

**PRA RULEBOOK: SOLVENCY II FIRMS: SENIOR INSURANCE MANAGERS REGIME –  
TECHNICAL RULES INSTRUMENT 2015**

**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 59 (approval for particular arrangements);
  - (2) section 60 (applications for approvals);
  - (3) section 61 (determination of applications);
  - (4) section 137G (the PRA’s general rules);
  - (5) section 137T (general supplementary powers); and
- in exercise of the powers and related provisions in Articles 2, 5, 6, 13, 17, 19 and 20 of the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015 (SI 2015/492).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA), and Articles 5, 13 and 22 of the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015, the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

**PRA Rulebook: Solvency II Firms: Senior Insurance Managers Regime – Technical Rules Instrument 2015**

- D. The PRA makes the rules in the Annexes to this instrument.

**Commencement**

- E. Annex A comes into force on 7 March 2016.  
F. Annex B comes into force on 1 January 2016.  
G. Annex C comes into force on 19 August 2015.

**Citation**

- H. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Senior Insurance Managers Regime – Technical Rules Instrument 2015.

**By order of the Board of the Prudential Regulation Authority**

31 July 2015.

## Annex A

In this Annex, the text is all new and is not underlined.

Part

# **SENIOR INSURANCE MANAGERS REGIME – APPLICATIONS AND NOTIFICATIONS**

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## Chapter content

1. APPLICATION AND DEFINITIONS
2. APPLICATION TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION
3. WITHDRAWAL OF A SENIOR INSURANCE MANAGEMENT APPROVAL APPLICATION
4. CEASING TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION
5. CHANGE IN DETAILS RELATING TO SENIOR INSURANCE MANAGEMENT FUNCTION  
HOLDERS
6. PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS
7. FORMS
8. LLOYD'S

Links

## 1 APPLICATION AND DEFINITIONS

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1.1 Unless otherwise stated, this Part applies to:

- (1) a *UK Solvency II firm*;
- (2) in accordance with Insurance General Application 3, the *Society*, as modified by 8;
- (3) in accordance with Insurance General Application 3, a *managing agent*, as modified by 8;
- (4) a *third country branch undertaking* (other than a *Swiss general insurer*); and
- (5) a *UK ISPV*.

1.2 In this Part, the following definitions shall apply:

*commencement date*

has the meaning given in Senior Insurance Managers Regime – Transitional Provisions.

*current approved person approval*

means

- (1) an approval granted to a *person* under section 59 of *FSMA* (Approval for particular arrangements):
  - (a) by the *PRA* for the performance of a *senior insurance management function*; or
  - (b) by the *FCA* for the performance of a *significant influence function*;
- (2) a deemed approval given by either the *PRA* following the submission of a *grandfathering notification* under Senior Insurance Managers Regime - Transitional Provisions or by the *FCA* under any equivalent rules in the *FCA Handbook*; or
- (3) for the purposes of 2.5(2) and 2.6(1), an approval granted to that *person* under section 59 of *FSMA* by either the *PRA* or the *FCA* to perform a *controlled function* prior to the *commencement date* but which ceased (i) on or before the *commencement date*; and (ii) during the six-month period specified in 2.5(2) and 2.6(1), as the case may be.

*grandfathering notification*

has the meaning given in Senior Insurance Managers Regime – Transitional Provisions.

*regulatory body*

means any authority, body or *person* having, or who has had, responsibility for the supervision or regulation of any *regulated activities* or other financial services, whether within the *United Kingdom* or overseas.

*senior insurance management approval application*

means an application for approval to perform a *senior insurance management function* under section 59 of *FSMA*.

*scope of responsibilities form*

means the form to be completed by a *firm* containing the information referred to in Insurance – Allocation of Responsibilities 5.1(3).

*significant influence function*

has the meaning given in the *FCA Handbook*.

