

# DAV as Standard Setter

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# Associations of Actuaries in Germany



DAV is the professional representation of actuaries in Germany. The association was founded in 1993 and has 4.800 members, all fully qualified actuaries. Over 1.500 young professionals are currently enrolled in the DAV education system.



IVS (Institute of Pension Actuaries) is an institute of DAV embracing all actuaries working in the field of pensions and employee benefits with currently 840 members. IVS has its own credential which is awarded to DAV FQAs who have passed the IVS exams.

# Associations of Actuaries in Germany



DGVFM (German Society for Insurance and Financial Mathematics) is the scientifically orientated partner organisation of DAV focusing on a strategic partnership between universities and the insurance industry.



DAA (German Actuarial Academy) organises seminars and courses for education and CPD purposes for DAV, DGVFM and IVS.



EAA (European Actuarial Academy) is a joint initiative of the actuarial associations of Austria, Switzerland, Germany and the Netherlands.

# DAV Mission Statement

- DAV creates the framework conditions for a technically-sound conduct of the profession and the personal development of its members, the actuaries.
- DAV is in a constant dialogue with all national and international institutions of relevance to it and contributes its expertise in the interest of the actuaries and for the benefit of consumers and companies in legal processes.
- DAV formulates its concerns through an independent positioning in public and safeguards the independence of the actuaries against the short-term-oriented interests of their employers or customers.

# Mission Statement

- **DAV sets professional standards, has a binding code of conduct and applies disciplinary measures in order to ensure compliance with them.**
- DAV guarantees a high level of qualification of actuaries through its own sophisticated education system and continuous professional development.
- DAV makes the latest scientific knowledge in the area of insurance and financial mathematics available to the actuaries.
- DAV reinforces the community of the actuaries through transparency, communication and an intensive involvement of the members in the decision-making processes.

# Recognition by Authorities

- DAV is not mentioned in law
- Actuaries may become Responsible Actuary („Verantwortlicher Aktuar“ as in German Insurance Supervisory Law (VAG, § 141)) or Actuarial Function Holder without being a member of DAV
- DAV is recognised as the professional representation of almost all Responsible Actuaries / Actuaries in Germany
- Therefore: Regular meetings with ministries, the supervisory authority and other professional and industry associations
- Members employed by BaFin, the supervisory authority, are involved in most committees and many working groups

# Professional Standards

The DAV Code of Conduct states:

- Actuaries shall perform their activities competently, honestly and with due care... (Art.1 Par. 2).
- Actuaries shall perform their tasks on their own responsibility, with due consideration of all relevant professional standards adopted by DAV (Art. 2).
- Actuaries shall be subject to the disciplinary procedure approved by DAV (Art. 9).

Professional standards of practice are characterised by their

- treatment of specialist actuarial issues,
- fundamental significance and practical relevance for actuaries,
- a due process that allows all actuaries to be involved in the development of standards

## 3 Levels of Standards

### *Fundamental principles* (“must comply”)

- with guidance that may not be deviated from, and that
- Spell out generally recognised rules of conduct and legal norms.

### *Guidelines* (“comply or explain”)

- with guidance that, except in justifiable individual cases, may not be deviated from.

### *Advisory notes* (“educational”)

- that should to be taken into consideration, the application of which in individual cases is a matter of own professional judgment within the framework of the code of conduct, and
- which only apply to specific areas of actuarial work



