

Bank of England PRA

Meeting Summary

PRA/ABI Solvency UK Attestation Subject Expert Group (ASEG): Second Meeting

23 February 2023

Location: Bank of England Offices, MS Teams

Attendees: The PRA, ABI and HMT

Representatives of the following insurance firms:

- Aviva, Just, Phoenix Group, PIC, Rothesay, Royal London, Legal & General, Scottish Widows Group
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Agenda

1. Introduction and Actions
2. Aligning expectations from HMT text
3. Disclosure
4. ASEG workplan
5. Close and AOB

Summary of meeting

The main focus of the second ASEG meeting was around the liquidity premium (LP), the attestor, and disclosures. The pros and cons of the following discussion areas and options were considered:

- Complexity of attestation covering a Fundamental Spread (FS) for all retained risks, and the liquidity premium in Matching Adjustment (MA).

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- Remaining true to HMT's response paper and intention not to make major changes to the design and calibration of FS.
 - The Group considered which individual senior manager could be required to make the attestation. Options suggested included the Chief Investment Officer, Chief Financial Officer, or Chief Actuary. More broadly it was also discussed whether the attestation should be an individual or a collective responsibility, and whether attestation should be at group, solo entity, or portfolio level.
 - The merits and downsides of using FS tables were discussed.
 - While it was suggested that aspects of the attestation were potentially challenging, the SEG noted it important to output possible solutions that would be meaningful, and consider how this fits within the senior manager regime.
 - Finally, the group considered the role of disclosure on MA assets, for the purpose of market discipline and comparability across firms' approaches.