

## Minutes

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

28 May 2024

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Time: 10:00 – 11:30

Location: Threadneedle Street, 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



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**Item No.      Minute**

1. Members of the PRA introduced themselves and the co-Chairs welcomed everyone to the meeting. Industry and trade body representatives introduced themselves.
2. The PRA co-Chair confirmed that following the announcement of the upcoming general election, the PRA has classified the L-SEG as a working level discussion and as there were no policy implications the workstream would continue during the quiet period.
3. The PRA presented its approach to the cost benefit analysis (CBA) required to be conducted as part of a formal consultation process. The PRA highlighted that the CBA process was used to gather evidence to determine optimal policy options, by highlighting the costs and benefits of those options, considering the PRA's primary and secondary objectives, impact on firms and potential market outcomes. The CBA would be based on qualitative and quantitative considerations.
4. The PRA thanked the industry attendees for submitting the liquidity MI following the previous L-SEG and noted that there is a large variation of data and highlighted the heterogeneity of the liquidity information submitted to the PRA.
5. The PRA explained that the new reporting requirements were intended to allow the PRA to perform analysis and conduct peer comparison of the firms' liquidity positions, both in peacetime and in stress.
6. The PRA and firms engaged in technical discussion focussed on the types and characteristics of liquid assets, differentiating between short-term liquidity vs long-term funding stresses, use of liquidity pools, time horizons and fungibility.
7. The PRA thanked the industry for the liquidity MI submissions and said that work was underway to go through the submissions. The PRA said that it expects to share high-level analysis of the liquidity submissions at an upcoming L-SEG
8. The PRA thanked the L-SEG members for their input and looked forward to their engagement in the future meetings.