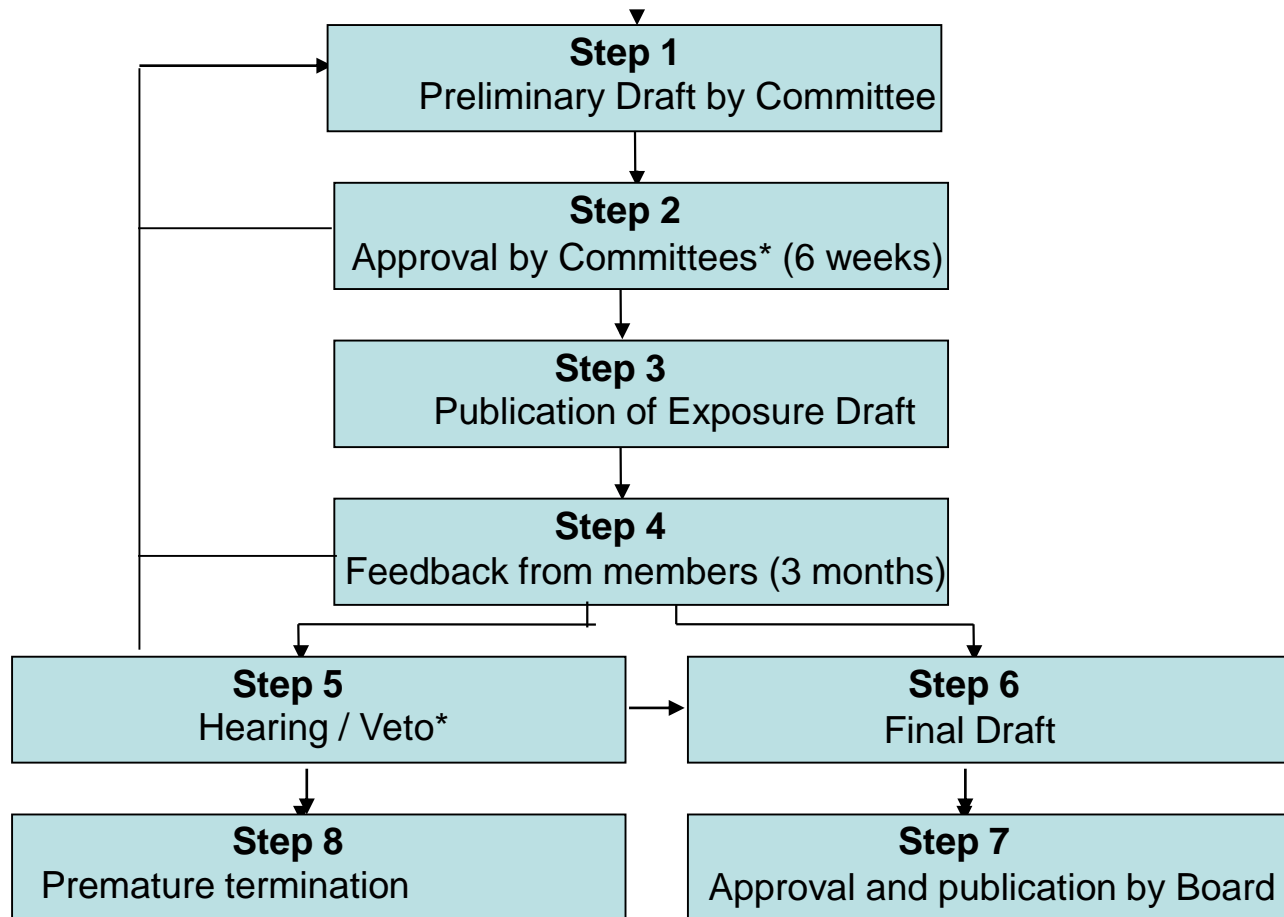
# Responsibilities

- *The Executive Board* represents internal expertise; it approves standards of practice, and announces and explains its decisions towards members and the general public.
- *The Professionalism Committee* represents both (derived) internal expertise and internal specialist knowledge. It ensures the internal connection between expertise and specialist knowledge. It is also a general coordination body (together with the Secretariat) with respect to the due process.
- *Technical Committees* are typical bodies of internal specialist knowledge. They are responsible for the development of the specific content of the standards of practice. They also coordinate with the members and/or the bodies of external expertise.

# Responsibilities

- *The Legislature, Specialist Government Ministries and Supervisory Authorities* are typical bodies representing external expertise, with whom, depending on the circumstances of the case, agreement exists or has to be reached, while the standards of practice must, however, lie within the responsibility of DAV.
- The *members* have internal specialist knowledge and also exercise their internal expertise through the members' General Assembly.
- Among the representatives of external specialist knowledge are external academics, for example, who are not members of the DAV, as well as academia in general, relevant professional associations, auditors, tax specialists and members of other professions, consumer organisations etc. as a group they are referred to as *the public*.

