

Members' Statutory Assembly

15 June 2017, San Francisco (Hotel The Ritz-Carlton)



Members' Statutory Assembly 2017: Agenda

Secretariat

- 1. Welcome
- 2. Antitrust Statement and approval of the Agenda
- 3. Approval of the Minutes of the Statutory Assembly of 9 June 2016 in Rome
- D

2017 Activities

Members

5. Activities of The Geneva Association in 2017

Approval of the 2016 Auditor's Report and Accounts

- 6. Approval of the 2017 Budget D
- 7. Upcoming General Assemblies
- 8. Members of the Board: Election and Renewal

AOB

10. Other Business

Special addresses

Why Insurance Increases Economic Resilience after a Catastrophe (Prof. Denis Kessler) Latest Trends and Developments Related to Climate Change: What Does it Mean for our Industry? (Dr. Maryam Golnaraghi)

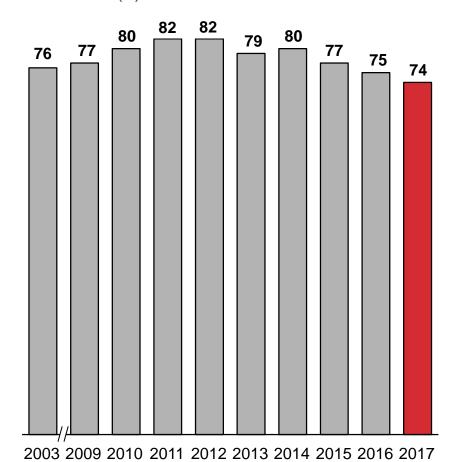


Decisions by the Members' Statutory Assembly 2017



Membership changes in 2016/2017, already approved by the Geneva Association Board via written procedure

Members (#)



Status June 2017

New Members present

• **Urs Berger**, Chairman of the Board, Swiss Mobiliar

New Member

 Khor Hock Seng, Group Chief Executive Officer, Great Eastern Holdings Ltd

New Members succeeding retiring/departing Members

- Johan Agerman, Chief Executive Officer, Länsförsäkringar AB
- Thomas Buberl, Chief Executive Officer, AXA
- Renaud Dumora, Chief Executive Officer, BNP Paribas Cardif
- Antonio Huertas Mejías, Chairman and CEO, MAPFRE
- **Seiji Inagaki**, Representative Director, President, The Dai-Ichi Life Insurance Co., Ltd.
- Octavio de Lazari Junior, President, Bradesco Seguros S.A.
- Tsuyoshi Nagano, President and Group Chief Executive Officer, Tokio Marine Holdings, Inc. (July 2017)
- Owen Ryan, President & Chief Executive Officer, AEGIS
- Alejandro Simón, CEO, Sancor Seguros
- Michael L. Tipsord, Chairman, President and Chief Executive Officer, State Farm Mutual Automobile
- Joachim Wenning, Chairman of the Board of Management, Munich Re



Antitrust Statement

- The Geneva Association is committed to adhering strictly to the letter and principles of national and international antitrust laws
- Under no circumstances shall GA meetings be used as a means for competing companies or firms to reach any understanding expressed or implied which restricts competition or in any way impairs the ability of Members to exercise independent business judgment on competition issues
- Accordingly, meeting participants should refrain from any discussion which may provide the basis for an inference that they agreed to take any action relating to prices, services, production, allocation of markets or any other matter having a market effect



Minutes of the Assembly of 9 June 2016 in Rome



Approve minutes of the Statutory Assembly of 9 June 2016 in Rome



The final overall year end result 2016 is TCHF 255 (1/2)

Balance sheet as of 31 Dec 2016

Assets	31/12/2016 CHF	31/12/2015 CHF	Liabilities	31/12/2016 CHF	31/12/2015 CHF
Current Assets			Payables Accrued expenses	293,081	306,769
Cash in hand	489	256	and deferred income	1,708,621	1,945,384
Current account	5,032,434	5,507,197	Provision	1,315,000	
UBS, Geneva	1,320,181	635,801	 Short-term 	1,140,000	
Account receivables	0	4,875	 Long-term 	175,000	75,000
Guarantee deposits	132,293	132,280	G	,	,
Prepaid expenses	52,889	46,570			
	6,538,286	6,326,979			
Non-current Assets			Fund capital		
Furniture	14,950	19,550	as at 1. January	2,998,731	2,687,142
Office equipment	16,762	24,402	Surplus (Deficit)	254,564	311,588
	·		As at 31 December	3,253,295	2,998,731
	31,712	43,952			
	6,569,997	6,370,931		6,569,997	6,370,931



The final overall year end result 2016 is TCHF 255 (2/2)

