

# Bank of England PRA

## Meeting Summary

### **PRA/ABI Stress Testing Subject Expert Group (STSEG): Fourth Meeting**

**29 June 2023**

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Bank of England Offices, MS Teams

The PRA, observers from ABI and HMT and representatives of the following insurance firms: Aviva, Just, Phoenix Group, PIC, Rothesay, M&G, Royal London, Legal & General, Scottish Widows Group, LV, Canada Life

#### **Agenda**

1. Read out from Disclosure Users meeting.
2. What are your views around different levels of disclosure needed to achieve objectives of the exercise (including commercial considerations or data / analytical / modelling implications of providing informative comparable disclosures).

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**Summary of meeting**

This meeting provided the industry with a read out of the meeting the previous week with disclosure users, an opportunity to react to the views expressed then and to give their own views on individual firm disclosure. The main points that emerged from the discussion were:

- Participants accepted that individual firm information would be disclosed but there were concerns about the quantity and nature of this disclosure. There was a clear preference for publication focusing on clear, simple messages around overall sector resilience.
- There was concern about the publication of detailed information on MA under stress as the industry thought that this would be difficult to explain to analysts and other users. There was concern that market disruption could arise if users misinterpreted results.
- Several participants suggested that it would be more appropriate to publish additional information in SFCRs or as modified QRTs rather than as part of the stress test results.
- On the balance between narrative and quantitative disclosures firms believed that the PRA would need to give a sector level view on the results – the market would take its cue from the PRA's view. Firms would then have to explain individual impacts.