# DAV Due Process for Standards of Practice



\*) Professionalism and Technical Committees

\*\*) quorum of 10 members required

# DAV Due Process: Special provisions

- In cases of urgency the due process can be streamlined (omission of steps 3 and 4)  
but then the standard will be withdrawn after 18 months if the regular due process is not completed during this timeframe
- All standards are to be revised after 4 years by the responsible Committee; this includes the possibility of withdrawal
- Options for implementing IAA Model Standards:
  - Adopt as written / translation only
  - Adapt to German statutory and regulatory requirements
  - Adapt an existing DAV standard of practice
  - Develop a new DAV standard of practice which takes into account the contents of the model standard
  - In each case the due process has to be applied

# Number of standards

## Standards of practice have been developed since 1999

- **No. of Fundamental Principles:** **0**
- **No. of Guidelines:** **12**
  - Life: 7
  - Pensions: 2
  - Health: 2
  - Non-Life: 1
- **No. Of Advisory Notes:** **44**
  - Life: 18
  - Pensions: 5
  - Health: 11
  - Non-Life: 6
  - Investment: 4

# Appendix: DAV Standards of Practice

## **Ausschuss Leben:**

- Herleitung der DAV-Pflegetafel 2008 P (Guideline)
- Auswirkungen der VVG-Reform auf die biometrischen Rechnungsgrundlagen der Lebensversicherung (Adv. Note)
- Best Estimate für biometrische Rechnungsgrundlagen in der Lebensversicherung (Adv. Note)
- Unisex-Reservierung in der Lebensversicherung vor dem Hintergrund des EuGH-Urteils (Adv. Note)
- Überprüfung der Angemessenheit der DAV 1997I als Reservierungstafel für Berufsunfähigkeitsversicherungen (Adv. Note)
- Prüfung der Angemessenheit der Rechnungsgrundlage Kosten bei der Berechnung der Deckungsrückstellung durch den Verantwortlichen Aktuar (Adv. Note)
- Überprüfung der Finanzlage durch den Verantwortlichen Aktuar (Guideline)
- Risikobewertung langfristiger Garantien (Adv. Note)
- Prüfung der mittelfristigen Sicherstellung der Solvabilität und der Angemessenheit der Rechnungsgrundlage Zins durch den Verantwortlichen Aktuar (Adv. Note)
- Einschätzung der Anlagerisiken im Erläuterungsbericht des Verantwortlichen Aktuar (Adv. Note)

# Appendix: DAV Standards of Practice

## Life:

- Zeitwert Variable Annuities (Adv. Note)
- Market Consistent Embedded Value (Adv. Note)
- Bewertung von Fondsgebundenen Rentenversicherungen mit Garantiefonds und Variable Annuities (Adv. Note)
- Best Estimate in der Lebensversicherung (Adv. Note)
- Reservierung von Pflegerenten(zusatz)versicherungen des Bestandes (Guideline)
- Abschlussbericht der AG „Rückkaufswerte (Adv. Note)
- Herleitung der Sterbetafel DAV 2008 T für Lebensversicherungen mit Todesfallcharakter (Guideline)
- Raucher- und Nichtrauchersterbetafeln für Lebensversicherungen mit Todesfallcharakter (Guideline)
- Grundsätze für ein verursachungsorientiertes Verfahren zur Beteiligung der Versicherungsnehmer an Bewertungsreserven (Adv. Note)
- Stornoabzüge in der Lebensversicherung nach VVG-Neuregelung (Adv. Note)
- Ergebnisbericht der AG Optionsbewertung (Adv. Note)

