

Meeting Summary

PRA/ABI Solvency UK Industry Engagement Plenary Session: First Meeting

20 January 2023

Location: ABI Offices, MS Teams

Attendees: The PRA, ABI and HMT.

Representatives of the following insurance firms:

- AIG, Allianz, Aviva, AXA, Bupa, Canada Life, Just, Legal & General, Lloyds Banking Group, Lloyd's of London, M&G, Phoenix Group, PIC, Rothesay, Royal London, Tokio Marine HCC, Unum
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Agenda

1. Welcome from ABI and PRA
2. Competition Law and confidentiality reminder
3. Legislative rulebook reform: HMT update on plans
4. PRA explanation of engagement aims and context
5. Working structure for the subject expert groups, focus areas and Terms of Reference
6. Questions

Summary of meeting

The purpose of this meeting was for the PRA and ABI to initiate a series of industry subject expert groups (SEGs) focused on the Solvency II reforms (referred to as Solvency UK) announced by Government as part of the 2022 Autumn statement. Three

SEGs were to be initially set up, covering the following topics: Attestation, MA Portfolio Investment Flexibility, and Notching. The purpose of the SEGs was to bring together subject experts to come up with answers to technical questions brought up by and options for the reforms. They would not be a decision-making forum, but a key aim of the SEGs was to reduce surprises in the consultation process.

The structure and Terms of Reference for the SEGs were outlined. Key points included:

- PRA and industry must commit to attend the SEG meetings and be represented by suitably senior, skilled individuals with managerial and strategic planning responsibilities. Individuals should have subject matter expertise on the topic under discussion.
- Groups were to remain small to ensure discussions were productive and effective. Firms could nominate individuals to be members of each SEG. Members would be expected to attend all meetings and provide technical, analytical, and business perspectives and inputs into the discussions
- SEGs would meet at a frequency determined by members and meeting materials (including agendas) would be shared prior to each meeting.
- Further industry plenary sessions would be held to enable each SEG to provide updates and summaries of their discussions to interest parties outside of the SEGs' membership, for purposes of transparency.
- The working relationship of the SEGs could evolve based on what was productive and the chairs should feel empowered to make decisions about how the groups operate.
- Participants were reminded that all meetings must be compliant with competition law and treated as confidential.

The legislation required and parliamentary process to implement the reforms was clarified at the meeting. HMT's draft legislation would be shared with industry, through the ABI, for comment ahead of taking it through Parliament with a statutory instrument.