## **2 APPLICATION TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION**

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- 2.1 The *PRA* directs that a *firm* must make a *senior insurance management approval application* in accordance with 2.2, before the activities requiring approval commence.
- 2.2 The *PRA* directs that a *firm* must use Form A (long form) for a *senior insurance management approval application* unless:
- (1) the *firm* must use Form E under 2.3; or
  - (2) the *firm* must use Form A (shortened form) under 2.6.
- 2.3 The *PRA* directs that, subject to 2.4 and 2.5, a *firm* must use Form E for a *senior insurance management approval application* if it is being made in respect of a *person* who has a *current approved person approval* and is either:
- (1) ceasing to perform a *senior insurance management function* and taking up a new *senior insurance management function* for the same *firm* or another member of its *group*; or
  - (2) ceasing to perform a *significant influence function* and taking up a *senior insurance management function* for the *firm* or another member of its *group*.
- 2.4 The *PRA* directs that a *firm* must not use Form E for a *senior insurance management approval application* if:
- (1) a notification has been made or should be made to the *PRA* under any of the rules in Notifications 11 or to the *FCA* under any equivalent provisions of the *FCA Handbook*;
  - (2) any of the circumstances in 4.2(2)(a)-(d) apply in relation to:
    - (a) any *controlled function* that that *person* is ceasing to perform; or
    - (b) any *controlled function* that that *person* is continuing to perform in relation to that *firm* or a *firm* in the same *group*.
- 2.5 The *PRA* directs that a *firm* must not use Form E if the *person* to whom the *senior insurance management approval application* relates:
- (1) has never before been approved:
    - (a) by the *PRA* to perform a *controlled function*; or

(b) by the *FCA* to perform a *significant influence function*

for any *firm*;

or

(2) has not been the subject of a *current approved person approval* in relation to any *firm* for more than six *months* prior to the date of application.

2.6 (1) The *PRA* directs that a *firm* must use Form A (shortened form) for a *senior insurance management approval application* if:

(a) the *person* to whom the application relates:

(i) has at the time of application a *current approved person approval*; or

(ii) has had a *current approved person approval* within the previous six *months*; and

(b) there have been no matters arising in relation to the fitness and propriety of the *person* to whom the *senior insurance management approval application* relates which mean that the information provided to the *FCA* or *PRA* regarding fitness and propriety in connection with a *current approved person approval* may have changed since the application for the *current approved person approval* was made.

(2) A *firm* must not use Form A (shortened form) if the circumstances set out in 2.3 apply.

2.7 The *PRA* directs that the form submitted for a *senior insurance management approval application* must be accompanied by a *scope of responsibilities form* or, where such form has already been provided under Key Function Holder – Notifications 2.2, an updated version of it.

2.8 A *firm* must (as part of its assessment of whether a *person* is a fit and proper *person* to perform a *senior insurance management function* and in order to verify the information contained in the application to carry out the *senior insurance management function*) obtain the fullest information that it is lawfully able to obtain about the *person* under Part V of the Police Act 1997 (Certificates of Criminal records, etc.) and related subordinated legislation of the *UK* or any part of the *UK* before making the application.

### **3 WITHDRAWAL OF A SENIOR INSURANCE MANAGEMENT APPROVAL APPLICATION**

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3.1 The *PRA* directs that a *firm* withdrawing an outstanding *senior insurance management approval application* must do so using Form B.

### **4 CEASING TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION**

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4.1 A *firm* must notify the *PRA* no later than seven *business days* after a *person* ceases to perform a *senior insurance management function*, using:

(1) Form E if a *person* ceases to perform a *senior insurance management function* and the *firm* is also making an application for the same *person* to perform a new *senior insurance management function*; and

(2) in all other cases, Form C.

- 4.2 (1) A *firm* must notify the *PRA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C in respect of a *senior insurance management function holder*.
- (2) Form C is qualified if the information it contains:
- (a) relates to the fact that the *firm* has dismissed or suspended the *senior insurance management function holder* from its employment;
  - (b) relates to the resignation by the *senior insurance management function holder* while under investigation by the *firm*, the *PRA* or any other *regulatory body*;
  - (c) includes a notification under any of the provisions set out in 2.4(1); or
  - (d) otherwise reasonably suggests that it may affect the *PRA*'s assessment of the *senior insurance management function holder's* fitness and propriety.

