

# Bank of England

## Prudential Regulation Authority

# Minutes

### **PRA/ABI industry engagement group on regulatory reporting reform – fifth meeting**

**24 February 2022**

---

**Location: Teams Call**

**Attendees: Members of the PRA**

**Representatives of the following insurance firms and trade bodies:**

**ABI**

**Aviva**

**AXA XL**

**Direct Line**

**Foresters**

**IUA**

**Just**

**L&G**

**Lloyd's**

**M&G**

**Phoenix**

**PIC**

**Rothesay**

**Royal London**

**RSA**

**Apologies: Representatives of the following insurance firms and trade bodies:**

**None**

---

**Minute  
No.**

**Minute**

1.

**Derivatives**

Item 1 to be carried forward to the 1 March 2022 meeting, as it is the only life template. Life colleagues, therefore, may leave the meeting.

## 2. **A specific non-life template group**

The PRA presented its slides.

One industry representative had a question on whether certain information would need to be backdated and, if so, for how long. The PRA replied that the year-end position should be reported rather than back-dating. For other specific data, reporting requirements wouldn't change. The PRA thought that this information would be available to the reserving actuary anyway. The PRA added that the same information was reported in pre-Solvency II (SII) times. The PRA will be mindful of this when writing the instructions.

### Specific Template 1

PRA wants to preserve specific data in this template but is considering the appropriate location.

### Specific Template 2

One industry representative had a question on whether a specific template needs to be retained and had the PRA considered including it in a different existing template. The PRA responded that it is considering this as they could be potentially merged. The industry representative agreed on the proposed alterations to thresholds as this would exclude the need to report trivial Lines of Business (LoBs). They echoed the point made by the other industry representative earlier, as some firms may not have this data readily available.

### Specific Template 3

It was agreed that with respect to certain information, it needs to be consistent across all the templates. Diversion from the European Insurance and Occupational Pensions Authority's (EIOPA's) current direction was also agreed. The industry representative asked whether the PRA need the breakdown asked for on this template, suggesting it was available from another template. They asked whether it was 'must-have'. The PRA replied that the suggested template is a summary template and, with the proposed

---

changes, the PRA will be able to look at actual vs expected on both a gross and net basis.

The ABI highlighted the difference between 'must-have' and 'nice-to-have' items. The ABI asked, given that the PRA hasn't had some of the proposed information for a number of years, whether it was really needed now. It would be useful to see the explanation of 'why' this is needed. It would also be helpful to see what problems this is helping to solve. The ABI would like to see deletion of templates where these are not needed and streamlining the process. They had concerns about a defragmentation process taking place – if existing data collection is to be continued, then it would be preferred for it not to be moved, rather than to update the taxonomy.

The PRA: missing premium information is preventing the PRA's reviews, eg, can't challenge firms' loss ratios/provisions. As a result, the PRA has to go to the firms and ask for this additional information. On moving the templates around – it's under consideration, but the industry feedback is very helpful.

3. **Other non-life templates and non-life information in further templates**

The PRA commented on the log files sent to the participants being 'raw' whereas, in those provided by EIOPA, changes are clearly marked, separated from the PRA ones. The EIOPA proposals are not the PRA's anchor point.

One industry participant asked questions on a number of templates.

**Specific Template 1**

Concern was expressed regarding whether the changes were to be applied retrospectively as this wouldn't be feasible for certain cash flows.

The PRA replied that it was currently minded to make it retrospective, based on seeing this data at firms. However, if this is a problem, it is open to ideas.

**Specific Template 2**

Is this template to remain for the Solvency and Financial Condition report (SFCR)? The PRA: responded that this is to be considered separately.

**Specific Template 3**

Are any changes in the scope proposed? The PRA confirmed it is to keep the scope and that it may consider how well it is working for a specific LoB.

The ABI addressed EIOPA's new templates. It recognises cyber as an evolving risk and understand data is needed. In terms of the other templates, is it the PRA's default position not to introduce them? The PRA replied that this was its default position but that it didn't want to commit to this, as it is helpful to review the position.

4. **A further specific non-life template**

The PRA presented part of its proposals on a further specific non-life template and explained that the balance of the presentation is to be carried forward to the 1 March 2022 meeting.

Feedback may be provided to the PRA before the next meeting.

The PRA is to consider the 'why' question.