# Appendix: DAV Standards of Practice

## Life:

- Herleitung der DAV-Sterbetafel 2004R für Rentenversicherungen (Guideline)
- Reservierung und Überschussbeteiligung von Rentenversicherungen des Bestandes (Guideline)
- Herleitung von Rechnungsgrundlagen für die Erwerbsminderung (Adv. Note)
- Neue Rechnungsgrundlagen für die Berufsunfähigkeitsversicherung DAV 1997 (Adv. Note)



# Appendix: DAV Standards of Practice

## **Pensions:**

- Angemessenheit des Rechnungszinses bei regulierten Pensionskassen (Adv. Note)
- Anwendung von IAS 19 "Employee Benefits" (revised 2011) auf die betriebliche Altersversorgung in Deutschland (Guideline)
- Aktuarielle Aspekte des Versorgungsausgleichs im Hinblick auf die betriebliche Altersversorgung (Adv. Note)
- Biometrische Rechnungsgrundlagen und Rechnungszins bei Pensionskassen und Pensionsfonds (Guideline)
- Allgemeine Hinweise zur Handhabung der Überschussbeteiligung bei Pensionskassen als Einrichtungen der betrieblichen Altersversorgung (Adv. Note)
- Hinweise zur Umsetzung der MaRisk VA bei bestimmten Einrichtungen der betrieblichen Altersversorgung (Adv. Note)
- Biometrische Rechnungsgrundlagen für Pensionskassen und Pensionsfonds (Adv. Note)

# Appendix: DAV Standards of Practice

## Health:

- Aktuarielle Betrachtung von Krankenkostentarifen mit einer vom Zahlbeitrag abhängigen erfolgsunabhängigen Beitragsrückerstattung (Adv. Note)
- Anwartschaften und sonstige Optionen in der PKV (Adv. Note)
- Kalkulation von Krankenversicherungstarifen nach Art der Schadenversicherung (Adv. Note)
- Kalkulation von Tarifen mit fallendem Kopfschadenprofil (Adv. Note)
- Kopfschadenfinanzierung (Adv. Note)
- Sachgerechte Kalkulation gemäß § 12b VAG (Adv. Note)
- Market Consistent Embedded Value in der Krankenversicherung (Adv. Note)
- Berücksichtigung der Selektionswirkung in der Erst- und Nachkalkulation in der privaten Krankenversicherung (Guideline)
- Aktuarielle Hinweise zur (Erst)Kalkulation von Unisex-Tarifen in der Privaten Krankenversicherung (Adv. Note)

# Appendix: DAV Standards of Practice

## Health:

- Aktuarielle Hinweise zur Berücksichtigung von Leistungsänderungen in der privaten Krankenversicherung (Adv. Note)
- Gutachten zu Wahltarifen in der GKV vor dem Hintergrund des § 53 Abs. 9 SGB Adv. Note)
- Der aktuarielle Unternehmenszins in der privaten Krankenversicherung (AUZ) (Guideline)
- Bilanzierung von Versicherungsverträgen auf Basis IFRS 4 (Phase I) (Adv. Note)

# Appendix: DAV Standards of Practice

## **Non-Life:**

- Berufspflichten des Aktuars bei der Tarifgestaltung in der Schadenversicherung (Adv. Note)
- Prüfung der Anlagerisiken und der Rechnungsgrundlage Zins durch den HUK-Aktuar (Adv. Note)
- Herleitung der DAV-Sterbetafel HUR 2006 (Guideline)
- Methoden zur Schätzung von Schaden- und Prämienrückstellungen - gemeinsame Studie von GDV, DAV und TU Dresden (Adv. Note) Inhalte und Gliederung eines Reserveberichts in der Schaden-/Unfallversicherung (Adv. Note)
- IFRS-Bilanzierung der HUK-Renten (Adv. Note)
- Aktuarielle Aspekte der Schadenreservierung (Adv. Note)

# Appendix: DAV Standards of Practice

## **Investment:**

- Kalibrierung in inaktiven Marktsegmenten (Adv. Note)
- Modellierung von Kapitalanlagen (Adv. Note)
- Kapitalanlagethemen im Erläuterungsbericht des VA (Adv. Note)
- Anforderungen an einen ökonomischen Szenariogenerator (Adv. Note)