## 5 CHANGE IN DETAILS RELATING TO SENIOR INSURANCE MANAGEMENT FUNCTION HOLDERS

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- 5.1 If a *senior insurance management function holder's* title, name or national insurance number changes, the *firm* for which the *person* performs a *senior insurance management function* must notify the *PRA* of that change within seven *business days* of the *firm* becoming aware of the matter, using Form D.
- 5.2 If, in relation to a *firm* which has submitted an application on either Form A (long or shortened form) or Form E, as required by 2.2, any of the details relating to *senior insurance management functions* are to change, the *firm* must notify the *PRA* using Form D as soon as reasonably practicable after the *firm* becomes aware of the proposed change.

## 6 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

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- 6.1 The *PRA* directs that, save as required by 6.2, a *firm* must make any applications, notifications or submissions required by this Part by submitting the form specified using the *ONA system*.
- 6.2 If, under any direction or rule in this Part:
- (1) a *firm* is required to make an application, notification or submission online; and
  - (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,
- until such time as facilities for online submission are restored, a *firm* must submit the specified form in the way set out in Notifications 7.

## 7 FORMS

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- 7.1 (1) Form A may be found [here](#).
- (2) Form B may be found [here](#).
- (3) Form C may be found [here](#).

- (4) Form D may be found [here](#).
- (5) Form E may be found [here](#).
- (6) The *scope of responsibilities form* may be found [here](#).

## **8 LLOYD'S**

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- 8.1 This Part applies to the *Society* and *managing agents* separately.

## Annex B

In this Annex, the text is all new and is not underlined.

Part

# KEY FUNCTION HOLDER – NOTIFICATIONS

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Chapter content

1. APPLICATION AND DEFINITIONS
2. KEY FUNCTION HOLDER NOTIFICATION
3. PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS
4. FORMS
5. LLOYD'S
6. TRANSITIONAL ARRANGEMENTS FOR KEY FUNCTION HOLDERS

Links

## 1 APPLICATION AND DEFINITIONS

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1.1 Unless otherwise stated, this Part applies to:

- (1) a *UK Solvency II firm*;
- (2) in accordance with Insurance General Application 3, the *Society*, as modified by 5;
- (3) in accordance with Insurance General Application 3, a *managing agent*, as modified by 5;
- (4) a *third country branch undertaking* (other than a *Swiss general insurer*); and
- (5) a *UK ISPV*.

1.2 In this Part, the following definitions shall apply:

*commencement date*

has the meaning given in Senior Insurance Managers Regime – Transitional Provisions.

*continuing approval*

has the meaning given in the *Transitional Order*.

*grandfathering key function holder*

means, in relation to a *firm*, a *key function holder* who is seeking *continuing approval*.

*grandfathering notification*

has the meaning given in Senior Insurance Managers Regime – Transitional Provisions.

*key function holder notification form*

means Form M.

*new SIMF applicant*

means, in relation to a *firm*, a *key function holder* (other than a *grandfathering key function holder*) who submits an application for a *senior insurance management function* prior to the *commencement date*.

*scope of responsibilities form*

means the form containing the information referred to in Insurance – Allocation of Responsibilities 5.1(3).

*senior insurance management approval application*

means an application for approval to perform a *senior insurance management function* under section 59 of *FSMA*.

*transitional key function holder*

means, in relation to a *firm*, a *person* who is a *key function holder* as at 1 January 2016.

*Transitional Order*

has the meaning given in Senior Insurance Managers Regime – Transitional Provisions.

## **2 KEY FUNCTION HOLDER NOTIFICATION**

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- 2.1 This Chapter does not apply to:
- (1) *transitional key function holders*, in relation to *key functions* held as at 1 January 2016;
  - (2) *grandfathering key function holders*, in relation to *key functions* held as at 7 March 2016; or
  - (3) *new SIMF applicants*.
- 2.2 A *firm* must provide the information required by Insurance – Fitness and Propriety 4.1 for each *key function holder* as soon as reasonably practicable after the appointment of the *key function holder*.
- 2.3 The *PRA* directs that, subject to 2.4, the information referred to in 2.2 must be provided to the *PRA* in the *key function holder notification form* in accordance with 3.3.
- 2.4 The *PRA* directs that:
- (1) where the *key function holder* is to be approved by the *PRA* to perform a *senior insurance management function*, the *firm* must provide the information referred to in 2.2 to the *PRA* in whichever Form is required for the *senior insurance management function application*, pursuant to Senior Insurance Managers Regime - Applications and Notifications 2, which must be accompanied by a *scope of responsibilities form*; and
  - (2) where the *key function holder* is to be approved by the *FCA* to perform an *FCA controlled function*, the *firm* is not required to submit a *key function holder notification form* to the *PRA* to the extent the *firm* provides the information referred to in 2.2 to the *FCA* as part of the application to the *FCA*, with a *scope of responsibilities form*.