Profit and loss account for 2016

Expenses	31/12/2016 CHF	31/12/2015 CHF	Income	31/12/2016 CHF	31/12/2015 CHF
Management Expenses			Fees/ Income		
Salaries	2,769,500	1,216,676	Membership fees	5,768,083	6,075,875
Contr. to state pension schemes	180,178	181,240	Income from publications	55,404	42,439
Staff welfare fund	160,996	146,430			
Staff insurance	54,279	53,172			
Travel and representation exp.	57,519	60,066			
Office rental expenses	175,687	220,911			
Office equipment leasing costs	64,599	66,462			
General office expenses	136,903	114,889			
Other expenses	341,761	266,247			
Restructuring	130,568	174,018			
Others	211,193	92,229			
Research costs			Income		
Studies/research institutes	734,188	1,186,664	Interest received	25,250	25,893
Research coord. and networking	258,856	1,230,426	Other income	300	21,328
Institutional Relationships	248,781	606,247			
Conferences, seminars	273,322	322,258			
Publication costs	67,074	128,981			
Specialist literature	35,834	31,032			
Universities/scholarships/prizes	17,198	5,000			
Depreciation	17,799	17,247			
Deficit/ Surplus	254,564	311,588			
	5,849,037	6,165,536		5,849,034	6,165,536



Approve the 2016 Auditor's Report and Accounts



The Geneva Association balances insight and influence activities

Insight



Influence

Four research programmes

Financial Stability and Regulation

Extreme Events and Climate Risk

Global Ageing

Cyber and Innovation

Research topic

Protection Gap

Major Activities in 2016/2017

Regular exchanges with institutions and stakeholders

- High level meeting with the Secretary General of the UN
- \ High Level meeting with the IAIS ExCo, PROGRES seminar
- Note: The interaction of the

Approx. 5 regulatory consultations, i.e.

- \ Second round of consultation on the ICS
- \ FSB task force on climate related financial disclosures

Approx. 10 reports; most reactions/discussion on

- Study on Insurance sector investments and their impact on financial stability
- Harnessing technology to narrow the insurance protection gap
- The Stakeholder landscape in extreme events and climate risk management
- 10 questions on cyber risk

16 high-level conferences

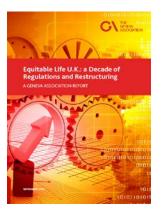


The recent GA reports were very much appreciated by key stakeholders

Selected GA publications June 2016 - June 2017

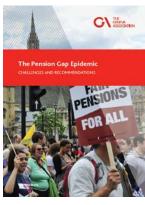


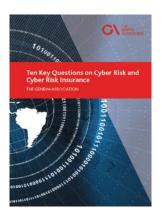
























Current activities in the Research Programme Financial Stability & Regulation

(Co-)Chairs: Alexander Wynaendts, N.N.

Public consultations, e.g. IAIS consultation on revised Insurance Core Principles (ICPs) and elements of ComFrame, Consultation on an IAIS application paper on Group Corporate Governance, FSB Task Force on Climate-Related Financial Disclosures

Upcoming public consultations, e.g. IAIS interim public consultation on the Activities Based Approach (ABA), IAIS second ICP revision consultation package

GA reports

- Report on the continuous ultra-low interest rate and its consequences on life insurance and society (Sept. 2017)
- A global stocktaking report on reinsurance (Q4 2017)

The 2017 **High Level Meeting between IAIS Executive members** and Geneva Association Board members took place on 2 March 2017 in Zurich

The Geneva Association hosted the 33rd PROGRES Seminar on 3 March 2017

A new Financial Stability and Regulation working group was formed in early 2017



Current activities in the Research Programme Extreme Events + Climate Risk

(Co-)Chairs: D. Kessler, S. Sumi

Two pillars and four priority themes

- Pillar 1: Transitioning to Low Carbon Economy (1) qualitative survey to assess insurers' perceptions about the transition, along with their corresponding liability and investment strategies
- Pillar 2: Resilience to extreme events and climate risk (2)
 Coordination of risk modelling initiatives (3) Compiling of good practices that provide evidence of socio-economic benefts of preventive measures and insurance (4) Explore investment and resilience opportunities around critical infrastructure

GA reports

- The Stakeholder Landscape in Extreme Events and Climate Risk Management (Jan. 2017)
- National Guidelines for Risk Assessment to Support Sovereign Risk Financing and Insurance (in collaboration with the International Development Forum) (June 2017)
- Report on Risk Modelling (with 20 leading experts) (Sept. 2017)
- Report on how the insurance industry can contribute to the transition towards a Low Carbon Economy (Nov. 2017)
- First Case study "A comparative Analysis of Flood risk Management in Australia, UK, Germany, Canada, and Japan" (2018)

The annual Extreme Events and Climate Risk Forum, under the umbrella topic How Will Risk Modelling Shape the Future of Risk Transfer?, took place on 9-10 March 2017

EE+CR Working Group

Strategic dialogue with UN and major international organisations



Current activities in the Research Programmes Global Ageing and Cyber and Innovation

Global Ageing

(Co-)Chairs: J. Strangfeld, D. Guloien

GA reports

Genetics and Life Insurance: A View into the Microscope of Regulation (June 2017)

"Annuitization of Defined Contribution Pension Plans – A Case Study" (end of 2017)

Life CEO Conference on 9 May 2017, on the low interest rate and the future of life insurance

