



Director
Prudential Regulation Authority

21st January 2015

Dear Sirs

Transfers of Insurance Business under Part VII Financial Services and Markets Act 2000 (FSMA)

We are writing to explain how the PRA will deal with transfers of insurance business under Part VII FSMA during 2015. This is because a significant number of firms are seeking to complete transfers between now and the implementation of Solvency II. During this period, we have a number of other material priorities we need to deliver and have a duty to apply our resource appropriately.

We shall continue to progress those insurance transfers notified to us where i) the fee has been paid (or where a special project fee has been agreed), ii) the firm has indicated its intention to complete the transfer in 2015 and iii) is on track to do so.

For those transfers where a fee has not yet been paid (or a special project fee agreed), we will consider, on a case by case basis, the impact of the transfer on our objectives and the likelihood of the transfer completing by the end of 2015. We will seek to agree a timetable with you, based on this assessment. This will have regard to any other constraints on our resource as a result of other transfers in progress and other existing priorities such as the implementation of Solvency II.

For all transfers, timetables should be credible and realistic in terms of what needs to be submitted to us and by when in order to allow us sufficient time to complete our review and file our reports with the Court. In relation to the directions hearing, all relevant documentation should be in final draft form and submitted to us as soon as practicable and at least six weeks prior to the hearing date (or in accordance with the timetable we have agreed with you, if different).

If all relevant documentation, including the Independent Expert's report, is not in final draft form and/or is not received at least six weeks prior to the date of the directions hearing (or in accordance with an agreed timetable), we may ask you to defer the hearing in order to give us sufficient time to complete our review and provide our views to the Court. Further we propose not to review any accompanying documentation, such as policyholder communications, requests for waivers etc. until we are in receipt of a final draft of the Independent Expert's report. If you submit any documents for review before the final draft of the Independent Expert's report has been provided to us you should explain why an early review is necessary.

We recognise the importance of transfers of insurance business. We will continue to engage on these but hope you appreciate we need to do so in an efficient and planned way. If you have any questions in respect of this letter please contact Beth Rees at beth.rees@bankofengland.gsi.gov.uk

Yours faithfully

Chris Moulder
Director of General Insurance

Andrew Bulley
Director of Life Insurance