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**Sarah Goddard**  
AMICE Secretary General

“AMICE’s ongoing work, ensuring that the mutual and cooperative sector is heard and that its role is properly understood, was never as vital as now.”

## MUTUALS MATTER MORE THAN EVER

Dear AMICE Member,

As diverse as we are across Europe, we have been sharing the same journey since early this year. The rise of infection rates from Coronavirus disease (COVID-19) across the world and government responses to reducing the impact on their populations have profoundly impacted us in so many aspects of our personal and professional lives.

COVID-19 has also brought the value and benefits of mutual/cooperation insurance for Europeans into sharp relief. From the very start of the pandemic, AMICE members rose to the challenge in terms of support and practical assistance that in many cases has gone far beyond the simple policy offering. This has not gone unnoticed by the European institutions, where the policy making community has been looking to the stakeholder community actors such as AMICE to provide insight, guidance and support on the ground, to help them alleviate the worst effects of the pandemic and tackle uncertainty.

Meanwhile, the business of policymaking and AMICE’s constructive advocacy activities continues.

In this issue of *AMICE Insights* you can read about how AMICE and its members have been providing input to the European Commission’s COVID-19 measures best practices document released on 14 July as well as other critical inputs to important dossiers over the last few months. These include responses to consultations on data, Solvency II and sustainable finance. AMICE remains an important and valued partner/interlocutor for the European institutions which need our input when developing financial sector policy proposals, and our role within the social economy continues to extend with the increased activities in this area.

AMICE’s ongoing work, ensuring that the mutual and cooperative sector is heard and that its role is properly understood, was never as vital as now.

**Sarah Goddard,**  
AMICE Secretary General

# ADVOCACY

## COVID-19



### AMICE WORKS WITH EUROPEAN COMMISSION TO DEVELOP COVID-19 BEST PRACTICES DOCUMENT

AMICE was pleased to see that the wide-ranging support and actions undertaken by our members for their policyholders, healthcare providers and wider society was reflected in the European Commission's (EC) COVID-19 measures [best practices document](#) for the financial services sector which was published on 14 July. The document was the fruit of important exchanges of views during two online financial sector stakeholder roundtables conducted during the months of May and June, as well as supporting communications and dialogue. Several stakeholders including AMICE were invited to outline the various support/relief measures their members had put in place for consumers and businesses. AMICE was able to expand this invitation to include the actions our members had taken to support wider society. This included supporting healthcare systems with equipment, supporting home-based students by providing computers, the extension of policy coverage to include the risk of contracting COVID-19 and the implementation of flexible payment schemes for small and medium-sized enterprises (SMEs).

AMICE issued a [press release](#) to coincide with the document's publication. AMICE President Grzegorz Buczkowski commented:

*"Mutual and cooperative insurers continue to show how they provide practical support and assistance to members/policyholders during this difficult time."*

Specific examples of the steps taken by mutual and cooperative insurers to support their members/policyholders can be seen on [AMICE's Twitter stream](#) from mid-March onwards.

The dialogue on COVID-19 will continue with the European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

The European Insurance and Occupational Pensions Authority (EIOPA) has been exploring the possibility of European Union (EU)-level shared resilience solutions for pandemics. It is an ambitious and original approach to insurance coverage for unprecedented times. Such a solution could encompass national-level pools, several of which are being actively developed in various Member States. AMICE has stressed that the new approach must take into account the needs of SMEs and solo proprietor businesses in Europe, which are less likely to have access to State Aid. EIOPA has published an [issues paper](#) and invites comments by 25 September.

Elsewhere, AMICE is a signatory on [Social Economy Europe's \(SEE\) open letter](#) which calls for a wide-ranging EU response to restore economic and social progress in combatting COVID-19. SEE stresses that both the EU and individual Member States must design measures fit for all types of economic and social players and particularly those that form part of Europe's social economy.

An action plan on the social economy is due to be published by the European Commission in 2021.

## SOLVENCY II

### AMICE DEVELOPING RESPONSES TO SOLVENCY II REVIEW CONSULTATION

On 1 July, the European Commission announced its consultation on the Solvency II Review, and is planning to introduce legislative proposals in the summer of 2021, a delay of approximately six months compared with its original timetable.



The European Commission's consultation addresses whether the rules are still suitable to achieve their goals. It is also an opportunity to see how the insurance sector can contribute to the objectives of the European Union's European Green Deal and Capital Markets Union (CMU). As well as the more technical aspects of Solvency II, the consultation addresses macroeconomic tools such as recovery and resolution, and insurance guarantee schemes (IGS). Most importantly, it directly seeks input in the regulatory treatment of not-for-profit insurers, and this is an area AMICE is particularly focussing on as we develop our response to the consultation.

