

# Bank of England PRA

## Meeting Summary

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

23 March 2023

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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. Introductions
2. Recap and opening remarks from co-chairs
3. LP: Processes for Attestation – PRA Presentation
4. LP: Processes for Attestation – Industry Presentation
5. Preparation for final ASEG meeting – Outstanding Topics

#### **Summary of meeting**

The penultimate ASEG meeting covered the three-stage process previously suggested by the PRA that firms might follow to support the attestation. Industry representatives presented material focused on the high-level MA attestation statement and sought to remove reference to the Liquidity Premium. On the PRA's suggested possible approach which outlined factors for consideration separately for corporate bonds and other illiquid

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assets, some industry members asserted that many of the assets held could be viewed as bond-like with all relevant risks already reflected in the allocated ratings, which they felt should be the key driver of the Fundamental Spread.

Industry representatives were keen to explore how particular asset types might be treated under the PRA's suggested process and the PRA confirmed it would consider how this might be incorporated into the final meeting and write-up process.