

Bank of England

Prudential Regulation Authority

Supplementary information for applications to apply a volatility adjustment

Firm name	[Redacted]
Firm reference number	[Redacted]
Date of application	[Redacted]
Address	[Redacted]
Application number (for PRA use only)	[Redacted]

The information below should be submitted by firms to allow the PRA to consider an application to apply the volatility adjustment (VA). Firms should submit this information with the Solvency II approval application form to S2submissions@bankofengland.co.uk.

For each of the items listed below, firms should provide a link or document reference signposting clearly where the item of evidence can be found within the application.

1. The written policy on risk management, as required by Article 41(3) of the Solvency II Directive. This should include:
 - a. the firm’s policy on the criteria for the application of the VA, in accordance with Article 44(2a) of the Solvency II Directive;
 - b. the firm’s assessment of:
 - i. the sensitivity of the technical provisions and eligible own funds to the assumptions underlying the calculation of the VA;
 - ii. the possible effect of a forced sale of assets on the eligible own funds; and
 - iii. the impact of a reduction of the VA to zero.

[Insert link or document reference]

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2. As required by Article 44(2) of the Solvency II Directive, the liquidity plan projecting the incoming and outgoing cash-flows in relation to the assets and liabilities subject to the VA.
[Insert link or document reference]
3. Where the reduction of the VA to zero would result in non-compliance with the Solvency Capital Requirement (SCR), an analysis of the measures the firm could apply in such a situation to re-establish the level of eligible own funds covering the SCR or to reduce its risk profile to restore compliance with the SCR.
[Insert link or document reference]
4. As required by Article 45(2a) of the Solvency II Directive, the assessment of compliance with the capital requirements referred to in Article 45 paragraph 1(b), with and without taking into account the VA.
[Insert link or document reference]
5. Any information not listed above that the firm believes is relevant.
[Insert link or document reference]
6. A cover letter stating that the application is endorsed by the Board, and that in the view of the Board the three statutory conditions are satisfied.
[Insert link or document reference]