

## **Falco Valkenburg**

### **Chairman of the Pensions Committee, Groupe Consultatif**



#### **Question 1:**

##### **Personal background**

Since 1982 I have been working in the area of pension- and actuarial consulting always in the capacity as a consultant. I was one of the first Dutch actuaries, involved with the development of Asset Liability Analyses in The Netherlands in the early 1990's. Currently my focus is on enterprise and financial risk management from a corporate perspective.

I became a fully qualified actuary in 1990 and am a member of the Dutch Actuarial Association "Actuarieel Genootschap". Furthermore, I am a Chartered Investment and Financial Analyst and a member of the Dutch Association of Investment Analysts (Vereniging van Beleggingsanalisten). Since 1999 I have represented the Dutch Actuarial Association in the GROUPE. I have served as Chairman of the Investment and Financial Risk Committee from 2005 to 2011. And as from October 2011 I am serving as Chairman of the Pensions Committee.

#### **Question 2:**

##### **What kind of aim does the GC have, what are the objectives and what role does it play?**

One of our aims is to provide professional actuarial advice to institutions like the European Commission (EC) and the European Insurance and Occupational Pensions Authority (EIOPA). It is a great achievement of the GROUPE that the EC has asked EIOPA explicitly to involve the GROUPE in formulating their response to the Call for Advice on the IORP Directive. This could only be achieved by delivering consistently valuable input to these institutions, as we have done in relation to the Solvency II project. And, perhaps most importantly, because our input is unbiased and provided as independent experts. We would never have achieved this status for the profession if we would have been lobbying for one or more industry groups.

#### **Question 3:**

##### **What are the priorities of the committee?**

Our top priority in the Pensions Committee is the revision of the IORP Directive. We are offering technical assistance to EIOPA in their response to the Call for Advice from the European Commission. The most important issues are Solvency II for Pensions, Investment Rules, Supervision, the Actuarial Function and Information/Disclosures to the beneficiaries.

On Solvency II the question from the European Commission has been how Solvency II can be applied to pensions (not if it should be applied). EIOPA has drafted, as asked, a technical (not a political) response. The current response is qualitative of nature. The Commission's next request is to provide a quantitative impact study by September 2012.

As actuaries we should never stop realising that the work we do is to the benefit of individuals. It is not just a matter of applying formulas. It is also about showing the impact for individuals. A debate on Solvency II is soon just a very technical debate, but we should realise that it is about the protection of pensions for individual beneficiaries. Other topics include for the Pensions Committee: mortality developments and DC pensions.

#### **Question 4:**

#### **What are the future challenges and activities for the GROUPE?**

From a Pension Committee perspective: Where the IORP Directive deals with Pillar 2 pensions, occupational pensions. It is the ambition of the Pension Committee to extend the scope of activities to first Pillar Pensions, the State Pensions, as well. Most State Pensions are finance on a pay-as-you-go basis. The pressure of the demographics changes, the fact that we are living longer and the less stable financial situation of countries urge for our attention and help from our actuarial background. Actuaries with special interest and ideally experience in the field of first pillar pensions are invited to join our new Social Security Subcommittee.