Executive Vice-President of the European Commission Valdis Dombrovskis stated that the consultation aims to clarify if current rules still provide the right incentives for insurers to support the long-term financing of a strong, sustainable and resilient economic recovery in the EU while ensuring that consumer rights are protected.

The consultation is open until 21 October. The AMICE Secretariat has analysed the consultation paper and is drawing together experts from the membership to assist in developing our detailed response.

educational webcast on the amendments to IFRS 17 will be released in the near future.

## EFRAG

EFRAG, the body that advises the European Commission on whether IFRS standards meet the criteria for use in the EU, prepared a paper on the interaction between IFRS 17 and mutual insurance entities. This paper addresses questions on the topic from the European Commission and the European Parliament, following AMICE's communications with Members of the European Parliament (MEPs). The paper has been discussed in numerous EFRAG meetings since March 2020. It will be part of EFRAG's draft endorsement advice (DEA) on IFRS 17.

AMICE's representation at EFRAG meetings has helped improve the paper significantly. For example, EFRAG had pointed out that mutual entities not having equity was the consequence of another Standard, not a consequence of applying IFRS 17. The paper will be part of an EFRAG consultation to be launched in September.

## Other topics

The requirement to include groups of contracts no more than 12 months apart – known as annual cohorts – is a major concern for insurers, especially for life insurance contracts with mutualisation features. Despite several calls from different stakeholders to find an alternative solution to fix the issue, the ISAB decided to retain the requirement due to the “difficulties of drawing a line between contracts within the scope of exemption and those outside of it”. The annual cohort requirement will be costly and difficult to implement and will bring more volatility to insurers' earnings.

## Delayed entry into force

One of the most significant changes to the Standard is the two-year deferral of IFRS 17 to 1 January 2023. Insurers applying for the temporary exception to the IFRS 9 Financial Instruments deadline will also apply IFRS 9 from the same date. EFRAG confirmed its final endorsement advice by 7 July and anticipates the entire process to be completed by year end.

## DIGITALISATION

### AMICE WELCOMES EU EFFORT TO DELIVER DATA USE ABILITY, VOICES CONCERN ABOUT APPLICABILITY OF RULES TO ALL DATA ACTORS

AMICE responded to two consultations on data/digitalisation in May and June; the European data strategy and the European digital finance strategy.

Regarding the **data strategy**, AMICE welcomes the initiative aimed at increasing the availability of data and common European data spaces in crucial sectors, such as mobility and health. AMICE stresses however that improvements can be made to current arrangements surrounding an individual's access to data which would facilitate the delivery of services to customers. Examples include empowering individuals to retrieve their real-time data and the ability to access raw behavioural data collected from car sensors that provide information on driver behaviour. AMICE also stresses that data sharing should not result in the undermining of

**THE CONTEXT:** On 1 July, the European Commission launched a public consultation on a comprehensive review of Solvency II, the European Directive which codifies and harmonises the European regulatory framework for insurance and reinsurance companies. The Directive, which came into force in 2016, sets out risk-based rules across the EU for insurance companies. Its purpose is to ensure that insurance undertakings are financially sound and can withstand adverse events, so that policyholders are protected and the financial system remains stable.

## EIOPA LAUNCHES FIRST SINGLE RULEBOOK

EIOPA launched its first Single Rulebook on 31 July. Focusing on Solvency II, the Rulebook is an online tool designed to promote consistent implementation and understanding of the regulatory framework for insurance supervision in the European Union. It enables navigation across different legal acts including the Directive, Delegated Regulations and Implementing Technical Standards, as well as EIOPA Guidelines, Opinions, Supervisory Statements and Questions and Answers.

The Solvency II Single Rulebook can be found on [EIOPA's webpage](#).

## FINANCIAL REPORTING WORKING GROUP

### IFRS: MUTUAL/COOPERATIVE INSURANCE ISSUES

#### Amendments to IFRS 17 published by IASB

On 25 June, The International Accounting Standards Board (IASB) published its final amendments to International Financial Reporting Standard (IFRS) 17, the standard for insurance contracts. Regular followers of the topic will recall that the IASB first decided to propose amendments to IFRS 17 in October 2018 following submissions from the insurance industry. In June last year, the IASB launched its consultation on the proposals to which AMICE responded in September 2019.

