Claims Seminar	24-25 Sep 2009 Niort (FR)

Reinsurance: a customised business

Piet Haers from Secura (BE) and Chair of AMICE's Reinsurance task force explains why reinsurance is becoming an increasingly important component of mutual and cooperative insurers' business.

What's on the agenda of the Reinsurance task force?

The task force brings reinsurance professionals together and provides a platform for dialogue and exchange of views on a diverse range of topics, from European renewal trends, to latest risk management techniques, through to local market conditions. We primarily deal with market-driven business challenges facing mutual and cooperative reinsurance managers.

What about EU initiatives?

Reinsurance applies to all lines of insurance business, so we try to monitor all relevant legislative initiatives. Of these, the Solvency II Directive is by far the most prominent. In general, mutual insurers don't have the same ease of access to capital as do publicly and privately held insurers.

Although its effect will vary from insurer to insurer, overall Solvency II will significantly change the demand for reinsurance cover. Clearly reinsurance provides a solution to reducing risk and meeting increased capital requirements.

Are there any proactive projects foreseen?

We regularly organise events which seek to address the specific needs of the marketplace. Our April 2009 event, hosted by the Syneteristiki Insurance Company, again brings reinsurance professionals and specialists together to discuss key issues including the rating of reinsurers, catastrophe modelling, pandemics and Solvency II.



Piet Haers

We consciously seek to ensure that our events take place on a human scale. The reinsurance business is based on mutual trust and the best results are achieved through personal contact.

Corporate social responsibility

It has been said that mutual and cooperative insurers are genetically predisposed towards CSR. Mutuality has always been a values-based movement, so - long before terms such as CSR and sustainability became prevalent - mutuals have instinctively been behaving in socially responsible ways.

As soon as AMICE was created, therefore, members were quick to establish a CSR task force. It provides an opportunity to share experience and discuss the

latest trends in stakeholder relations and the complex task of measuring, monitoring and reporting on CSR. Compared with other business functions CSR is in its infancy. It is a multidimensional concept which can cover a vast range of social, economic and environmental initiatives. The task force provides members with insight into the challenges faced when implementing CSR programmes across different departments, whilst focusing on reporting criteria which are most relevant for mutual and cooperative insurers.

“Corporate social responsibility is a natural part of a mutual and cooperative company’s values. However, only true commitment and a strategy that puts responsibility at the heart of company operations can create competitive advantage.”

Anu Pykkänen, Chair of AMICE’s CSR task force

CSR: “Eight to be great”

In October 2008, European mutual and cooperative insurers gathered in Paris to participate in the AMICE seminar on corporate social responsibility, which was hosted by MACIF. Seminar moderator and AMICE member, David Radford from LV= (UK), gives his views on the main conclusions.

Why did AMICE organise this seminar?

The seminar was an opportunity to bring leading CSR experts and practitioners together in order to discover the latest trends, developments and practices in CSR in the financial services sector.

What did you learn from the event?

A highlight was the sharing of experience in the workshops. Insurers from across Europe outlined the different challenges faced when embedding CSR strategy into their organisations. The practical insights into the measuring, managing and reporting on CSR performance were also much appreciated by participants.

What advice would you give CSR practitioners?

Each entity has its own, individual CSR profile, but at the seminar, we did identify some common characteristics of successful CSR programmes.

Insurers who observe the following ‘eight to be great’ can expect CSR to benefit their organisation and the communities they serve:

1. **CSR is about people** - so start by engaging and mobilising employees; this approach also identifies potential priorities for your CSR programme.
2. Always demonstrate the **commercial relevance** of your CSR activity – e.g. synergies with product offerings, such as safer driving initiatives for motor insurers.
3. Be **genuine** about the level of your organisation’s commitment to CSR; ‘spin’ without substance will soon backfire.
4. CSR needs **leadership from the top**. Your CEO should also be your chief responsibility officer.
5. Be aware of real **consumer interest**. CSR efforts will not resonate if they are based on convenient assumptions; do the consumer research first.
6. Keep your CSR activity **strategically focused**. Better to limit activity to relevant schemes only and not to dilute your effort by trying to cover everything.
7. Ensure that CSR practice is guided by **robust policies**.
8. CSR requires a co-ordinated and structured approach to **stakeholder management**.



