Bank of England PRA

PRA Subject Expert Group on Captives 22 October 2025

Location: PRA Offices and MS Teams

Agenda

Item 1: Legal Structure

Item 2: Board Composition

Item 3: Senior Management Functions (SMF's)

Item 4: Reporting

Item 5: Ongoing Interaction

Summary of the meeting

The Group discussed key aspects of the UK captive insurance regime, focusing on legal structures, governance, regulatory reporting, and engagement with the PRA. The discussion emphasised the need for flexibility, proportionality, and guidance-led approaches to support the development of captives in the UK.

Confidentiality: participants were reminded that all meetings must be compliant with competition law and treated as confidential.

Legal Structure key points:

- The group agreed that flexibility should be maintained, with limited liability companies and Protected Cell Companies (PCCs) as the initial focus.
- Alternative structures, including mutuals and variations seen in other jurisdictions, were discussed as potential future options.
- It was noted that the PRA is not seeking to restrict legal structures but to understand which options will be utilised.
- The PCC/ICC distinction will be explored further in upcoming consultations

Board Composition key points:

- Captive managers should not be mandated to join Boards but attend meetings without voting rights.
- Independent Non-Executive Directors (INEDs) are valuable, particularly for complex captives, but should not be compulsory; guidance is preferred over mandates.
- The importance of flexibility and proportionality in governance arrangements was highlighted

Senior Management Functions (SMFs) key points:

- The Senior Manager Regime (SMR) should be tailored for captives, potentially with a separate regime similar to the Branch Manager approach.
- The group noted that captives often lack traditional executive roles, and guidance should reflect the nature and scale of these entities.

Reporting key points:

- Reporting requirements should be proportionate, with annual returns preferred over more frequent submissions.
- Guidance is favoured over prescriptive mandates, with consideration for the complexity and scale of each captive.
- Data confidentiality and dual reporting between the PRA and FCA were noted as areas for further clarification.

Ongoing Interaction key points:

- Engagement with the PRA/FCA should be largely reactive and based on materiality.
- The group supported the principle of a named point of contact at the regulator for ad-hoc queries.
- Excessive reporting and engagement were seen as potential competitive disadvantages; accessibility, responsiveness, and proportionality were emphasised.

- **Next steps**: The next meeting will focus on employee benefits (3 November), followed by innovation (17 November).