#### Discussion about mutual insurers

##### IASB Board

On 24 March, IASB Board Member Darrel Scott discussed the treatment of mutual insurers under IFRS 17 following AMICE's request to the European Financial Reporting Advisory Group (EFRAG) that the IASB's related educational material should be either withdrawn or substantially revised following the proposed amendment. A caveat was added for mutual insurers which would be impacted by the proposed amendment, and because of that, Mr Scott concluded that the materials on mutual entities would also be revised. A new

a company's competitive advantage and that due care is needed to tackle the current "asymmetry of power" between customers and data providers.

[Full response to the consultation.](#)

Regarding the European **digital finance strategy**, AMICE supports the overall policy objectives set out by the European Commission. Namely:

- ensuring that the EU financial services regulatory framework is technology-neutral and innovation friendly;
- seizing the opportunities offered by the EU-wide Single Market for digital financial services for consumers and firms;
- promoting a data-driven financial sector for the benefit of EU consumers and firms; and
- enhancing the operational resilience of the financial sector.

AMICE members recognise the potential and benefits for consumers for increased digitalisation of insurance services. In particular, members are looking at how policies could be increasingly adapted for particular groups of consumers, for example in providing adequately-priced motor insurance. *"EU rules should apply equally to established insurers and new market entrants/start-ups, where they carry out the same activities,"* AMICE states in its responses.

[Full response to the consultation.](#)



**THE CONTEXT:** The EU is developing a citizen-centred European data strategy and economy and has communicated its intention to protect citizens' data rights. In February, the European Commission unveiled a series of proposals providing pointers on how it will address the European Union's data, artificial intelligence and digitalisation challenge. They include: *"Shaping Europe's Digital Future"* communication; White paper on *"Artificial Intelligence a European Approach to Excellence and Trust"*; and a communication on *"European Strategy for Data"*.

A Commission consultation was launched in April, the aim of which is to stimulate the development of digital finance in the EU. The consultation's three priorities are:

- ensuring that the EU's financial services regulatory framework is fit for the digital age;
- removing fragmentation of the single market for digital financial services;
- promoting a well-regulated data-driven financial sector.

AMICE has been in contact with the relevant DG FISMA officials given the importance of certain items in the consultation, including: an open finance/insurance policy; the benefits data-driven innovation can bring in compliance and supervision; and the use of Artificial Intelligence (AI)-based models in the financial industry. It has also been attending DG FISMA's weekly online roundtables that are helping to provide inputs to the new digital finance strategy.

Digitalisation is an important challenge for the mutual insurance industry. It provides opportunities to communicate more effectively with policyholders and to create new or better innovative competitive insurance products and services. AMICE seeks to ensure that the EU regulatory environment supports and protects the legitimate interests of both consumers and the insurance industry and that potential new actors within the insurance market respect the same rules. The European insurance industry needs access to the data that they themselves and citizens generate to deliver more relevant, innovative and competitive insurance products and premiums to consumers. The sector is keen to make the application of European legislation more deliverable and workable in practice while respecting legitimate citizens' data protection rights. All market entrants must follow the same rules.

## PROCESSING OF PERSONAL DATA IN CONNECTED VEHICLES

### EDPB GUIDELINES COVERING TELEMATICALLY-GENERATED INSURANCE SERVICES SHOULD SUPPORT INNOVATION AND COMPETITION

Guidelines aimed at protecting citizens' data rights but which do not take due account of how developing innovative insurance services practically function could deal a blow to such services, AMICE stressed in a statement on 4 May. The statement responded to draft guidelines published by the European Data Protection Board (EDPB) for consultation earlier in 2020. AMICE stressed that the draft guidelines do not fully take into account all the practical implications related

to the functioning of insurance telematics services and the legal obligations that insurers are subject to when providing these types of insurance service.

AMICE underlined that collecting geolocation information from a vehicle is vital to the sector's development of insurance services. The option for consumers to disable this data collection could be incompatible with telematics insurance policies; default and continuous activation of geolocation on a vehicle is important to ensure the effectiveness of such insurance services. Furthermore, enabling geolocation by default provides for swift intervention from the emergency services if needed, potentially lessening the consequences of accidents. It would also help event reconstruction, assisting with understanding what happened in an accident, though objective parameters.

The inability to monitor overall driving habits could lead to some road users not getting a fair insurance premium.

### Data minimisation principle too strict

AMICE also stressed that the principle by which gathered data on driving habits is minimised and not delivered in its original raw state to insurers is too strict and risked undermining the design of usage-based insurance policies for consumers. Access to driver behaviour data helps the production of more accurately-priced policies and better assessment of claims. It would also help the industry recoup the substantial investments it has made to benefit consumers through better risk segmentation of individual drivers. To ensure fairer pricing of premiums, AMICE suggested that an amendment to the EDPB's guidelines could be made to ensure that insurers have access to raw behavioural data generated by telematics devices used for pay as you drive policies.

