

# Bank of England

## Prudential Regulation Authority

# Minutes

## PRA/ABI industry engagement group on regulatory reporting reform – eighth meeting

14 March 2022

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Location: **Teams Call**

Attendees: **Members of the PRA**

**Representatives of the following insurance firms and trade bodies:**

**ABI**

**AIG**

**Aviva**

**AXA XL**

**BUPA**

**Foresters**

**IUA/LMG**

**Just**

**L&G**

**M&G**

**Phoenix**

**PIC**

**Royal London**

**RSA**

Apologies: **Representatives of the following insurance firms and trade bodies:**

**None:**

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**Minute**      **Minute**  
**No.**

**1. Reporting by groups**

One industry representative questioned consistency with other proposals noting that it had been proposed that a specific template should be deleted. The PRA confirmed that, if this is deleted for solo entities, then it wouldn't be required for groups.

Another industry representative asked about internal governance, and the PRA responded that this was still in progress.

They continued that, given the proposed amendments to specific templates, but the lack of discussion on a different template, can they conclude that this should be deleted. The PRA said that this wasn't the case.

On a further specific template, the PRA stated that it was not proposing additional requirements for this.

The ABI asked what was required from one specific return as compared to another one.

One industry representative asked whether a specific template would stay. The PRA said that this is staying as it is used, but that it would review its structure. EIOPA isn't proposing changes in this area, and some consistency with EIOPA for group returns is important.

The ABI gave feedback on two other specific templates that it believed are not used by firms internally, and, therefore, they asked the PRA to consider these for deletion.

## 2. **Model change**

The PRA presented the slides and proposals. It asked for feedback on how the template can be made simpler.

One industry representative stated that when the Supervisory Statement (SS) was published, there must have been anticipation that there would be inconsistencies with this template, and asked what has changed since then. The PRA replied that the PRA has communicated to firms to explain what is expected. One industry representative expressed concern that firms might have to create a different view for the PRA to match the PRA template than expected. The PRA agreed that this needs to be balanced.

The same industry representative spoke on a different particular area, saying that it could be difficult to produce certain data (based on the method shown in the slides). The PRA explained that it was in the initial stages for these proposals and accepted the feedback.

A different industry representative made a point on increasing the burden if the template is very prescriptive.

The ABI asked if this specific area would be required on a quarterly or yearly basis. The PRA said that its initial thinking was to have this on a quarterly basis. The ABI recognised the importance of this template to provide measurement of model drift.

One industry representative expressed concerns around the questions regarding changes, as all changes are company-specific.

### 3. **Model output**

3.1. The PRA presented the slides on a specific template, which contained two main proposals. On proposal 1, one industry representative said that not all firms will model these two different areas separately. The PRA replied that not all firms classify these areas into this form of granularity, so for those firms who don't have the data, the same numbers could be submitted.

The ABI said that it would be best to blank out rows rather than remove them since this would be easier from an operational point of view for the firms.

3.2. On proposal 2, the ABI asked if there was anywhere else that this information can be retrieved. The PRA replied that it wasn't aware of any other source and feedback to this was welcome.

One industry representative was worried about the timing to which the PRA responded that the better the data is the first time it is submitted, the quicker the PRA can analyse it.

### 4. **AOB**

The PRA highlighted the cost survey on 23 March 2022 and invited everyone to take part. The participants asked if the PRA could share more specifics.

The ABI explained that it was looking to set up a SharePoint site for the Master document containing all the templates. It admitted that this was not a perfect solution but stated that it was the best available given the security concerns.