## **3 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS**

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- 3.1 The *PRA* directs that, save as required by 3.2 and 3.3, a *firm* must make any applications, notifications or submissions required by this Part by submitting the form specified using the *ONA system*.
- 3.2 If, under any direction or rule in this Part:
- (1) a *firm* is required to make an application, notification or submission online; and
  - (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,

until such time as facilities for online submission are restored, a *firm* must submit the specified form in the way set out in Notifications 7.

- 3.3 The notifications required under 2.3 and 6.5 should be submitted in accordance with Notifications 7.

#### 4 FORMS

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- 4.1 The *key function holder notification form*, Form M, may be found [here](#).

#### 5 LLOYD'S

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- 5.1 This Part applies to the *Society* and *managing agents* separately.

#### 6 TRANSITIONAL ARRANGEMENTS FOR KEY FUNCTION HOLDERS

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- 6.1 This Chapter applies only to:

- (1) *transitional key function holders*, in relation to *key functions* held as at 1 January 2016;
- (2) *grandfathering key function holders*, in relation to *key functions* held as at 7 March 2016; and
- (3) *new SIMF applicants*.

- 6.2 A *firm* must provide the information required by Insurance – Fitness and Propriety 4.1 for each *transitional key function holder*, *grandfathering key function holder* and *new SIMF applicant* in accordance with 6.3 – 6.5.

- 6.3 In respect of a *grandfathering key function holder*, the requirement in 6.2 will be satisfied where the *firm* submits a *grandfathering notification* in accordance with Senior Insurance Managers Regime - Transitional Provisions 2.1, or the update to the *grandfathering notification* in accordance with Senior Insurance Managers Regime - Transitional Provisions 5 (as the case may be), provided that the *firm* also submits a *scope of responsibilities form* to the *PRA* in respect of that *grandfathering key function holder* by 7 September 2016.

- 6.4 In respect of a *new SIMF applicant*, the *PRA* directs that a *firm* must provide the information referred to in 6.2 to the *PRA* in whichever form is required for the *senior insurance management approval application*, pursuant to Senior Insurance Managers Regime - Applications and Notifications 2, which must be accompanied by a *scope of responsibilities form*.

- 6.5 In respect of a *transitional key function holder* who is not a *grandfathering key function holder* or a *new SIMF applicant*, the *PRA* directs that a *firm* must provide the information referred to in 6.2 to the *PRA* by sending the *key function holder notification form* to the *PRA* in accordance with 3.3 by 7 September 2016.

## Annex C

In this Annex, the text is all new and is not underlined.

Part

# **SENIOR INSURANCE MANAGERS REGIME - TRANSITIONAL PROVISIONS**

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## Chapter content

1. APPLICATION AND DEFINITIONS
2. GENERAL
3. GRANDFATHERING NOTIFICATION REQUIREMENTS
4. PROCEDURE FOR MAKING GRANDFATHERING NOTIFICATIONS
5. WITHDRAWING OR UPDATING A GRANDFATHERING NOTIFICATION
6. TABLE OF FUNCTIONS FOR GRANDFATHERING
7. FORMS
8. TRANSITIONAL ARRANGEMENTS FOR NEW SENIOR INSURANCE MANAGEMENT  
FUNCTIONS
9. LLOYD'S

Links

## 1 APPLICATION AND DEFINITIONS

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1.1 Unless otherwise stated, this Part applies to:

- (1) a *firm* that, on the *effective date*, has a *Part 4A permission* for *effecting contracts of insurance* or *carrying out contracts of insurance* and which will with effect from 1 January 2016 be:
  - (a) a *UK Solvency II firm*;
  - (b) a *third country branch undertaking* (other than a *Swiss general insurer*); or
  - (c) a *UK ISPV*;
- (2) the *Society*, as modified by 9; and
- (3) *managing agents*, as modified by 9.