The full statement is available for download from [AMICE's website](#).

## SUSTAINABLE FINANCE

### AMICE ANALYSES AND COMMENTS ON FUTURE EU SUSTAINABLE FINANCE STRATEGY PROPOSALS

While COVID-19 dominates the headlines, important policy initiatives affecting the mutual and cooperative insurance industry continue to emerge from the EU executive. A renewed sustainable finance strategy is expected in the autumn while the [Non-Financial Reporting Directive \(NFRD\)](#) will be reviewed by the first quarter of 2021. This follows the consultation on it that was launched in February and to which AMICE, with the support of its membership, [responded in June](#). At that point, AMICE highlighted the need for a better alignment and consistency of the existing legislative measures (the Taxonomy Regulation and the sustainability-related disclosures in the financial services sector Regulation) and the revised NFRD framework. The non-financial information should be adapted and based on the specific needs of a company's stakeholders and its strategy and objectives. In its response, AMICE advocated that the scope of the Directive should not be broadened to include small mutual insurers.

AMICE also [responded](#) to the Commission's [consultation](#) on the renewed sustainable finance strategy that is due to be adopted during the second half of 2020. The strategy focuses

on supporting the creation of opportunities for citizens and financial institutions to have a positive impact on society and the environment while managing and integrating climate and environmental risks into the financial system. AMICE stressed in its reply to the consultation that EU policymakers must ensure that there is a better recognition of the mutual and cooperative insurance sector as sustainable business models – already recognised in the revised EIOPA Regulation – while the Solvency II Review should make the necessary improvements to reduce barriers to long-term sustainable investments. Work is expected to continue on the development of an EU Green Bond Standard (EU GBS) and eco-labels for green financial products.

**THE CONTEXT:** In December 2019, the European Commission published the [European Green Deal](#), one of its major policy initiatives for its five-year term. The European Green Deal demonstrates the EU's ambition for Europe to be the first climate neutral continent by 2050. It includes initiatives to mainstream sustainability across all EU policy including rules that affect the mutual and cooperative insurance sector. The direction of European policymaker thinking provides an opportunity to the mutual and cooperative insurance industry to advance their particular form of the sustainable business model at a time when the functioning of the economy is under ever closer scrutiny by policymakers and the public at large.

## GERMANY TAKES OVER COUNCIL PRESIDENCY

### TOGETHER FOR EUROPE'S RECOVERY SAYS GERMANY SIX-MONTH PRESIDENCY OF EUROPEAN UNION

The German Presidency of the Council of the European Union started on 1 July. Its programme stresses the importance of delivering a stronger, more innovative and fairer Europe at a time of a serious pandemic. The major political topics that will be concentrating minds during the following months are likely to be the future financial framework for the EU budget, relaunching Europe's economy in the face of unprecedented strain, and the future relationship between the EU and the UK.

[The programme can be found here in several EU languages.](#)

# MEMBERSHIP NEWS ROUNDUP

## COVID-19

### MUTUAL AND COOPERATIVE INSURERS SHOW THEIR RELEVANCE IN UNCERTAIN TIMES

Over the past few months, mutual and cooperative insurers have been demonstrating how mutuality supports society practically at a time of crisis. In a flood of tweets, AMICE members have showcased specific practical examples of what they have contributed to help alleviate difficulties for policyholders and wider society in the conduct of their daily lives. Examples have ranged from practical support such as [food distribution](#) (Mutua Madrileña, Spain) and [providing portable computers to stuck-at-home children in Belgium](#) (Ethias, Belgium) to [donations to charitable organisations supporting women](#) (Covéa, France) and [donations to policyholders](#) (MAIF, France).



The role of an insurance company is that of a “shock absorber”, stated MAIF Director-General Pascal Demurger.

## MAIF BECOMES A “SOCIÉTÉ À MISSION”

AMICE member Mutuelle d’Assurance des Instituteurs de France (MAIF) has become a “société à mission”\*. Secretary General Sarah Goddard tweeted congratulations for “*this historic and overwhelming decision to commit to the highest social and environmental objectives.*”

### [MAIF press release](#)

\*provides the legal basis for a company to officialise its establishment according to social and environmental objectives.

# FORTHCOMING EVENTS

The COVID-19 pandemic has caused considerable disruption to the European calendar. Many physical meetings and events have been taken online, postponed or cancelled. Here, AMICE highlights a selection of forthcoming events.

For more, see the Calendar on page 7.