14th GA Global Ageing Conference in November

Global Ageing Working Group

Cyber and Innovation

(Co-)Chairs: I. Beale, M. Greco

GA reports

Ten Key Questions on Cyber Risk and Cyber Risk Insurance (December 2016)

The Insurability of Cyber Risks (in collaboration with the MIT) (June 2017)

Data Access and Data Usage (end of 2017)

Cooperation with the Singapore Cyber Research Project and joined conference on Cyber with Nanyang Technological University Singapore (June 2016)

The **Geneva Papers on Risk and Insurance on Cyber** (April 2018)

Establishment of a **Working Group on Cyber** in 2017



Budget 2017 as approved by the Board on 15 November 2016

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Income	
Membership fee	76'000.00
# of members	75.00
Membership fees	5'700'000.00
GRF Income	70'000.00
ncome from publications	50'000.00
Academic Network	0.00
nterest received	10'000.00
Other Income	
Total income	5'830'000.00

	Expenses	
1	GA Staff salaries	
1a	Salaries	-3'125'000.00
1b	Employer contribution SS	-450'000.00
1c	Other personnel expenses	-40'000.00
2	Payment to External Contractors	-850'000.00
3	Travel expenses	-400'000.00
4	Offices Lease Zurich	-177'600.00
5	Office Supplies /Furnitures	-67'000.00
6	Payroll & HR Services	-25'000.00
7	Legal services/Taxes	-40'000.00
8	Conferences (incl. Gen Assembly)	-150'000.00
9	Printing & Publication (incl. equip. leasing)	-100'000.00
10	Phone services	-80'000.00
11	Communications & Media	-60'000.00
12	External Research	-25'000.00
13	Internet Admin/IT	-60'000.00
14	Website	-42'400.00
15	Database	-30'000.00
16	Scholarships	-20'000.00
17	Depreciation	-30'000.00
18	Banking Fees	-8'000.00
	Total Expenses	-5'780'000.00
	Surplus (Deficit)	50'000.00

Membership fee to remain at 76,000 CHF



Approve the Budget and the Membership fee for 2017

Basis: Membership fee: 76,000 CHF; # of members: 73



Upcoming General Assemblies





(Re) Election of Board Members¹⁾

Expiring Chairman mandate and new Vice Chairman mandate from June 2017 to June 2018

- Extend **Mike McGavick**'s mandate as **Chairman** by **one year** requiring an exemption to the statutes
- Create an additional 4th Vice Chairman' position from June 2017 until June 2018, to allow Mark Wilson to join the Executive Committee and be more engaged in the Board's strategic processes. This will also require an exemption to the statutes
- Vote for Mark Wilson to join the Executive Committee as the 4th Vice Chairman, effective from June 2017 until June 2018
- Vote for Mark Wilson to become Chairman effective from June 2018 until June 2020

Expiring Vice Chair to renew the terms in 2017

• Oliver Bäte, CEO, Allianz SE

Expiring Board Mandates to renew the terms in 2017

- Dame Inga Beale, CEO, Lloyd's
- Mr Alex Wynaendts, CEO and Chairman of the Executive Board, AEGON N.V.

New Board Mandates to approve for 2016/2017

- Mr. Thomas Buberl, CEO, AXA
- Mr. Antonio Huertas Mejías, Chairman and CEO, MAPFRE
- Mr Tsuyoshi Nagano, Group CEO, Tokio Marine Holdings, Inc. (as Vice Chair from 1st July 2017)
- Dr. Joachim Wenning, Chairman of the Board of Management, Munich Re



Approve, mandate extentions, establishment of 4th Vice Chair role for one year, approve new Chairman as of 2018,, approve renewal board mandates and new board mandates

1) All the members of the Board are, according to the statutes, elected for three years



Chairman



Mr Mike McGAVICK XL Group

Vice-Chairmen



Mr Oliver BÄTE Allianz



Mr Shuzo SUMI Tokio Marine Holdings Inc.



Mr John STRANGFELD Prudential Financial Inc.

Treasurer



Mr Christian MUMENTHALER Swiss Re

As decided by the Board November 15, 2016

Board members



Dame Inga BEALE Lloyd's



Mr Charles BRINDAMOUR Intact Financial Corporation



Mr Thomas BUBERL AXA



Mr Philippe DONNET Assicurazioni Generali SpA



Mr Mario GRECO Zurich Insurance Group



Mr Donald GULOIEN Manulife Financial Corporation



Mr Antonio HUERTAS MEJIAS MAPFRE S.A.



Prof Denis KESSLER SCOR SE



Mr Patrick
DE LARRAGOITI
SulAmerica



Mr Mark WILSON Aviva plc



Dr Yan WU PICC



Mr Joachim WENNING Munich Re



Mr Alexander WYNAENDTS Aegon N.V.



Special Addresses



Prof. Denis Kessler, Chairman and CEO, SCOR

Latest Trends and Developments Related to Climate Change: What Does it Mean for the Industry?

Dr Maryam Golnaraghi, Director Extreme Events and Climate Risk, The Geneva Association





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