

Minutes

PRA/ABI – Liquidity Subject Expert Group (L-SEG) – Fifth meeting

24 September 2024

Time: 09:30 – 11:00

Location: 20 Moorgate, MS Teams

Attendees: **Members of the PRA**

Representatives of the following insurance firms and trade bodies:

ABI

Allianz

Aviva

Axa

Just

L&G

LBG

LV=

M&G

Phoenix

PIC

Rothesay

Royal London

Wesleyan



Item No. Minute

1. Members of the PRA introduced themselves and the PRA co-Chair welcomed everyone to the meeting. Industry and trade body representatives introduced themselves.
2. The PRA provided a recap of the previous four L-SEGs, outlined relevant next steps and the associated timelines. Previous discussions had been based on sources of liquidity risk, high-quality liquid assets (HQLA), short vs. long term liquidity needs, time horizons, and the PRA's governance processes. The PRA noted that the immediate next step was to consider the qualitative cost benefit analysis (CBA) submissions submitted by industry, ahead of discussion with the CBA panel.
3. PRA Policy colleagues provided a reminder of the domestic policy development process. This process includes the initiation phase, where the PRA considers existing policy and events; the development stage, where the proposals pass through the PRA governance; the implementation phase, where the policy is published and Supervision level engagement occurs, and finally; the evaluation stage, where final policy evaluation takes place.
4. PRA and industry attendees discussed potential reporting thresholds. Industry attendees suggested numerous approaches to calibrating thresholds, including size of business or derivate portfolios and scenario-based thresholds.
5. The PRA and industry attendees also discussed whether the PRA would consider reporting frequency thresholds. The PRA agreed to consider whether this would be appropriate.
6. Each industry attendee provided individual firm feedback in relation to the completion of the ad-hoc reporting template, and CBA questionnaire. There was a number of common themes raised, including granularity of time steps and assets, time-horizons, thresholds, proportionality considerations, and intra-group reporting approaches. The PRA thanked the industry for the considerable time and effort spent completing the ad-hoc template and CBA questionnaire.
7. ABI attendees suggested another subject expert group, before formal consultation was expected at year-end, would be helpful. The PRA noted several bilateral discussions were planned with industry, and also agreed to consider whether another subject expert group was necessary.
8. The PRA thanked the industry for their attendance at the final L-SEG, and for the constructive level of engagement throughout the four previous L-SEGs.