David Radford

Helsinki Congress

European insurers, policymakers, supervisors, business leaders and civil society groups gathered in Helsinki in June 2008 for AMICE's inaugural European Congress of Mutual & Cooperative Insurance.

Two hundred delegates participated in the two day event which was themed around the idea of change - be it regulatory, consumer, demographic or operational. Financial services regulation in a changing marketplace and the implications of impending demographic changes on European society were discussed in detail. A debate on enterprise risk management involving leading reinsurers and consultants provided valuable insight into the latest trends and marketplace expectations while raising awareness of how mutual and cooperative risk management is perceived by external stakeholders.

Keeping the customer satisfied

Christian Bieck from the IBM Institute for Business Value analysed future attitudes, values and behaviours towards insurance, when presenting the findings of a pan-European survey of young people which was conducted to provide insight to the AMICE Congress.

- When distinguishing consumer categories, distinctions can be made between diverging expectations in terms of products, services and regarding the insurer-client relationship.
- The indications are that effective European marketing strategies will seek to avoid targeting a uniform customer profile and will instead recognise and adapt to the evolving variances within conventional demographic segments.
- Increasingly, customers are seeking out transparent and trustworthy sources of information, with younger generations relying heavily on the internet and social networks.

AMICE members give their views on the Congress

Alain Gajan, La Mondiale (FR): "I am very satisfied with the Congress. We need to unite and create a powerful trade association to defend, promote and sustain mutuality."



Luca Filippone, Società Reale Mutua di Assicurazioni (IT): "I very much welcome the opportunity to get a better understanding of shared mutual concerns and strategies to defend mutuality in Europe. Finding out about best practice examples from colleagues in other markets is always interesting and helps in my company's home market."

Florence Kusters, Ethias (BE): "The event was well-organised and delivered fully on my networking expectations - it was just wonderful to meet well-known colleagues as well as many new people."



Save the date!

The next AMICE Congress will take place in Genoa, Italy, on 24-26 May 2010



AMICE governance and finance

AMICE is an international non-profit making association under Belgian law (aisbl/ivzw), founded on 6 December 2007. Its budget is almost exclusively funded by contributions from members. AMICE does not receive funding from national or international public institutions.

AMICE's supreme governing body is the General Meeting. In 2008, the General Meeting was held on 16 June in Helsinki in the context of the AMICE Congress.

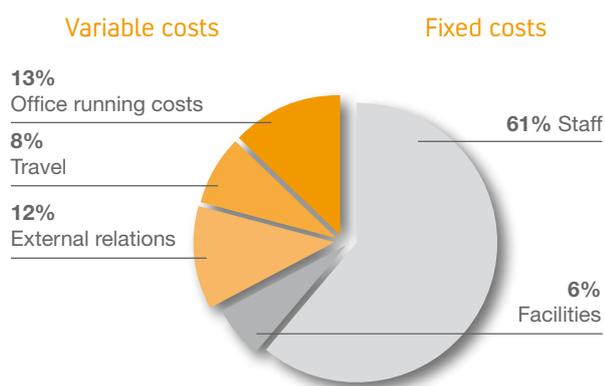
The President of the association is the Chair of the Board and of the General Meeting. The current President is Asmo Kalpala of Tapiola (FI); his term runs until 2010.

The Board is responsible for managing the activities of the association and ensuring that the activities are in line with the purpose of the association and the resolutions passed by the General Meeting. As of April 2009 the Board is composed of 27 members from 15 countries.

Financial performance

The association's first financial year 2008 (which included the non-operative period from 6-31 Dec 2007) ended with a surplus of EUR 154,723. The Board proposes to the General Assembly to carry this surplus forward into the year 2009.

AMICE's auditors, Ernst & Young, have delivered a clean opinion on the accounts for 2007/2008. A full version of the annual accounts and the auditor's report are made available separately to AMICE members.



