



Modification by Consent of Non-Solvency II Firms – Senior Insurance Management Functions Part of the PRA Rulebook, with reference to “dormant insolvent” insurers

This modification is available to insurance undertakings authorised by the PRA, whom the PRA has identified to be “dormant insolvents”.

On 7 March 2016, the Senior Insurance Managers Regime (the “**SIMR**”) comes into force. The rules require that all authorised Non-Solvency II Insurance firms appoint one or more persons to perform the role of Senior Insurance Management Function, for which approval to perform the function must be sought from the PRA and the FCA.

The PRA recognises that it would be unduly burdensome to require insolvency practitioners acting on behalf of insolvent insurance firms that are dormant (defined below) to comply with the SIMR, as the relevant firms have ceased conducting regulatory business and are expected to cancel their part 4A permission within the term of the modification. Therefore, it has decided to offer a modification by consent such that insolvency practitioners for dormant insolvents fall out of scope of the SIMR and need not be approved as *senior insurance management function holders* by the PRA.

In order to be classified as a “dormant insolvent” (and therefore meet the requirements of the modification) *firms* must satisfy the following criteria:

- 1) The *firm* is no longer *carrying out contracts of insurance* or *effecting contracts of insurance*;
- 2) The *firm* has no remaining assets; and
- 3) The *FSCS* has declared the *firm* to be in default.

The modification direction is set out [here](#).

The direction will end on 30 April 2017, unless revoked.

The PRA has identified those firms it believes meet these criteria and has contacted them directly to offer the modification by consent. If you have not been contacted directly and believe your firm meets the requirements and should be able to take advantage of the modification, please read the direction and contact the Assessment and Monitoring Team with a suitable request

Assessment and Monitoring
Prudential Regulation Authority
20 Moorgate London
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BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Or

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The PRA will confirm in writing whether the request has been granted and will publish the approved modification direction on the Financial Services Register.

March, 2016