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PRESS RELEASE

Actuarial Association of Europe adopts new model standard ESAP3

Brussels, 14 August 2017

The Actuarial Association of Europe (“AAE”) announced today that it has adopted its third European Standard of Actuarial Practice, ESAP3, on “Actuarial practice in relation to the ORSA process under Solvency II”. This follows approval by the General Assembly formally established on 2 August 2017.

ORSA stands for the ‘Own Risk and Solvency Assessment’ which is a process required by the Solvency II Directive. Insurers must perform an assessment of their risks, overall solvency needs and forward looking compliance with the quantitative requirements of the Directive.

The adoption of the third model standard represents another important step forward in the development of the actuarial profession in Europe. ESAP3 is a model standard intended to be suitable for adoption or adaptation by Full Member Associations of the AAE, and other actuarial standard-setting organizations who wish to adopt it. It is the AAE’s intent that, by publishing model standards, it will encourage the creation and convergence of national actuarial standards in Europe.

The intention of a standard of actuarial practice is to promote a greater consistency of approach to actuarial practice in a given situation, so as to increase the confidence of clients and the public in the actuarial work product, but without unnecessarily constraining the exercise of actuarial judgement or creativity.

The purpose of ESAP3 is to provide guidance to actuaries who have a material involvement in or responsibility for the design or performance of the ORSA process, in order to give intended users confidence that actuarial services are carried out professionally and with due care, the results are relevant to intended users and the assumptions and methodology are appropriate, and are used appropriately.

ESAP3 is available on the AAE website and under this [link](#).

- End of press release -

Notes for editors

- 1. For further information please contact Ad Kok, Chief Executive (tel. +32 2 201 60 21), amkok@actuary.eu*
- 2. Copies of all AAE press releases are available on the AAE website (www.actuary.eu)*
- 3. The Actuarial Association of Europe (AAE) was established in 1978 under the name Groupe Consultatif to represent actuarial associations in Europe. Its purpose is to provide advice and opinions to the various organisations of the European Union - the Commission, the Council of Ministers, the European Parliament, the European Supervisors and their committees – on actuarial issues in European legislation. The AAE currently has 36 member associations in 35 European countries, representing over 22,000 actuaries. Advice and comments provided by the AAE on behalf of the European actuarial profession are totally independent of industry interests. The Actuarial Association of Europe is registered in the EU Transparency Register under number 550855911144-54*