

## 1 INTRODUCTION

1. Polynya Consulting Actuaries ('Polynya') is an independent firm supplying consulting services to the life insurance industry and related organisations. Our principal consultant, Paul Teggin, was an independent consultant to the Insurance Directorate of the PRA during 2015-2016 and returned to the PRA Insurance Directorate as an employee from 2018-2020. He contributed to DP1/16 and several of the updates to SS3/17 (which arguably has the most complex publication history of the insurance-related SSs).
2. We are grateful for the opportunity to respond to PRA Discussion Paper DP3/21. We do not regard this response as confidential, and it will be published on our website at <https://www.polyact.co.uk>.
3. As an overarching comment, we strongly support the idea of integrating Supervisory Statements and Statements of Policy (with links to the corresponding CPs and PSs) within the PRA Rulebook, and thereby putting them on the same technological footing, provided the Rules are clearly distinguished from the SS/SoP content.
4. At present we are unaware of any central 'index' from which all the SSs could be located<sup>1</sup>. Thus a regulated firm wishing to understand the entirety of the regulatory expectations placed upon it has an uphill struggle just identifying what those expectations are, and the same could be said of new supervisors. Creating an 'index page' to all the SSs would be a very helpful interim step prior to the 2023 changes.
5. In principle, we also support the idea of linking specific expectations to the rules they relate to. This may be difficult in some cases, however, particularly where expectations have been set to cover 'gaps' in EU directives transposed into UK law. But on a forward-looking post-Brexit basis, this should be more straightforward.
6. The second page of this document contains our responses to the form on the final page of DP3/21.

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<sup>1</sup> A former PRA colleague providing policy development support used to – and may still – maintain a PDF containing all the SSs, in lieu of such an index. Polynya maintains a set of SSs relevant to its client base, and we are aware of firms doing something similar. Clearly this amounts to significant duplication of effort across the industry.

**Name / Firm:** Polynya Consulting Actuaries Limited

**Type of user:** Independent Consultancy

**Please indicate if the PRA could contact you further about your response:** Yes

**1. Which of the following intended changes to the Rulebook would you find most useful? Please rank with '1' being most useful. Leave blanks if not useful.**

Change	Ranking
Digitised Supervisory Statements (SS) / Statements of Policy (SoP)	1
Machine-readable content	3
Updated related links	2
Visual time line	4
Intuitive webpage URLs	5
Other enhancements (if not mentioned in the DP):	N/A

**2. Do you see any issues for how you use the Rulebook arising from the items above?**

It will be important to distinguish very clearly between rules (having legal force), and expectations within supervisory statements. Possibly consideration could be given to adapting the 'R and G' notation (R for rules, G for guidance, very broadly corresponding in spirit to expectations) from the old FSA Handbook and continuing in the FCA Handbook.

It would also be useful to classify SSs and SsOP by industry sector in much the same way that the Rules are split primarily between Banks & Investment Firms and Insurers. This could be expanded to have Application Provisions for SS content that relates to kinds of firms with specific regulatory approvals (e.g. insurers with a full or partial Internal Model, or Matching Adjustment).

**3. Which is the following ideas for continuous improvement would provide the most benefit to you? Please rank with '1' being most useful. Leave blanks if not useful.**

Item	Ranking
Search to include non-Rulebook PRA content	7 [Google suffices]
Categorisation of content by regulatory topic	2
PS and CP on homepage identifying specific rules and SS paragraph references	3
Linking rule to SS guidance	1
Notification of changes / proposed changes to content	4
Digitisation of other content (eg CP, PS, UKTS)	5
Delta of a rule change (text and/or metadata) – identifying which legal instrument made the change	6

All of these items would be very useful; the ranking is 'purely relative'.

**4. Are there any other changes that you think the PRA should be making to the Rulebook?** No; the proposed changes would significantly improve its usability.

**5. Do you have any specific feedback on machine-readability of Rulebook content?** We support the general principle of machine-readability via a dedicated API returning results in a standard format (e.g. based on XML or JSON, with an appropriate schema).