

Bank of England PRA

Meeting Summary

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

2 March 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. Recap and Housekeeping
2. Outline of ASEG timeline and key questions
3. Who, when and at what level
4. Close and AOB

Summary of meeting

The meeting was focused on exploring potential options for the following key topics relating to the attestation:

What level should the attestation be at?

- It was suggested that firms attest at portfolio level, with the attestor having to assess at a more granular level.
- There was the option to look at group/entity level in addition to this to highlight concentration risks. However, higher level attestations and aggregation should

avoid straying into risk management or capital considerations, which would fundamentally change the process.

Who gives the attestation?

- Given the structural differences between firms, it was suggested that a firm-specific attestor could be the most practical option. A standard for industry could be agreed, with scope for firms to argue that someone else would be better placed.
- Overall, there was consensus that the CFO was likely to take responsibility for attestation, given their ownership of the balance sheet. It was acknowledged that the SMF holder could delegate actions, but not responsibility.

When will attestation take place?

- Year-end would be a logical timing for the attestation unless there was a strong argument why it should be a different date. The regular monitoring of this should sit with firms – a quarterly internal checking process was suggested as appropriate.
- It was also suggested and acknowledged that ad hoc attestations may be required upon significant changes to the risk profile of a matching adjustment portfolio. It was commented that the explicit setting of materiality thresholds could be challenging and have unintended consequences. For instance, it may be counterproductive to bring attention to an issue, where the actual risks were seen as minimal. It was suggested that this could be a topic for discussion and agreement between the firm and supervision.