Bank of England PRA

DIRECTION

To: [Firm Name] (FRN []) ("the firm")

Of: [Firm Address]

Ref: []

Date: []

PRA Rulebook Version as in force at the date of this Direction

Power

(1) Section 138A of the Act provides that, on the application of the firm the PRA may direct that rules in the PRA Rulebook do not apply, or apply with modifications, to the firm.

(2) This direction is given by the PRA under section 138A of the Financial Services and Markets Act 2000.

Duration

(3)

a. This direction takes effect on [].
b. This direction ends on the earlier of:

(i) the date the relevant rule is revoked or no longer applies to the firm (in whole or part); or

(ii) three years from the effective date in 3a above.

Rules Modified

(4) The PRA directs that the *rules* listed below apply to the firm with the modifications shown.

PRA Rulebook Rule	**Modification**
Insurance General Application – Rule 2.3	2.3 The ***firm's*** annual gross written premium income does not exceed £25,000,000; (2) the total of the ***firm's*** ***technical provisions***, gross of the amounts recoverable from ***reinsurance contracts*** and ***UK ISPVs***, as referred to in **Technical Provisions 2.1** to **2.3** does not exceed £50,000,000; (3) where the ***firm*** belongs to a ***group***, the total of the ***technical provisions*** of the ***group*** defined as gross of the amounts recoverable from ***reinsurance contracts*** and ***UK ISPVs*** does not exceed £50,000,000; ~~(4) the business of the ***firm*** does not include insurance or ***reinsurance*** activities covering liability, credit and suretyship insurance risks, unless they constitute ***ancillary risks***;~~ and (5) the business of the ***firm*** does not include ***reinsurance*** operations: (a) exceeding: (i) £2,500,000 of its gross written premium income; or (ii) £5,000,000 of its ***technical provisions*** gross of the amounts recoverable from ***reinsurance contracts*** and ***UK ISPVs***; or (b) with more than 10% of its gross written premium income or more than 10% of its ***technical provisions*** gross of the amounts recoverable from ***reinsurance contracts*** and ***UK ISPVs***. A ***firm*** of the kind mentioned in **2.2**(4), **2.2**(5) or **2.2**(6) is excluded provided (1) [deleted.] (2) none of the thresholds set out in **2.3**: (a) has been exceeded for three consecutive years; and (b) is expected to be exceeded during the following five years
	2.3A When 2.3 applies the firm is to provide the annual reserving review to the PRA within one month of it being presented to the firm's Board.

Interpretation

(5) The interpretative provisions (including definitions) of the *PRA Rulebook* apply to this direction.

Prudential Regulation Authority