€ ('000s)	2008	2007
Income		
Fee income	848	-
Other income	29	-
Expenses		
Staff expenses	- 441	-
Facilities	- 47	-
Office running costs	- 63	-
Travel	- 61	-
Events	- 14	-
External relations	- 43	-
IT	- 20	-
Projects	- 27	-
Other	- 6	-
Surplus	155	-

AMICE Board at 21 April 2009

PresidentAsmo Kalpala, *Tapiola* (FI)**Vice-Presidents**Werner Görg, *Gothaer* (DE)Rolf Soedjak, *SNS Reaal NV* (NL)**Treasurer**Jacques Forest, *P&V* (BE)**Members**

Gunnar Andersson, *Folksam*, SE
 Jörn Anker-Svendsen, *LB Group*, DK
 Urs Berger, *Swiss Mobiliar*, CH
 Grzegorz Buczkowski, *TUW SKOK*, PL
 Christian Collin, *Groupama*, FR
 Jean-Luc de Boissieu, *GEMA*, FR
 Donato Deganutti, *Unipol Gruppo Finanziario*, IT
 Michel Dupuydauby, *ROAM*, FR
 Cor Ensing, *Univé Drenthe Overijssel*, NL
 Rolf-Peter Hoenen, *HUK-Coburg*, DE
 Luigi Lana, *Società Reale Mutua di Assicurazioni*, IT
 Daniel Lenoir, *FNMF*, FR
 Róbert Lilli, *KÖBE*, HU
 Hans-Christian Marschler, *R+V Versicherung AG*, DE
 Pablo Mongelos, *Seguros Lagun Aro*, ES
 Mike Rogers, *LV=*, UK
 Mogens N. Skov, *Købstædernes Forsikring*, DK
 Ann Sommer, *Länsförsäkringar*, SE
 Shaun Tarbuck, *AMI*, UK
 Bernard Thiry, *Ethias*, BE
 Abed Yacoubi Soussane, *MAMDA*, MA
 Georg Zaum, *Mecklenburgische
 Versicherungsgesellschaft a.G.*, DE
 Dimitrios Zormpas, *Syneteristiki*, GR

“...The Board shall represent the diversity, geographical representation and type of activity of the association’s membership.”

Art. 12.1.4 of the AMICE Articles of Association

AMICE working structure

➤ **Economics & Finance working group**

Chair: Werner Görg (DE), until April 2009
Gunnar Andersson (SE), as from April 2009

Solvency II task force

Co-chairs: Yanick Bonnet (FR)
Markku Paakkanen (FI)

Accounting task force

Co-chairs: Fabrice Genoun (FR)
Catharina Henkow (SE)

Sustainable Finance task force

Chair: pending

➤ **Legal Affairs working group**

Chair: Christian Collin (FR), until April 2009
Luigi Lana (IT), as from April 2009

European Mutual Statute (EMS) task force

Co-chairs: Jeanne-Marie Camboly (FR)
Renaud Huard (FR)

Legal Affairs task force

Chair: Prof. Eduardo Greppi (IT)

➤ **Member-to-Member working group**

Chair: Mogens N. Skov (DK)

CSR (Corporate Social Responsibility) task force

Chair: Anu Pylkkänen (FI)

Motor Claims Network task force

Chair: Gilles Bezençon (CH)

