

# Bank of England

## PRA Insurance Practitioner Panel Terms of Reference

### Introduction and Membership

1. The Insurance Practitioner Panel (the Insurance Panel) is established by the Prudential Regulation Authority (PRA) under sections 2L and 2MA of the Financial Services and Markets Act 2000 (the Act) to represent the interests of insurance practitioners. The Insurance Panel is independent of the PRA.
2. The Prudential Regulation Committee (PRC) appoints such Insurance Panel members as it considers appropriate to represent the interests of practitioners involved in the carrying on of the activity of effecting or carrying out of contracts of insurance. Relevant trade associations and market representatives will be consulted and invited to provide nominations. Members of the PRA Practitioner Panel nominated by the Association of British Insurers will also be invited to serve on the Insurance Panel for the duration of their membership of the Panel. Other Panel members may be invited to attend meetings of the Insurance Panel where a relevant topic arises.
3. Insurance Panel members will nominate a Chair and Deputy Chair from their number. The PRC appoints the Chair.
4. HM Treasury's approval is required for the appointment and dismissal of the Chair.
5. The PRA provides secretariat support to the Insurance Panel.

### Duration of appointments

6. Without prejudice to paragraph 7, members will serve a term of 3 years (a term), which is renewable for one additional term at the discretion of the members subject to re-nomination by the relevant trade association and PRC approval.
7. A member may be appointed as Chair during their first or second term. If a member is appointed as Chair, that member's term will reset and they will start a new term as Chair; at the end of which that member will either cease to be a member or, if appointed as Chair during their first term, may serve an additional term as a member or Chair, subject to the appointment processes set out in these Terms of Reference.

### Nomination by the Insurance Panel of the Chair and Deputy Chair

8. The following procedure will be used for the Insurance Panel to nominate the Chair and Deputy Chair:
  - a. The Insurance Panel Secretariat will facilitate the nomination process.
  - b. The Insurance Panel Secretariat will invite members to apply for the role of Chair and/or Deputy Chair and to outline their eligibility for the role.

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- c. The Insurance Panel Secretariat will facilitate a discussion to allow all members to question those who have applied for the roles.
- d. Once all members have been given the opportunity to contribute to the discussion, the Insurance Panel Secretariat will call on members to vote in a secret ballot to nominate the Chair and/or Deputy Chair.
- e. The Insurance Panel Secretariat will count the votes and inform members of the result.
- f. In the event of a tie, there will be a run-off between the two highest polling candidates for each role, again to be decided by secret ballot, and the votes will be counted by the Insurance Panel Secretariat who will declare the result.
- g. In the event of a subsequent tie, the two remaining candidates for each role will draw lots.

## Role and Purpose

9. Having been established under sections 2L and 2MA of the Act, the Insurance Panel will be consulted as part of the PRA's arrangements for effective consultation with PRA authorised persons on the extent to which the PRA's general policies and practices are consistent with the PRA's general duties under sections 2B to 2H of the Act. Policies and practices related to the insurance sector will be discussed at the Panel. The PRA will consider representations that are made to it in accordance with section 2N of the Act.
10. The Insurance Panel does not carry out responsibilities on behalf of the PRA and does not seek to duplicate the work of trade associations.
11. The Insurance Panel will meet around 3 times per annum and will review the impact of the PRA's new policies, and proposed changes to policies, in relation to the insurance sector insofar as they affect regulated firms, individuals, and markets, responding and providing feedback to the PRA at an appropriate stage of the policy development process, as detailed below:
  - a. The PRA will ensure effective consultation with the Insurance Panel as part of the public consultation process and will consider any representations made to it by the Insurance Panel.
  - b. The PRA will provide for additional engagement with the Insurance Panel, as need be, during the public consultation period.
  - c. The PRA may also consult the Insurance Panel prior to public consultation on significant and cross-sectoral policy issues related to the insurance sector, where views from across the industry, as represented by the Insurance Panel, are likely to be beneficial in the policy development process. Such pre-consultation is likely to occur for policy issues where the Insurance Panel's breadth of expertise would provide significant added value.

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- d. The PRA will keep the Insurance Panel informed of the upcoming consultation schedule.
  - e. The Insurance Panel may request pre-consultation on policy issues prior to public consultation. Such pre-consultation may take place at the PRA's discretion.
12. The Insurance Panel will review and report to the PRA on the extent to which its new policies and practices, and proposed changes to such policies and practices, are consistent with its general duties under section 2B to 2H of the Act.
  13. The Insurance Panel will be active in bringing to the attention of the PRA issues which members feel are likely to be of major significance for the PRA and its objectives.
  14. The Insurance Panel will have access to the PRA Executive attending Insurance Panel meetings. The Chair will have a bilateral meeting with the CEO of the PRA at least once a year.
  15. The Chair's role becomes effective upon PRC and HMT's approval. There is no requirement for the Deputy Chair to be approved by PRC or HMT. The Deputy Chair is appointed by the Insurance Panel members, determined by a vote if necessary.

## **Relationship between the Panel and Insurance Panel**

16. Information will be shared between the Insurance Practitioner Panel and the PRA Practitioner Panel. The Panels will have sight of each other's forward agendas and will receive an oral debrief, provided by the Chairs, of each other's meetings at their next meetings. Information shared by the PRA Practitioner Panel to the Insurance Panel may be limited to matters which affect the carrying on or effecting of insurance. The Insurance Panel may share information with PRA Practitioner Panel to the extent that it impacts the banking sector.

## **Accountability**

17. The Insurance Panel shall write an annual report covering the items that the Panel has considered over the past year. This report will be published on the Bank of England website.
18. In addition, members of the Insurance Panel will, when appropriate opportunities arise, report informally on its work to practitioners and trade bodies.
19. If Insurance Panel members attend or speak at external events on behalf of the Insurance Panel, members should clarify that they are doing so on behalf of the Insurance Panel and not the PRA.

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## Confidentiality, competition law and data protection

20. Any information disclosed or opinions expressed during Insurance Panel meetings will be treated as confidential unless and until the PRA has authorised their public release. Insurance Panel members may be exposed to sensitive information and, potentially, to material non-public information in the course of their membership.
21. Members are responsible for identifying and declaring any conflicts of interest that may arise from participating in the Insurance Panel.
22. It is the responsibility of each member to ensure they understand and comply with their obligations under all applicable competition law. To the extent that any member is unclear about these, they should seek legal advice and if appropriate arrange to undertake competition law compliance training/seek further guidance at their respective organisations.
23. If, during an Insurance Panel meeting, a member has concerns about the discussion from a competition law compliance perspective, the member should make their concerns known and the discussion giving rise to such concerns should cease.
24. Personal data may be shared during Insurance Panel meetings and members shall comply with their obligations under applicable data protection laws in respect of such data.