1.2 In this Part, the following definitions shall apply:

*candidate*

means a *person* in respect of whom a *firm* has made a *pending application*.

*commencement date*

means 7 March 2016.

*continued approval*

means approval to perform a *senior insurance management function* under section 59 of FSMA, granted pursuant to a *grandfathering notification*.

*effective date*

means 19 August 2015.

*equivalent function*

means a *senior insurance management function* or an *FCA function* that, in either case, is specified in 6 as equivalent, for the purposes of articles 2(3)(b) and 11(c) of the *Transitional Order*, to a *pre-implementation controlled function*.

*FCA activities*

means a function which would, except for any of the following provisions in SUP TP 7.2.3R of the *FCA Handbook*, be an *FCA governing function*:

- (1) Part 1 (Solvency II firms other than insurance special purpose vehicles and third-country insurance and reinsurance undertakings) Notes 1 and 2;
- (2) Part 2 (Insurance special purpose vehicles) Notes 1 and 2; and
- (3) Part 3 (Third-country insurance and reinsurance undertakings) Note 1.

*FCA controlled function*

means a *controlled function* specified by the *FCA* under section 59 of *FSMA*.

*FCA function*

means any of the functions specified in column 3 (FCA controlled functions) of the table set out in 6.

*grandfathering notification*

means a notice required to be sent to the *PRA* under article 2(1) or 11(b) of the *Transitional Order*, including any update to such a notice.

*pending application*

means an application for approval under section 60 of *FSMA* which:

- (1) has been received by the *FCA* or *PRA* from the *firm* on or before the *commencement date*, and
- (2) has not been determined or withdrawn.

*pre-implementation controlled function*

means any of the *controlled functions* listed in column 1 of the table in 6.

*senior insurance management function*

means a function specified as a *controlled function* in Insurance - Senior Insurance Management Functions 2 in relation to the carrying on of a *regulated activity* by a *firm*.

*Transitional Order*

means the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015 (SI 2015/492).

## **2 GENERAL**

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- 2.1 The *PRA* directs that a *firm* must make a *grandfathering notification* using Form K before 8 February 2016.
- 2.2 The *PRA* directs that the notice required by article 6(1) of the *Transitional Order* must be provided to the *PRA* using Form K.
- 2.3 The *PRA* directs that the notice required by article 11(b) of the *Transitional Order* in respect of a *candidate* for whom *continued approval* is sought must be provided to the *PRA* in Form K as part of a *grandfathering notification*.

## **3 GRANDFATHERING NOTIFICATION REQUIREMENTS**

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- 3.1 Where a *grandfathering notification* is required pursuant to 2.1, a *firm* must ensure that it sets out the following details in respect of each *approved person* or *candidate*:
  - (1) each of the *pre-implementation controlled functions* for which the *person* is approved, or (in the case of a *candidate*) has a *pending application*, in relation to the *firm*;
  - (2) each *senior insurance management function* to be performed by the *person* on and after the *commencement date* in relation to the *firm*;

- (3) each *FCA function* (if any) to be performed by the *person* on and after the *commencement date* in relation to the *firm*.
- 3.2 The *PRA* directs that a *firm* must not specify in a *grandfathering notification* a *senior insurance management function* or *FCA function* for a *person* which is not an *equivalent function* in the table in 6 or the table in SUP TP 7.2.3R in the *FCA Handbook* in relation to:
- (1) (for an *approved person*) any *pre-implementation controlled functions* for which the *person* has approval in relation to the *firm*; or
  - (2) (for a *candidate*) any *pre-implementation controlled functions* in respect of which there is a *pending application*.
- 3.3 The *PRA* directs that a *firm* must list in the *grandfathering notification* each *approved person* or *candidate* who, on the *commencement date*, will be acting in the capacity of a *non-executive director* but who will not be performing a *senior insurance management function* or *FCA function*.