Reinsurance task force

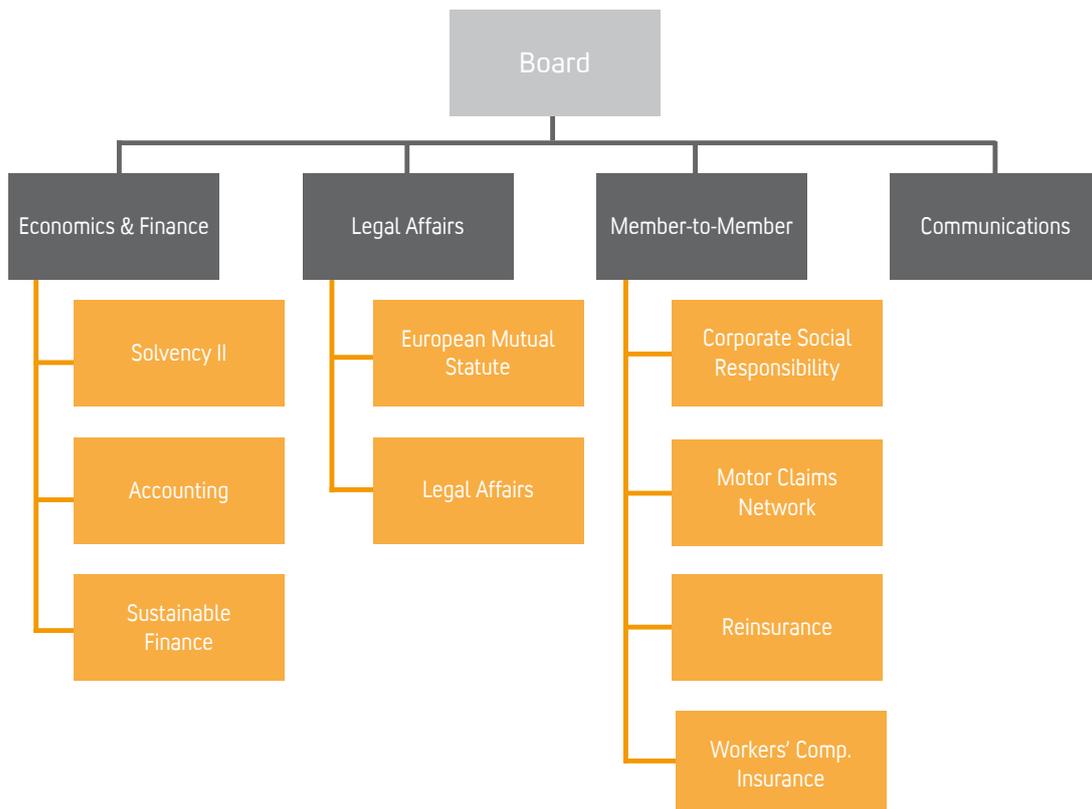
Chair: Piet Haers (BE)

Workers' Compensation Insurance task force

Chair: Renaud Rosseel (BE)

➤ **Communications working group**

Chair: William Schouten (UK), until February 2009
Grzegorz Buczkowski (PL), as from April 2009



AMICE Secretariat

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Administrative Assistant

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Email: secretariat@amice-eu.org

“My heartfelt thanks go to the great team at the AMICE Secretariat. My two deputies, Catherine Hock and Helen Sheppard, form the core, the heart, and – most importantly – the memory of the secretariat. Through them, AMICE was able to maintain the link to its predecessor organisations and their members throughout the transition process. Silvia Herms is the visible symbol of AMICE’s expertise in insurance technical matters and Marlen Freire symbolises that AMICE has found a new efficient structure.”

Secretary General Gregor Pozniak
in his report to the membership at
the AMICE General Assembly 2009

Austria

Austria Versicherungsverein a. G.
Privatst., Collegialität Versicherung a.G.,
Österreichische Hagelversicherung

Belgium

AMMA Assurances, Emani, Ethias,
Fédérale Assurance, Mensura Caisse
Commune, P&V Assurances SCRL,
SECURA N.V., SECUREX Vie
*UAAM (Union des Associations
d'Assurances Mutuelles)*

Denmark

ALKA, Købstædernes Forsikring,
LB Group, Lokal Forsikring GS,
Sygeforsikringen «danmark», Thisted
Forsikring, Tryggingarfelagid Føroyar,
Ulykkesforsikringsforbundet for Dansk
Fiskeri
*Danish Association of Mutual Insurance
Companies*

Finland

Ålands Ömsediga Försäkringsbolag,
Fennia Mutual Insurance Company, Local
Insurance Mutual Company, Tapiola
Insurance Group

France

AREAS, Assurances Mutuelles de
Picardie, Caisse d'Assurance Mutuelle
du Bâtiment et des Travaux Publics,
Caisse Mutuelle Marnaise d'Assurance
(CMMMA), CGPA, Covea SGAM (MMA,
GMF, MAAF), GAMEST, Groupama SA,
La Comtoise, La Mondiale Groupe, La
Mutuelle d'Assurance des Pharmaciens,
La Sécurité Familiale, L'Auxiliaire, Le
Conservateur, L'Etoile, MACIF, M.A.C.S.F
Groupe, MAIF, MATMUT, Mutuelle Centrale
de Réassurance, Mutuelle de Poitiers
Assurances, Mutuelle des Architectes
Français Assurances (MAF), Mutuelle
Saint-Christophe Assurance, Réunion
des Mutuelles d'Assurances Régionales
(REMA), SHAM (Société Hospitalière
d'Assurances Mutuelles), S.M.A.B.T.P. &
S.M.A.VIE B.T.P., théléma assurances
*FNMF (Fédération nationale de la Mutualité
Française)*
*GEMA (Groupement des Entreprises
Mutuelles d'Assurances)*
*ROAM (Réunion des Organisations
d'Assurance Mutuelle)*

