

Appendix 19: Draft amendments – UK Multi-arrangement Insurance Special Purpose Vehicle (UK MISPV)

New Risk Assumption Notification Form

Full name of <u>UK</u> MISPV/PCC	
PCC registered number	
Arrangement code for this risk/cell	

Important information to be read before completing this form

Keep a copy of your completed form and any supporting documents for your future reference.

The FCA and Bank of England process personal data in line with the requirements of ~~The General Data protection Regulation (EU) 2016/679~~ and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notices available on our websites:

- FCA : www.fca.org.uk/privacy
- Bank of England: <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

Consistent with Part 4A of FSMA, the UK MISPV may not act outside its Scope of Permission (SOP). This means that in the case of an UK MISPV, future arrangements must fall within the scope of the SOP. As such this arrangement as described in this notification form must be consistent with the SOP.

Terms in this form

In this form we use the following terms:

- 'AMRE' refers to Aggregate Maximum Risk Exposure as defined in ~~Article 1(44) of the Commission Delegated Regulation (EU) 2015/35~~ the PRA Rulebook Glossary;
- 'arrangement code' is the UK MISPV's identifier (allocated by the UKMISPV) to the risk transfer arrangement assumed by the associated cell;
- 'cedant' refers to the insurance or reinsurance undertaking from which the ISPV assumes risk;
- 'cell' can refer to an individual cell or group of cells of the MISPV, where risk is being transferred to a group of cells;
- ~~'Delegated Regulation' refers to Commission Delegated Regulation (EU) 2015/35;~~
- 'FCA' refers to the Financial Conduct Authority;
- 'FSMA' refers to the Financial Services and Markets Act 2000;
- ~~'Implementing Regulation' refers to Commission Implementing Regulation (EU) 2015/462;~~
- 'MISPV' refers to a UK multi-arrangement ISPV, as per the meaning given in the Insurance Special Purpose Vehicles Part of the PRA Rulebook;
- 'PCC' refers to a Protected Cell Company;
- 'PRA' refers to the Prudential Regulation Authority;
- 'RTR' refers to the Risk Transformation Regulations 2017;
- ~~'Solvency II Directive' refers to Directive 2009/138/EC;~~
- 'SOP' refers to Scope of Permission;
- 'VOP' refers to Variation of Permission;

- 'we', 'us' or 'our' refers to the appropriate regulator; and
- 'you' refers to the person(s) signing the form on behalf of the UK MISPV.

Purpose of this form

Pursuant to Regulation 60 of the RTR, an UK MISPV must notify the PRA within 5 working days of assuming a new risk, and pursuant to Rule 4.3 of the Insurance Special Purpose Vehicles Part of the PRA Rulebook, this is the form which must be submitted as part of this notification.

Filling in the form

1. Please fill in the requested information in the text boxes provided. Alternatively, provide supporting documentation and indicate in this form where the requested information for each part can be found in your supporting documentation (i.e. the sections and page numbers in your supporting documentation that address each specific information request). Provide in Section 3.1 or in a separate supporting document, an index of all supporting documentation submitted.
2. If you think an information request is not relevant to you, write 'N/A' in the relevant textbox and explain.
3. If you leave an information request blank, please explain why before submitting the form.
4. If you are completing the form by computer, print out the completed form and sign the declaration.
5. If you are filling in the form by hand:
 - use black ink;
 - write clearly; and
 - sign the declaration.
6. Submit an electronic copy of the notification pack to the PRA at the following mailbox: ISPVMailbox@bankofengland.co.uk. The submission should consist of:
 - this MISPV New Risk Assumption Form (including the declaration form in Section 4); and
 - the specific supporting documents related to this transaction, and those documents listed in the SOP.

1 Details of the transaction

This notification should describe the specific details of the new assumption of risk, and confirms that it accords with the UK MISPV's Scope of Permission (SOP).

