



WRITTEN NOTICE

Variation and Recalculation of Transitional Measure on Technical Provisions

To: ReAssure Limited (FRN: 110495) (“the firm”)
Of: Windsor House, Ironmasters Way, Telford Shropshire TF3 4NB
Reference: 00001582
Date: 8 September 2020

Decision

- (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 grants the firm permission to recalculate its transitional deduction to its technical provisions (“TMTP”) as at 14 August 2020.
- (2) In accordance with Regulation 54(5)(b) of the Regulations, the PRA hereby varies the TMTP approved in the Written Notice – Transitional Measure on Technical Provisions dated 22 December 2015 (reference 2197846) to subject that approval to a condition limiting the amount of the approved deduction.
- (3) The amount of the approved transitional deduction is limited so that:
 - (a) Subject to (b) and (c), a limit should be applied by the firm so that the TMTP does not result in the financial resources which the undertaking is required to maintain being less than 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 is still applied to the undertaking;
 - (b) When the financial resources which the firm would be required to maintain in accordance with GENPRU 1.2.26R if that rule still applied to the firm is equal to the financial resources that would be required in accordance with INSPRU 1 to 6 as at 31 December 2015 as if those rules still applied to the firm, the limit referred to in (a) shall be adjusted by excluding the amount that would be required to be made as a provision for any future planned enhancements in accordance with INSPRU 1.3.141R as at 31 December 2015 as if the rule still applied when calculating the with-profits insurance capital component for each with-profits fund; and
 - (c) When the financial resources which the firm would be required to maintain in accordance with GENPRU 1.2.26R if that rule still applied to the firm is equal to the financial resources that would be required in accordance with INSPRU 1 to 7 as at 31 December 2015 as if those rules still applied to the firm, the limit referred to in (a) shall be adjusted by excluding amounts that would be required to be maintained in relation to the ReAssure Staff Pension Scheme;
 - (d) The development of the transitional deduction under condition 1 of regulation 54 of the Solvency 2 Regulations 2015 should be performed after the limit has been applied to the transitional deduction, so that ‘TN’ is limited by an amount equal to the original limit multiplied by $(1 - N/16)$.

Reasons for the decisions

- (4) This notice is based on the information set out in the Firm’s application dated 25 June 2020.
- (5) Based on that information the PRA has concluded that:
 - a) condition 4 of Regulation 54 of the Regulations is satisfied; and

- b) condition 3 of Regulation 54 of the Regulations is not satisfied, but would be satisfied if the amount of the TMTP was limited in the manner set out in paragraphs 3(b) and (c) above.

- (6) The PRA considers that it is appropriate to apply the above limits to the amount of the TMTP in order to ensure that the deduction does not result in the financial resources which the firm is required to maintain being less than the financial resources which it would be required to maintain in accordance with GENPRU 1.2.26R;

Effect

- (7) This approval takes effect on 14 August 2020.

Decision-maker

- (8) The decision which gave rise to the obligation to give this Notice was made by Mark Cornelius on behalf of the PRA.

Publication

- (9) Details of this notice will be published on the Financial Services Register.

PRA contacts

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

Mark Cornelius
Head of Department, Major Life Groups
For and on behalf of the PRA