



PRA Solvency II Regulatory Reporting Industry Working Group, 20 May 2019

Firm representative	Organisation and representing
David Scott	Financial Conduct Authority
Helen Dalziel	International Underwriting Association
Jim Troy	Legal and General
Kim Harmer	E&Y, for ILAG
Matthew Reed	Prudential, for ABI
Tim Machin	Assurant Solutions, for ABI
Robert Warren	Association of British Insurers
Robert Charnock	Aviva
Roni Ramdin	RSA, for ABI
Susan Said	Lancashire Group, for IUA
Willem Van Der Westhuysen	Thomas Miller, for P&I Clubs
Bank of England	Role
Lewis Webber - Chair	Head of Division, Insurance Analytics Division
Rachel Evans	Insurance Analytics Division
Emily Estcourt	Insurance Analytics Division
Joanna Rose	Data and Statistics Division
Ron Pisa	Data Collection and Publication
Apologies	
Andrew Smith	XL Catlin, for ABI
Barbara Kubis-Labiak	Financial Conduct Authority
Cara Whatford	One Family, for AFM
Darren Sait	JP Morgan for The Investment Association
Elzbieta Woynowska	Aviva, for ABI
Jane Tusar	Society of Lloyd's
Martin Shaw	Association of Financial Mutuals
Paul Appleton	Society of Lloyd's
Steve Dixon	Steve Dixon Associates, for AFM
Tony Gellett	Financial Conduct Authority

These notes are intended as a record of the discussions held at the PRA on 20 May 2019. They are not verbatim minutes and, for the benefit of those organisations that are not members of the industry working group (IWG), they indicate the themes of the discussion and questions that were raised. The views expressed are those of IWG members and do not represent guidance from the PRA.

Firms seeking clarification on aspects of these notes, or wishing to raise questions regarding regulatory reporting for discussion at the IWG, should contact the appropriate industry representative in the first instance. If firms are not represented at the IWG by a member organisation, they should submit their question to:

PRA.FirmEnquiries@bankofengland.gsi.gov.uk.



Notes from the meeting on 20 May 2019 covering agenda items:

1. Welcome and progress
2. Reporting publications
3. Minor model change reporting
4. EIOPA 2020 review of Solvency II
5. 2018 Q4 and Annual submissions
6. Insurance Data Publication
7. Taxonomy update
8. AOB

Key points:

1. Welcome and progress, Lewis Webber

- Introduction
- Update on progress since last IWG

2. Reporting publications

PS16/18 - 'Changes in insurance reporting requirements'

PS21/18 - 'Solvency II: Changes to reporting format'

PS24/18 - 'Solvency II: Updates to internal model output reporting'

- First submissions post Policy changes last year
- Small number of errors identified close to submission
- Clarification published for completion of NS.07 for YE18
- Consultation paper planned shortly for minor corrections and clarifications for YE19 onwards
- Public working draft for taxonomy changes expected similar time

Following the reporting publications in 2018 relating to National Specific Templates, Internal Model Outputs and moving from Excel to XBRL format, the PRA has now received the first set of submissions.

A small number of inconsistencies between the requirements templates, annotated templates and taxonomy were identified. For issues that restricted firms submitting NS.07 via BEEDS, the PRA published a clarification on its website. The PRA is intending to consult on the changes needed to correct the errors and provide clarifications for year-end 2019 onwards in June 2019.



3. Minor model change reporting

QMC.01

- Following industry consultation last year, changes have been made to the internal model change process via [PS20/18: 'Solvency II: internal models update'](#).
- PRA encouraged firms with an approved internal model to submit their quarterly model change information using an optional template provided by the PRA.
- As at Q42018, roughly half of firms reporting opted to use the optional template.
- The optional template helps to highlight the information the PRA would expect to receive from firms on their model changes.

Q1: Is the template provided by the PRA within SS17/16 for minor model change reporting mandatory?

A1: Submission of the information via the PRA's supplied template is optional, however the PRA encourages firms to submit information consistent with that outlined in the template as a minimum if using their own documentation/record.

4. EIOPA 2020 review of Solvency II

- The PRA contributed to EIOPA's call for input on improving the reporting and disclosure requirements, providing technical feedback on the content of various templates.
- The PRA continues to participate in working-level project groups on reporting and disclosure whilst the UK remains within the EU.
- Any changes could have an effect on the UK's post-Brexit regime.