#### 4 PROCEDURE FOR MAKING GRANDFATHERING NOTIFICATIONS

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- 4.1 The *PRA* directs that, save as required by 4.2 and 8.2, a *firm* must make any applications, notifications or submissions required by this Part using the *ONA system*.
- 4.2 If, under any direction or rule in this Part:
- (1) a *firm* is required to make an application, notification or submission online; and
  - (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,
- until such time as facilities for online submission are restored a *firm* may submit the specified form in accordance with Notifications 7.

#### 5 WITHDRAWING OR UPDATING A GRANDFATHERING NOTIFICATION

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- 5.1 The *PRA* directs that if, before the *commencement date*, there has been a significant change to the matters covered by the *grandfathering notification*, the *firm* must provide a revised version of it to the *PRA*.

#### 6 TABLE OF EQUIVALENT FUNCTIONS FOR GRANDFATHERING

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- 6.1 The *senior insurance management functions* set out in column 2 of the table are specified as *equivalent functions*, in each case in relation to the *pre-implementation controlled functions* set out in the corresponding row in column 1 of the table below.
- 6.2 The *FCA functions* set out in column 3 of the table are specified as *equivalent functions*, in each case in relation to the *pre-implementation controlled functions* set out in the corresponding row of column 1 of the table below.

Column 1	Column 2	Column 3
PRA or FCA Controlled Function	PRA Senior Insurance Management Function	FCA Function

<b>All firms apart from third country branch undertakings and UK ISPVs</b>		
Director (CF1)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Insurance Manager function (SIMF7) Chief Actuary function (SIMF20) Chief Underwriting Officer function (SIMF22) Underwriting Risk Oversight function (SIMF23)	FCA Director function (CF1) (see Note)
Non-executive director (CF2)	Group Entity Senior Insurance Manager function (SIMF7) Chairman function (SIMF9) Chair of the Risk Committee function (SIMF10) Chair of the Audit Committee function (SIMF11) Chair of the Remuneration Committee function (SIMF12) Senior Independent Director function (SIMF14)	Chair of the Nomination Committee function (CF2a) Chair of the With-Profits Committee (CF2b) (see Note)
Chief executive (CF3)	Chief Executive function (SIMF1)	
Director of unincorporated association (CF5)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Insurance Manager function (SIMF7) Chief Actuary function (SIMF20) Chief Underwriting Officer function (SIMF22) Chairman function (SIMF9) Chair of the Risk Committee function (SIMF10) Chair of the Audit Committee function (SIMF11) Chair of the Remuneration Committee function (SIMF12) Senior Independent Director function (SIMF14)	FCA Director of an unincorporated association function (CF5) Chair of the Nomination Committee function (CF2a) Chair of the With-Profits committee (CF2b) (See Note)

Column 1	Column 2	Column 3
Actuary (CF12)	Chief Actuary function (SIMF20)	
With-Profits Actuary (CF12A)	With-Profits Actuary function (SIMF21)	
Lloyd's Actuary (CF12B)	Chief Actuary function (SIMF20) Underwriting Risk Oversight function (SIMF23)	
Systems and Controls (CF28)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5)	
Significant management (CF29)	Group Entity Senior Insurance function Manager (SIMF7) Chief Actuary function (SIMF20) (general insurance firms only) Chief Underwriting Officer function (SIMF22) Underwriting Risk Oversight function (SIMF23)	
UK ISPVs		
PRA or FCA Controlled Function	PRA Senior Insurance Management Function	FCA Function
Director (CF1)	Chief Finance function (SIMF2) Chief Actuary function (SIMF20) Group Entity Senior Insurance Manager function (SIMF7)	FCA Director function (CF1) (see Note)
Non-executive director (CF2)	Chairman function (SIMF 9)	Chair of the Nomination Committee function (CF2a) Chair of the With-Profits Committee (CF2b) (see Note)
Chief executive (CF3)	Chief Executive function (SIMF1)	

