

Brussels, 20 November 2020

**To: Membres Titulaires**

**Cc: AAE Presidents, AAE Committees, Secretariats**

The Low Interest Rates Working Group (LIRWG) was set up by the Actuarial Association of Europe (AAE) Insurance Committee meeting on the 24th September 2019, in order to explore matters relating to low/negative interest rates.

In the beginning of 2020, the LIRWG performed a survey aiming at identifying how low-yield periods known since 2015, have affected the strategy of insurers across Europe.

The Insurance Committee meeting of the 9th October 2020 asked to the LIRWG to focus its work on the following issues:

- Exploring the impact of low interest rates on the book of existing business (resiliency of the industry and actions taken by country, consumer protection) and new Business/product innovation (ways of promoting product innovation, consumer protection)
- Liquidity management tools in relation to a sudden rise of interest rates
- Links with IFRS 17 / Solvency II: ORSA / Stress test, Economic Scenario Generator, Solvency II VA /IFRS17 Liquidity Premium

To meet its objectives, the LIRWG is looking for new volunteers from Member Associations.

**Thus, Member Associations are invited to nominate delegates to this working group.**

Please note that members of this working group can include non-actuaries and shall not represent particular Full Member Associations, but are selected on the basis of their expertise needed to achieve the specific goals of the working group.

The working group will carry out their work by email exchange and teleconferences and travelling to meetings will not be required. Meetings will be supported by an agenda with all the relevant information required to support the group's responsibilities, which will be circulated at least one working day before the meeting. Meetings will be held at least every two months. Exceptional meeting may be arranged where critical issues need to be raised. Key decisions and actions from the LIRWG meetings will be documented and circulated after the meeting.

We welcome your response by **04 december 2020** cob at the latest. Please send your response to the AAE secretariat to [moniques@actuary.eu](mailto:moniques@actuary.eu).

Matthias Pillaudin

*Chairperson Low Interest Rates Working Group*