



WRITTEN NOTICE

Variation and Recalculation of Transitional Measure on Technical Provisions

To: Aviva Life & Pensions UK Limited (FRN: 185896) (the “firm”)
Of: Wellington Row, York, North Yorkshire YO90 1WR
Reference Number: 5418763
Date: 19 December 2019

Decisions

- (1) In accordance with Regulation 54(1)(b) of The Solvency 2 Regulations 2015 (SI 215/575) (the ‘Regulations’), the Prudential Regulation Authority (the ‘PRA’) hereby:
 - (a) grants the firm permission to recalculate its transitional deduction to its technical provisions as at 31 December 2019.
- (2) In accordance with Regulation 54(5)(b)(ii) of the Regulations, the PRA has decided to amend the condition to change the limit set out in paragraph 4 of the approval to apply the transitional measure on technical provisions in Written Notice 2134029 dated 22 December 2015 (the ‘Limit’) so that the Limit is adjusted in accordance with paragraph (3). This supersedes paragraph (3) in Written Notice 3063346 dated 5 October 2016.
- (3) The Limit must be adjusted by excluding, when calculating the financial resources which the undertaking would be required to maintain in accordance with GENPRU 1.2.26R of the PRA Handbook as at 31 December 2015 as if GENPRU 1.2.26R still applied, the excess of the amount that would be required to be made as a provision for any future planned enhancements, in accordance with INSPRU 7 as at 31 December 2015, as if the rules and guidance therein still applied to the undertaking, over the provision that would have been required were it to have been set equal to the level of such enhancements included in the best estimate component of the technical provisions calculated in accordance with the Technical Provisions and Surplus Funds rules within the PRA Rulebook.

Reasons for the decisions

- (4) This approval relates to the firm’s application to undertake a recalculation at the end of every 24 months following the commencement of the transitional measure on 1 January 2016.
- (5) The PRA concluded that it was appropriate to apply a limit to the amount of the approved deduction to comply with condition 3 of Regulation 54 of the Regulations in order to ensure that the deduction does not result in the financial resources that the firm is required to maintain being less than the financial resources that the undertaking would be required to maintain in accordance with GENPRU 1.2.26R. This limit has been varied in order to remove the effects of inconsistencies in the treatment of future planned enhancements under INSPRU 7 as compared with Solvency 2 requirements.

Effect

- (6) This approval takes effect on 31 December 2019.



Decision-maker

- (7) The decision which gave rise to the obligation to give this Notice was made by Lisa Leaman, Head of Division, Retail Life Insurance, Life Insurance Directorate.

Publication

- (8) Details of this approval will be published on the Financial Services Register.

PRA contacts

- (9) For more information concerning this matter generally, the firm should contact their usual supervisory contact.

Lisa Leaman
Head of Division
Retail Life Insurance
Life Insurance Directorate
For and on behalf of the PRA