Summary

- 1.1 Please provide a summary of the following details in relation to this transaction, and, where applicable, include reference to where in the SOP these are permitted (where the SOP includes flexibility please make clear which option(s) this transaction relates to):**
- a) the cedant, and the providers of debt or other financing mechanism (e.g. debtholders, shareholders, etc.);
 - b) the outsourced service providers, including the insurance manager, custodian, trustee, where applicable;
 - c) the risk being transferred from the cedant to the applicable cell (e.g. form, location, type of cover, class of business, peril, risk period, etc.);
 - d) any relevant loss event triggers or mechanisms relied upon under the contract (e.g. parametric, index-linked triggers, etc.);
 - e) the risk being transferred from the applicable cell to the providers of debt or other financing mechanism;
 - f) an assessment of any basis risk to the cedant arising from the transaction;
 - g) the AMRE of the core, and the applicable cell, and how these will continue to remain fully funded on an ongoing basis;
 - h) the funding and collateral arrangement(s) (e.g. the UK ISPV's funding arrangements, collateral structure, collateral investment strategy, collateral release triggers);
 - i) any connected transaction that may undermine the fully funded or effectiveness of the risk transfer requirements; and
 - j) any other relevant features of the transaction, including tranching, reinstatements, stepped increases or decreases to the risk transfer, deferral of premium payments, funding top-ups, delayed risk period inception, mechanisms that allow the "roll-over" of funding between two consecutive risk transfer arrangements, or inter-cell arrangements, where applicable.

Note: all of the above information should be consistent with the UK MISPV's SOP. If the proposed risk is outside the firm's SOP, the UK MISPV will need to apply for a Variation of Permission (VOP) under Part 4A FSMA.

Communication with the supervisory authority of the cedant

- 1.2 Where possible, if the cedant of the applicable cell is domiciled in the EEA, provide details of the relevant contact at the supervisory authority responsible for the cedant, and a copy of any correspondence that notifies the supervisory authority of the cedant concerning the intention to transfer risk to the applicable cell.

Title	
First name(s)	
Surname	
Job title	
Business address	
Contact number	
E-mail address	

Significant influence

- 1.3 Could this arrangement enable shareholders in the cell to exercise significant influence over the UK MISPV?

- No
 Yes ▶ Please provide details below.

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Conflicts of interest

- 1.4 Are there any associations that exist between a director or a member or shareholder with a qualifying holding in the UK MISPV and any person that has undertaken a contractual arrangement related to this assumption of risk?

- No
 Yes ▶ Please provide details clarifying the relationship below.

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Consistent with Scope of Permission

- 1.5 The UK MISPV's SOP is a key component of its authorisation, as it defines the boundaries within which the UK MISPV may carry on the regulated activity of insurance risk transformation. Please confirm that this transaction is in line with the SOP and that all other aspects of the running of the UK MISPV remain in line with the SOP.

- Yes
 No ▶ Please provide details below.

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1.6 Please outline if there are any other changes which have occurred following the original application that the regulators should be aware of.

No

Yes ▶ Please provide details below.

Draft for consultation

2 Summary of the new risk assumption

You must complete the table outlining the new and current risks assumed by the UK MISPV.

Type of UK ISPV

2.1 Please include details of all 'live' cells. If more columns are required please continue on a separate sheet.

	Arrangement code ¹	Inter-cell arrangement code (if applicable)	Date of issuance	Name of cedant	AMRE per arrangement	Assets held per arrangement	Duration
Total							
Risk 1							
Risk 2							
Risk 3							
...							

¹ As per SPV.03.01-R0020/C0010, Annex II of the Implementing Regulations Chapter 6 Forms of the ISPV Part of the PRA Rulebook

3 Documents submitted with this notification

Please attach the documents related to this transaction which includes those specifically listed in the SOP.

Supporting documents you are sending with this form

- 3.1 Please list below all the documents you are sending with this notification form. These should include the specific transaction documents related to this transaction, and those documents listed in the SOP.

- 3.2 Please provide any comments on supporting documents if necessary.

Other information

- 3.3 If there is anything else you would like to tell us about this notification please provide details below.

4 Declaration

Declaration

It is a criminal offence to – knowingly or recklessly – submit information that is false, misleading or deceptive.

You must notify us immediately of any significant change to the information provided.

D1 I am authorised to make this notification on behalf of the UK MISPV named on the front of this form.

D2 I attach the documents listed in Section 3.1 and I have taken all reasonable steps to ensure they are correct.

D3 I confirm that the documents listed in Section 3.1 have been prepared to an appropriate standard and are available for immediate inspection by the regulators.

D4 I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.

D5 I authorise the regulators to make such enquiries and to seek such further information as it thinks appropriate to verify the information given on this form.

D6 I understand that the regulators may require the UK MISPV to provide further information or documents at any time after I have sent this form.

Who must sign the declaration?

This declaration must be signed by the people who are responsible for making this notification on behalf of the UK MISPV.

Signature one

Name	
Position	
Signature	
Date (dd/mm/yy)	

Signature two