## AMICE CONGRESS: THE ART OF TRANSFORMATION

### FLEXIBLE ORGANISING DRIVES PREPARATIONS FOR POSTPONED AMICE CONGRESS

Ensuring the health, safety and well-being of AMICE members, speakers and invitees has been the foremost concern in the continuing preparations for our members to meet together at the next Congress. With these simple, crucial considerations in mind, AMICE continues to organise flexibly for the next AMICE Congress which is now due to take place from 19 -21 April 2021 in Bilbao. The decision to postpone the Congress, taken after consultation with Congress host *Seguros Lagun Aro* and the Bilbao authorities, is necessary given the high level of uncertainty about how the current pandemic will affect gatherings of people over the next few months.

Our rescheduled Congress will be an opportunity for the European mutual/cooperative insurance industry to gather together, to assess and exchange on our sector’s ongoing transformation, which has been accelerated in recent months by the pandemic.

The Congress will explore the ever-increasing importance of the mutual/cooperative insurance model, its unique value for policyholders and wider benefits for society and the European economy. The Congress will focus on how we can best serve our members/policyholders in a fast-changing risk environment, encompassing innovation, technology and regulation. Our sector’s role within Europe’s social economy and central position in the advancements towards a fully sustainable Europe will be key discussion points during the two-day event.

The AMICE Congress provides a mixture of high-level and practical conference sessions. It is the most important event at which European mutual and cooperative insurers, their trading partners and EU policymakers meet and discuss the latest regulatory, legislative and international developments that are likely to affect their business.

For the forthcoming Congress, AMICE will be holding the gala dinner at the prestigious Guggenheim Museum, the centrepiece of Bilbao’s transformation into a city of design and innovation. We are proud and grateful that the Trustees of the Guggenheim Foundation have granted AMICE the rare permission and great honour of using this world-famous art museum for our main social gathering in Bilbao.

### [The Guggenheim Museum.](#)

We look forward to seeing you in 2021, in an incredible city and internationally recognised urban landmark which transformed itself in the face of extended adversity.

Registration is open at the [AMICE Congress website](#).

# PEOPLE

## EIOPA APPOINTS FOUR MUTUALISTS TO STAKEHOLDER GROUPS

AMICE is pleased to see that representatives from three AMICE members have been appointed to EIOPA's Insurance and Reinsurance Stakeholder Group (IRSG). Mireille Aubry (Covéa – France) and Galit Saar (Länsförsäkringar – Sweden) are new members while Lauri Saraste (Local Tapiola – Finland) has been reappointed. Paul le Bihan (MNCap Group – France) has been appointed to EIOPA's Occupational Pensions Stakeholder Group (OPSG), the first time a representative from an AMICE member has joined this group.

Further details on Stakeholder Groups can be found on [EIOPA's website](#).

## NEW AMICE COMMUNICATIONS AND MEMBERSHIP OFFICER

Tristan Macdonald has joined AMICE as its new Communications and Membership Officer. Tristan has twenty years' experience in the field of communications in a variety of different organisations including the European Economic and Social Committee (EESC). A binational (French/British), he speaks English, French and Italian.

## WOULD YOU LIKE TO CONTRIBUTE TO AMICE INSIGHTS?

With a view to deepening understanding and awareness of AMICE member activities, AMICE would like to offer the opportunity to members to submit articles to its *Insights* newsletter. If you would like to contribute a short text, please contact [Tristan Macdonald](#). Submissions should be no more than 200 words and written in one of the newsletter languages (English, French, German, and Spanish).



## CALENDAR 2020

### AMICE

06 October	TBC	Executive Committee
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03 November	TBC	Board
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02 December	Online	AMICE-ICMIF 4 <sup>th</sup> regulatory dialogue
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AI	artificial intelligence	EU GBS	European Union Green Bond Standard
AMICE	Association of Mutual Insurers and Insurance Cooperatives in Europe	IASB	International Accounting Standards Board
CMU	Capital Markets Union	ICMIF	International Cooperative and Mutual Insurance Federation
DEA	draft endorsement advice (from EFRAG)	IFRS	International Financial Reporting Standards
DG FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets Union, European Commission	IGS	insurance guarantee scheme
EC	European Commission	IRSG	Insurance and Reinsurance Stakeholder Group, EIOPA
EDPB	European Data Protection Board	MAIF	Mutuelle d'Assurance des Instituteurs de France
EESC	European Economic and Social Committee	MEP	Member of the European Parliament
EFRAG	European Financial Reporting Advisory Group	NFRD	Non-Financial Reporting Directive
EIOPA	European Insurance and Occupational Pensions Authority	OPSG	Occupational Pensions Stakeholder Group, EIOPA
EU	European Union	SEE	Social Economy Europe
		SME	small to medium-sized enterprise



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