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 137G (The PRA’s general rules); and
   (2) section 137T (General supplementary powers).

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), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of the proposed rules and had regard to representations made.

PRA Rulebook: Non-Solvency II Firms: Insurance Company – Mathematical Reserves Instrument 2020
D. The PRA makes the rules in the Annex to this instrument.

Commencement
E. This instrument comes into force on 8 September 2020.

Citation
F. This instrument may be cited as the PRA Rulebook: Non-Solvency II Firms: Insurance Company – Mathematical Reserves Instrument 2020.

By order of the Prudential Regulation Committee
2 September 2020
Annex

Amendments to the Insurance Company - Mathematical Reserves Part

In this Annex new text is underlined and deleted text is struck through.

... 

REINSURANCE

...

18.3 For purposes of 18.2:

...

(2) reinsurance cash outflows need not to be valued provided that:

...

(b) the conditions in 18.4 are satisfied;

...

18.4 The conditions referred to in 18.3(2)(b) are that:

...

(2) the present value of the future reinsurance cash outflows that may be disregarded under 18.3(2) must not at any time exceed the value of the aggregate net cash inflows that have already been received by the firm under the contract of reinsurance accumulated at an assumed rate of LIBOR SONIA + 6% per annum.

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