

Bank of England PRA

Meeting Summary

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

16 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 on previous meeting
2. Attestation section headings
3. Evidence in support of attestation
4. Close and AOB

Summary of meeting

The meeting was used to consider several practical areas of the attestation such as possible headings/content, the format and what supporting evidence might be provided alongside it. Broadly, it was suggested that the attestation could cover:

- Who was attesting and why that was appropriate
- What level the attestation was being made at e.g. entity/portfolio
- Timing of the attestation
- Key interactions occurring as part of the attestation process
- Governance processes
- Process gone through and any modifications to FS tables or voluntary top-ups

- Planned disclosures
- Appendix to signpost supporting evidence

The group considered possible disclosures on key elements of the attestation, with the intention being to improve transparency. There was discussion around the value of disclosures in this context: it was argued that it was largely taken for granted by market participants that firms had gone through the necessary process to produce a robust MA.

A minimum level of disclosure such as a reference to having made the attestation within a firm's SFCR was discussed. Disclosure would also increase the involvement of external auditors within the attestation process. The element of judgement within the attestation would likely make it challenging for external auditors to gain comfort. Having to scrutinise or even replicate the processes would create substantial extra work. There would need to be guidelines on the appropriate level of external audit involvement in the attestation process.

The group returned to discussion around difficulties with the liquidity premium terminology as well as other challenges including timing and the willingness of external auditors to sign off.

Looking forward to the remaining meetings, the group agreed to share indicative views on what a three-stage approach for the attestation (focused on the rationalisation of residual MA as discussed at the previous meeting) might look like in practical terms.