Matching Adjustment Investment Accelerator (MAIA) – PS17/25

October 2025

Key changes in final MAIA policy – PS17/25

Overall, we view the final policy changes as positive for the industry and the PRA has taken on board a number of key points of feedback that concerned the industry during the consultation.

Improved Investment flexibility	*Removing the proposed list of excluded asset types gives firms more investment options and greater flexibility to use MAIA.*
Eligibility risk assessment	*Firms can apply a risk-based approach to assessing asset eligibility, but firms will need to take a "more in-depth" assessment where greater judgement is required. This will likely lead to firms considering a 2-tier process.*
Liquidity risk considerations	*A subtle change that the liquidity risks from removing MAIA assets can be managed as part of firms' overall liquidity risk processes, rather than a focus on firms' liquidity ratios.*
Short-dated assets	*Short-dated assets are no longer restricted via MAIA, subject to some sensible policy requirements.*
Contingency Plans	*Improved flexibility in contingency plans. Firms need to plan for arrangements that do not rely on the 'immediate sale' of the asset but no longer have to the assume the asset cannot be sold in the short or medium term.*

Opportunities & Challenges

The MAIA introduces another regulatory change that firms should plan for and use to improve their investment strategies and optimise their MA portfolio.

Opportunities

1. Additional lever

The MAIA gives firms an additional lever to optimise their MAP investment strategy. In addition to the recent SUK changes around HP cashflow assets and Sub-IG, firms will be reassessing their medium-term Strategic Asset Allocation and how MAIA can be leveraged to deliver and optimise that target allocation.

3. New nimbleness

Insurance CIOs can now react quickly to new (MA eligible) investment opportunities as they arise. This will align insurers with other credit market participants who can act quickly when markets move, or when new short-term opportunities present themselves.

5. Which assets first ?

Firms should review the available options to decide which assets to prioritise through the Accelerator. Since HP cashflow assets are now allowed under MAIA, should these be used first to create new opportunities, or held back until the PRA's expectations for HP are clearer?

Challenges

2. Prioritisation

Firms will need to prioritise and allocate resources between the 'Highly Predictable' and MAIA initiatives to capture both opportunities over the next 12–24 months, as well as manage the extra work these bring (such as capital modelling updates and applications).

4. Cost/Benefit

Firms will need to be mindful to a build up of one-off or smaller investment opportunities which are MA eligible but still require significant effort for applications and approvals for each asset type.

6. Managing eligibility risk

With firms relying on their own internal assessments of MA eligibility Boards/Committees will likely want to understand the level of confidence, or risk, to the deferred PRA approval. If approval is delayed or not as expected, firms may need to activate contingency plans, accept less favourable MA/capital benefits, or use their limited 10% HP cashflow flexibility.

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