Solvency II: Supervisory disclosures, the PRA’s supervisory approach and insurance regulations applicable in the United Kingdom

On 28 April 2017, the Prudential Regulation Authority (PRA) published supervisory disclosures in line with its obligations under Article 31(2) of the Solvency II Directive. These disclosures include: aggregate statistical data on key aspects of the application of the prudential framework; a table covering the manner of exercise of the options provided for in the Solvency II Directive; links to the texts of insurance regulations applicable in the United Kingdom; and links to the PRA’s supervisory approach.

This public disclosure is designed to foster a uniform level of transparency and accountability between supervisory authorities. The material published will be of primary interest to PRA authorised insurance companies.

This information is accurate as at 28 April 2017 and will be updated on a regular basis.

(a) ‘Laws, regulations, administrative rules and general guidance’ with regard to the requirement under point (a) of Article 31(2) of Directive 2009/138/EC:

Union legislation in the field of insurance regulation that is directly applicable within the territory of the home Member State:

i. Solvency II Delegated Regulations

Commission Delegated Regulation (EU) 2016/467 of 30 September 2015 amending Commission Delegated Regulation (EU) 2015/35 concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings (Text with EEA relevance)


ii. Solvency II Implementing Regulations


Commission Implementing Regulation (EU) 2016/1800 of 11 October 2016 laying down implementing technical standards with regard to the allocation of credit assessments of external credit assessment institutions to an objective scale of credit quality steps in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)

Commission Implementing Regulation (EU) 2016/1630 of 9 September 2016 laying down implementing technical standards with regard to the procedures for the application of the transitional
measure for the equity risk sub-module in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)


Commission Implementing Regulation (EU) 2015/2011 of 11 November 2015 laying down implementing technical standards with regard to the lists of regional governments and local authorities, exposures to whom are to be treated as exposures to the central government in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)


Commission Implementing Regulation (EU) 2015/499 of 24 March 2015 laying down implementing technical standards with regard to the procedures to be used for granting supervisory approval for the use of ancillary own-fund items in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)


Commission Implementing Regulation (EU) 2015/462 of 19 March 2015 laying down implementing technical standards with regard to the procedures for supervisory approval to establish special purpose vehicles, for the cooperation and exchange of information between supervisory authorities regarding special purpose vehicles as well as to set out formats and templates for information to be reported by special purpose vehicles in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)


Commission Implementing Regulation (EU) 2015/461 of 19 March 2015 laying down implementing technical standards with regard to the process to reach a joint decision on the application to use a group internal model in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)
iii. Solvency II Delegated Decisions


- Commission Delegated Decision (EU) 2015/2290 of 12 June 2015 on the provisional equivalence of the solvency regimes in force in Australia, Bermuda, Brazil, Canada, Mexico and the United States and applicable to insurance and reinsurance undertakings with head offices in those countries


iv. Solvency II EIOPA Guidelines

- Guidelines on the supervision of branches of third-country insurance undertakings
- Guidelines on Financial Stability Reporting
- Guidelines on the Extension of the Recovery Period
- Guidelines on the exchange of information within colleges
- Guidelines on the implementation of the long-term guarantee measures
- Guidelines on the methods for determining the market shares for reporting
- Guidelines on reporting and public disclosure
- Guidelines on recognition and valuation of assets and liabilities other than technical provisions
- Guidelines on System of Governance
- Guidelines on Own Risk Solvency Assessment (ORSA)
- Guidelines on ancillary own funds
- Guidelines on application of outwards reinsurance
- Guidelines on the application of life underwriting risk module
- Guidelines on basis risk
- Guidelines on classification of own funds
- Guidelines on contract boundaries
- Guidelines on group solvency
- Guidelines on health catastrophe risk sub-module
Guidelines on look-through approach

Guidelines on operational functioning of colleges

Guidelines on ring-fenced funds

Guidelines on supervisory review process

Guidelines on the loss-absorbing capacity of technical provisions and deferred taxes

Guidelines on the methodology for equivalence assessments by national supervisory authorities under Solvency II

Guidelines on the treatment of market and counterparty risk exposures in the standard formula

Guidelines on the use of internal models

Guidelines on treatment of related undertakings, including participations

Guidelines on undertaking-specific parameters

Guidelines on valuation of technical provisions

v. International Accounting Standards Regulation


vi. Audit Regulation


The text of national laws, regulations, administrative rules and general guidance in the field of insurance regulation, transposing or based on Union law or otherwise applicable in the home Member States:


Financial Services and Markets Act 2000

Road Traffic Act 1988

Companies Act 2006

Solvency II Regulations 2015

Insurers (Reorganisation and Winding Up) Regulations 2004

Insurance Companies (Legal Expenses Insurance) Regulations 1990
The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

FRS 103 – Insurance Contracts: Consolidated accounting and reporting requirements for entities in the UK and Republic of Ireland issuing insurance contracts

Amendments to FRS 103 - Insurance Contracts: Solvency II

PRA Rulebook (Solvency II Firms)
PRA Rulebook (Non-Solvency II Firms)

FCA Handbook

(b) ‘The supervisory authority review process’ with regards to the requirement under point (b) of Article 31(2) of Directive 2009/138/EC;

PRA Insurance Supervision

The PRA’s approach to insurance supervision

PRA publications

(c) ‘Aggregate statistical data’ with regard to the requirement under point (c) of Article 31(2) of Directive 2009/138/EC;

Template C
Template D

The first time for publication of aggregate statistical data in 2017 for “Template A for the disclosure of aggregate statistical data with regard to insurance and reinsurance undertakings supervised under Directive 2009/138/EC” and “Template B for the disclosure of aggregate statistical data with regard to insurance groups supervised under directive 2009/138/EC” is August 2017. This disclosure will relate to the annual information provided by the firms.

(d) ‘The exercise of options under Directive 2009/138/EC with regard to the requirement under point (d) of Article 31(2) of Directive 2009/138/EC;

Template for the disclosure of information regarding the exercise of options

(e) ‘Supervisory objectives, main functions and activities’ with regard to the requirement under point (e) of Article 31(2) of Directive 2009/138/EC.

Supervisory objectives and main supervisory functions

PRA supervisory approach

The PRA’s approach to insurance supervision

Main areas of ongoing or planned supervisory activity

PRA annual report and accounts