5. 2018 Q4 and annual submissions

Checking Process

- Technical issues getting data into internal database
 - Delayed ability to complete checks on SII Q4 data
 - SII Annual data received by the time access was provided
 - Access to NST /IMO data also delayed
- Currently reviewing both SII submissions together
- NST checks will follow

Generic issues

- Identifiers (S.06.02, S.14)
- Premium / Claim provision (S.17)



2018 Q4 and annual submissions

- Whilst the raw information was available to supervision, for Q4 submissions the PRA were limited to BEEDS checks due to technical issues accessing data from within internal databases. This has now been resolved, and the teams are checking Q4, annual and National Specific Template information.
- The information was forwarded to EIOPA on time.
- There has been a noticeable increase in data quality for the year-end 2018 submissions, for which the PRA would like to thank firms for their continued efforts. In particular, the information supplied within S.14 on homogeneous risk groups is proving valuable to both the PRA and the ONS.
- There are two aspects for which data quality continues to be poor:
 - Additional information is often attached to standard identifiers, requiring firms to resubmit or the PRA to cleanse data, particularly within S.06.02 and S.14.
 - Some firms continue to use negative entries for out flow information within S.17, which should be entered as a positive value. The information supports the calculation of PRA fees.

6. Insurance data publication

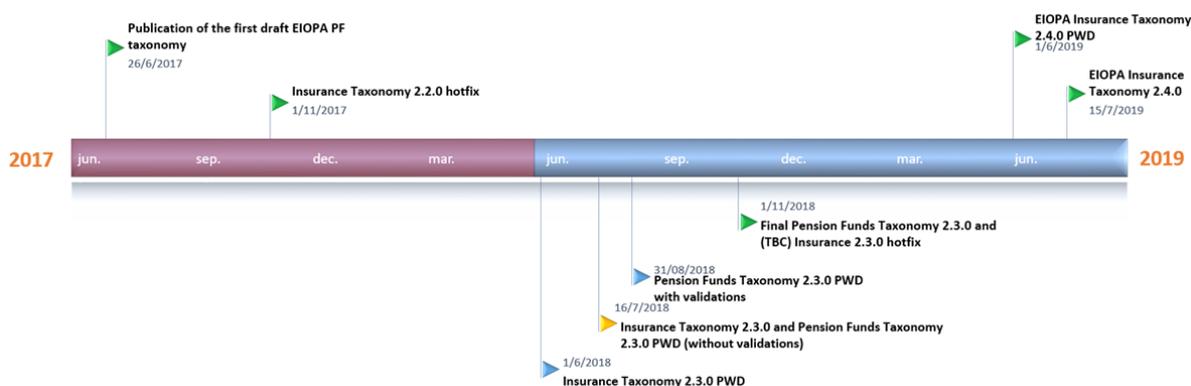
- Intend to publish a 'white paper' in summer outlining possible content of an Insurance Data publication
 - Will build on the data publication of October 2017 to include additional data published by EIOPA, information produced for FoI requests
 - Proposal is that data will be available in tabular form, also through interactive charts allowing for different cuts of the data
- Looking for feedback on the proposals and suggestions for additional data to be included
- First publication planned for Q4 2019, with quarterly / half-yearly updates
- Publication will develop over time

The PRA intend to publish a white paper in summer, for which informal feedback will be gratefully received.



7. Taxonomy update

Timeline:



The validation changes proposed within taxonomy 2.4 appear minor; some additional data proposed for S.06.02, S.25 and S.26 may be difficult for firms to provide, and they have made this clear in their responses to the consultation.

Q2: Does the PRA anticipate updating its own taxonomy on a similar schedule to EIOPA?

A2: Currently, the PRA expects to align annual updates with EIOPA taxonomy updates, with occasional exceptional updates such as hotfixes as required.

8. AOB

Stress tests

- At this stage it is not known how or if the PRA will participate in EIOPA's next stress test.
- Roundtables for the PRA's own stress tests were held on 10 May. Following feedback at these meetings, the PRA amended the deadline for responses from participating Life firms only, to 17 May from 31 May. The general consensus was that firms would rather the PRA finalise the exercise sooner, at the expense of time to comment on the scenarios during the Technical Input phase, in order to maximise the time available to run them once the instructions are finalised. The PRA will endeavour to publish finalised instructions mid-June. Impacted firms have been contacted individually.

Q3: What are the PRA's expectations on firms' submission of information on cyber risk?

A3: EIOPA issues a revised cyber-questionnaire as a follow-up to the 2018 stress test in February. The questionnaires were returned in April. EIOPA is currently working on the analysis and preparation of the results, to be communicated shortly.