Germany

Alte Leipziger Lebensversicherung
a.G., Bayerische Beamten
Lebensversicherung a.G., Concordia
Versicherungs-Gesellschaft a.G.,
Continentale Krankenversicherung a.G.,
DEBEKA Vericherungsvereine, DEVK
Deutsche Eisenbahn Versicherung
Lebensversicherungsverein a.G., DEVK
Deutsche Eisenbahn Versicherung
Sach- u. HUK-VVaG, Gartenbau-
Versicherung VVaG, Gothaer Konzern,
GVV-Kommunalversicherung, Hallesche
Krankenversicherung a.G., HDNA VVaG,
HDI - Haftpflichtverband der Deutschen
Industrie V.a.G., HUK-Coburg Haftpflicht-
Unterstützungskasse kraftfahrender
Beamten Deutschlands a.G. in Coburg,
IDUNA Vereinigte Lebensversicherung
aG für Handwerk, Handel und Gewerbe,
INTER Krankenversicherung AG,
Itzehoer Versicherung Brandgilde von
1691 VVaG, LVM Landwirtschaftlicher
Versicherungsverein Münster a.G.,
Mecklenburgische Versicherungs-
Gesellschaft a.G., OKV - Ostdeutsche
Kommunalversicherung a.G.,
R+V Versicherung AG, Signal
Krankenversicherung a.G., Signal
Unfallversicherung a.G., Stuttgarter
Lebensversicherung a.G., Vereinigte
Hagelversicherung VVaG, Volkswohl
Bund Lebensversicherung a.G.,
Württembergische Gemeindeversicherung
a.G.
Verband der Versicherungsvereine a.G. e.V.

Greece

Syneteristiki Insurance Co.

Hungary

KÖBE, TIR Biztosító Egyesület

Italy

ITAS Group, Società Reale Mutua di
Assicurazioni, Unipol

Netherlands

Bovemij Verzekeringen N.V., efm
Onderling Schepenvzekering,
Leeuwarder Onderlinge Verzekeringen
U.A., NOFF, OOM Holding NV, Onderlinge
Verzekeringsmaatschappij Donatus, SNS
REAAL NV, Univé Drenthe-Overijssel,
Univé Zuid-Holland, Zevenwouden

Poland

TUW TUW, TUW SKOK

Portugal

Mutua dos Pescadores, Companhia de
Seguros SAGRES S.A.

Slovenia

Vzajemna Mutual Insurance Company

Spain

A.M.I.C. - Asociación Mutualista de la
Ingeniera Civil, ASEMAS, MUSAAT Mutua
de Seguros a prima fija, MUSSAP Mutua
de Seguros y Reaseguros a prima fija,
Mutua de Propietarios Mutua de Seguros
y Reaseguros a prima fija, Mutua MMT
Seguros Sociedad Mutua de Seguros
a prima fija, MUTRAL, Pelayo Mutua
de Seguros, Seguros Lagun Aro S.A.
Confederación Española de Mutualidades

Sweden

AFA Life, Folksam, Länsförsäkringar

Switzerland

Emmental Versicherung, Mutuelle
Vaudoise, Swiss Mobiliar Holding Ltd.

United Kingdom

Co-operative Financial Services, The
Cornish Mutual Assurance Co. Ltd, LV=,
NFU Mutual
Association of Mutual Insurers (AMI)

Associate Members

MAMDA (Morocco)
Groupe SONAM Assurances (Senegal)

Observer

Swiss Reinsurance Company

AMICE membership at 21 April 2009

AMICE represents 125 European mutual and cooperative insurers directly and an additional 1,600 indirectly through the membership of 8 national associations of mutual insurers.

AMICE full membership is open to mutual and cooperative insurers in Europe and their national associations. Associate membership is open to non-

European mutual and cooperative insurers. Other interested parties may request observer status.

AMICE's membership includes insurers of all sizes (some among the largest European players, others very small) and all lines of business (life, motor, health, agricultural, etc).





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