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## DIRECTION

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To: [] (FRN []) (“the firm”)

Of: []

Ref: []

Date: []

### **PRA Rulebook Group Supervision 20.1 (Version as in force at the date this Direction takes effect)**

#### **Power**

1. This direction is given by the *PRA* under section 138A of the Financial Services and Markets Act 2000.

#### **Duration**

2. (1) This direction takes effect on [] October 2021.

(2) This direction ends on the earlier of:

i) The date the relevant rule is revoked or no longer applies to the firm (in whole or in part); or

ii) [] October 2024.

#### **Rules Modified**

3. The *PRA* directs that the *rules* listed below apply to the firms with the modifications shown.

Rule	Modification
<p>Group Supervision 20.1</p>	<p>20.1 When 2.1(3) applies, <del>4 to 14, 16 to 19 and External Audit 2 to 4</del> apply applies with any necessary changes at the level of the <i>insurance holding company</i> or <i>mixed financial holding company</i> which does not have its head office in the UK or Gibraltar, <i>third country insurance undertaking</i> or <i>third country reinsurance undertaking</i> unless:</p> <p>(1) subject to 20.2, the third country in which that <i>undertaking</i> has its head office is assessed to be equivalent under provisions implementing Article 260 of the <i>Solvency II Directive</i>, Article 380 and 380A of the <i>delegated act</i>, or an equivalence determination under paragraph 12 of Schedule 1 of The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019 <u>in which case this rule and 20.1A do not apply</u>; <del>or</del></p> <p><del>(2) in the absence of equivalent group supervision referred to in Article 260 of the <i>Solvency II Directive</i>, the PRA has specified other methods in accordance with provisions implementing Article 262 of the <i>Solvency II Directive</i>, Article 380 and 380A of the <i>delegated act</i>, or an equivalence determination under paragraph 12 of Schedule 1 of The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019.</del></p> <p><u>20.1A When 2.1(3) applies, each relevant insurance group undertaking and (as applicable) UK holding company must provide to the PRA a copy of their most recently available ORSA (or equivalent group risk report) within one month of it being reported to the US supervisor. The information to be provided to the PRA within one month of submitting to the US group supervisor includes:</u></p> <p>(i) <u>a description of the insurance or reinsurance group's risk management framework;</u></p> <p>(ii) <u>an assessment of the insurance or</u></p>

Rule	Modification
	<p style="text-align: center;"><u>reinsurance group's risk exposure; and</u></p> <p style="text-align: center;">(iii) <u>a group assessment of risk capital and a prospective solvency assessment.</u></p>
<p>Group Supervision 20.2</p>	<p>20.2 <del>20.1(1) does not apply where, in the case of temporary equivalence under Article 260(5) of the <i>Solvency II Directive</i>, there is a <i>Solvency II undertaking</i> in the <i>group</i> that has a balance sheet total that exceeds the balance sheet total of the <i>parent undertaking</i> situated outside of the <u>UK and Gibraltar.</u></del></p> <p><u>Notwithstanding an assessment of equivalence under provisions implementing Article 260 of the <i>Solvency II Directive</i>, Article 380 and 380A of the <i>delegated act</i>, or an equivalence determination under paragraph 12 of Schedule 1 of The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019, as referred to in 20.1, rules 20.1 to 20.1A apply where, in the case of temporary equivalence under provisions implementing Article 260(5) of the <i>Solvency II Directive</i>, there is a <i>Solvency II undertaking</i> in the <i>group</i> that has a balance sheet total that exceeds the balance sheet total of the <i>parent undertaking</i> situated outside of the <u>UK and Gibraltar.</u></u></p>

## Interpretation

4. Interpretative provisions (including definitions) of the *PRA Rulebook* apply to this direction in the same way they apply to the *PRA Rulebook*.

**Anna Sweeney**  
**Executive Director**  
**Prudential Regulation Authority**