



**GROUPE CONSULTATIF ACTUARIEL EUROPEEN**  
EUROPEAN ACTUARIAL CONSULTATIVE GROUP

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**To: Membres titulaires, membres suppléants, Insurance Committee, Standards Freedoms and Professionalism Committee, Standards Project Team, Solvency Project Team**

10 September 2013

Dear Colleague

The Standards Project Team of the Groupe Consultatif is looking for volunteers to participate in two key activities in regard to the development of actuarial standards of practice, intended to enhance the engagement of actuaries in matters of public affairs interest. Volunteers for either of these activities do not have to be members of the Standards Project Team or any other Groupe committee or task force – the hope is to widen participation – although existing representatives on a committee or working group would be welcome if they have the interest and the time for active involvement.

***Drafting team for GCASP2 – Model Actuarial Standard on the Actuarial Function Report***

The Standards Project Team (SPT) already has in place a drafting team, chaired by Dieter Köhnlein (Deutsche Aktuarvereinigung – Germany). The drafting team prepared the exposure draft of GCASP2 on which the Groupe consulted from November 2012 to 1 March 2013. Following the period of exposure the SPT published their Basis for Conclusions at the end of May 2013 and then embarked upon the next phase of producing the final standard.

The legislation for full implementation of Solvency II is delayed, but EIOPA intend to implement the governance aspects of Solvency II in 2014, including the actuarial function and the annual actuarial function report to the Administrative, Management or Supervisory Board of the company. In the light of this the SPT would like to promulgate a revised working draft version of GCASP2 as soon as possible this autumn, notwithstanding the fact that the final GCASP2 (and hence the second formal exposure draft leading to the final version) cannot be completed until the regulations and EIOPA guidelines are finalised, probably not until late 2014 or into 2015.

Several of the drafting team have had to withdraw because of pressure of other work, so we are urgently in need of strengthening the membership of the drafting team with individuals able to give some time to this work over the next few months. Those with a practical background in either life insurance or general insurance are needed, and particularly those who have some experience in drafting standards, legislation or other formal documentation, or are already working on preparation of actuarial function reports within their company environment.

***Task Force on Standards for Risk Management***

Another area for the possible development of model standards by the Groupe Consultatif is risk management. Some have argued that actuarial standards relating to carrying out the risk management function – or in fulfilling the responsibility of the actuarial function to contribute to the risk management function, particularly in regard to internal models – would greatly contribute to the quality of such work provided by actuaries and assist in raising the profile of actuaries in this area and demonstrating the

suitability of actuaries for senior positions in the risk management function. A new task force of the SPT is being established, under the chairmanship of Gábor Hanák, to explore whether these arguments have validity considering also the regulatory approach that is aimed to be harmonized across Europe and to make recommendations to the SPT (and thence to the Standards, Freedoms and Professionalism Committee and the General Assembly of the Groupe) whether one or more model standards should be developed.

We would like to recruit several members from different member associations for this task force, especially those with a practical background in risk management work and those expecting to be employed in the risk management function or advising the risk management function on the construction or validation of internal models.

Member associations are requested to supply names of volunteers who would be interested in joining the GCASP2 drafting team or the Task Force on Standards for Risk Management. In the light of the volunteers presenting themselves and the scope of the work envisaged, the Leader of the GCASP2 Drafting Team and the Chairman of the Task Force will decide on the future membership of their groups. The Task Force is expected to begin its work in October.

Kind regards

A handwritten signature in black ink, appearing to read 'Chris Daykin', with a horizontal line underneath.

Chris Daykin  
Convenor, Standards Project Team