

Minutes

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

25 June 2024

Time: 10:00 – 11:30

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

Scottish Equitable

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 reminded the attendees that the announcement of the general election on 4 July had meant that the PRA is subject to a quiet period during the election period and therefore any announcement of policy must be postponed. The PRA said that given the quiet period, the 3rd L-SEG meeting has a reduced agenda and will focus on the thematic MI feedback and a smaller technical discussion. The PRA also reminded the L-SEG members that it would defer publishing the minutes externally and sharing the ad-hoc template with L-SEG members until after the election period.
3. The PRA provided a recap of the previous L-SEG and mentioned that it had included a technical discussion on liquid assets, time horizons and short-term liquidity vs long term funding needs. The PRA said that the focus of the new liquidity reporting requirements was likely to be of a short-term nature.
4. The PRA presented the high-level observations from the liquidity MI submissions the firms had provided. The PRA also noted the heterogeneity of the MI provided. The PRA and industry co-Chairs agreed that this presented further evidence for a need for a 'homogenising lens' across the industry, so the PRA could assess liquidity in a time of stress. The PRA added that the intention is not to add burden on firms in times of stress and that there is a need for an element of pre-preparedness. It added that the liquidity reporting template is intended to supplement firms' internal liquidity MI reporting rather than replacing it.
5. The L-SEG members enquired about the upcoming timelines for the ad-hoc template and further data collection. The PRA outlined the upcoming timelines which had to be revised due to the election period. The PRA co-Chair said that the expectation was to circulate the template and instructions to the firms once the quiet period ends.
6. The industry co-Chair suggested that firms may need a bit longer to complete the ad-hoc template when the PRA provides it.
7. The PRA confirmed that the frequency of the liquidity reporting template submission is expected to be more frequent than the current quarterly reporting timelines for insurance firms.

8. The PRA thanked the participants and agreed to share the slides after the election quiet period.