Column 1	Column 2	Column 3
Actuary (CF12)	Chief Actuary function (SIMF20)	
Systems and Controls (CF28)	Chief Finance function (SIMF2)	FCA Systems and Controls function (CF28) (see Note)
Significant management (CF29)	Group Entity Senior Insurance Manager (SIMF7) Chief Actuary function (SIMF20) (general insurance firms only)	
<b><u>Third country branch undertakings</u></b>		
<b><u>PRA or FCA Controlled Function</u></b>	<b><u>PRA Senior Insurance Management Function</u></b>	<b><u>FCA Function</u></b>
Director (CF1)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Manager (SIMF7) Head of Third Country Branch function (SIMF19) Chief Actuary function (SIMF20) Chief Underwriting Officer function (SIMF22)	FCA Director function (CF1) (see Note)
Non-executive director (CF2)	Group Entity Senior Manager (SIMF7) Chairman function (SIMF 9) Senior Independent Director function (SIMF 14) Chair of the Risk Committee function (SIMF 10) Chair of the Audit Committee function (SIMF 11) Chair of the Remuneration Committee function (SIMF 12)	

Column 1	Column 2	Column 3
Chief executive (CF3)	Head of Third Country Branch function (SIMF19)	
Actuarial (CF 12)	Chief Actuary function (SIMF20)	Actuarial conduct function (third country) (CF 51) (conduct perspective only)
With-profits actuary (CF12A)	With-Profits Actuary function (SIMF21)	
Systems and controls (CF28)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5)	FCA Systems and Controls (CF28) (see Note)
FCA Significant management (CF 29)	Chief Underwriting Officer function (SIMF22) Group Entity Senior Insurance Manager (SIMF7)	

Note: See SUP TP 7.2.3 R in the *FCA Handbook*.

- 6.3 (1) If, in relation to a *firm*, a *senior insurance management function holder* with *continued approval* also performs *FCA activities* on and from the *commencement date*, performance of the *senior insurance management function* will include the performance of those *FCA activities* provided that the *firm* has included details of the *FCA activities* in a *scope of responsibilities form* for that *senior insurance management function holder* which is provided to the *PRA* by 7 September 2016 in accordance with Key Function Holder – Notifications 6.3.
- (2) If, in relation to a *firm*, a *senior insurance management function holder* with *continued approval* has been performing *FCA activities* in the circumstances set out in (1), and that *person*:
- (a) ceases to perform the *senior insurance management function*;
  - (b) within three *months* of ceasing performance, is approved to perform a new *senior insurance management function* at the *firm*; and
  - (c) continues to perform the *FCA activities*,
- performance of the new *senior insurance management function* will include the performance of those *FCA activities*, provided:
- (d) the *PRA*'s approval to perform that *senior insurance management function* continues in force;
  - (e) the *firm* makes the notification required by SUP10A.11.12 R (4) of the *FCA Handbook*; and
  - (f) that *person* performs and is continuing to perform the *FCA activities*.

- 6.4 If a *senior insurance management function holder* to whom 6.3 applies ceases to perform a *senior insurance management function* but continues to perform the *FCA activities*, 6.3(1) will continue to apply in respect of the performance of the *FCA activities* until the earlier of:
- (1) approval by the *FCA* in respect of the performance by that *person* of those *FCA activities* as an *FCA governing function* in relation to the *firm*; or
  - (2) three *months* from the time that the *person* ceased to perform that *senior insurance management function*.
- 6.5 The PRA directs that a *firm* must not specify in the *grandfathering notification* that any *person* shall perform any combination of *senior insurance management functions* which is prohibited by any other provision of the *PRA Rulebook* or the *FCA Handbook*.

## 7. FORMS

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- 7.1 The *grandfathering notification* form, Form K, may be found [here](#).

## 8. TRANSITIONAL ARRANGEMENTS FOR NEW SENIOR INSURANCE MANAGEMENT FUNCTIONS

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- 8.1 This Chapter applies only before the *commencement date*.
- 8.2 Where an *approved person* or a *candidate* is intended to perform a *senior insurance management function* with effect from the *commencement date* but:
- (1) in the case of an *approved person*, is not prior to the *commencement date* approved; or
  - (2) in the case of a *candidate*, is not to be approved

to perform a *controlled function* that is equivalent to the proposed *senior insurance management function* in accordance with 6, the *PRA* directs that the *firm* must not submit a *grandfathering notification* in respect of that *approved person* or *candidate* (as the case may be) but must instead submit a *senior insurance management application* for the proposed *senior insurance management function* in accordance with Key Function Holder – Notifications 6.4.

## 9. LLOYD'S

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- 9.1 This Part applies to the *Society* and *managing agents* separately.