



Direction

To: Apollo Syndicate Management Limited ("the firm") (FRN660936)

Of: 1 Bishopsgate London EC2N 3AQ

Ref: 00002409

Date: 10 February 2021

PRA Rulebook SII Firms – Lloyd's (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 08 February 2021.

(2) This Direction ends when all underlying liabilities subject to the "other permitted reinsurance to close" as defined in the modified Rule 3.1 have been extinguished.

Rules Modified

3. The *PRA* directs that the *rule* listed below apply to the *firm* with the modifications shown.



Rule	Modification
PRA Rulebook SII Firms – Lloyd’s 3.1 Approved Reinsurance to Close	3.1 Notwithstanding that the liability of a reinsured <i>member</i> to a <i>policyholder</i> is unaffected by an <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> for the purposes of the <i>Solvency II Firms</i> Sector of the <i>PRA Rulebook</i>: (1) for an <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> which is not to a <i>subsidiary undertaking</i> of the <i>Society</i>: (a) a <i>contract of insurance</i> reinsured under an <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> must be treated as if the reinsuring <i>member</i> and not the reinsured <i>member</i> had effected the original <i>contract of insurance</i>; and (b) any payment received by a <i>member</i> as consideration for or in connection with an <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> must be treated as a <i>Lloyd’s member’s contribution</i> and not as <i>premium</i> or as a <i>reinsurance recovery</i>. (2) for an <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> to a <i>subsidiary undertaking</i> of the <i>Society</i>, a <i>contract of insurance</i> reinsured under that <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> must be treated as if the reinsured <i>member</i> had not effected the original <i>contract of insurance</i> but: (a) for the purposes of the calculation of the <i>Lloyd’s SCR</i>, <i>general insurance business</i> carried on by <i>members</i> and <i>former underwriting members</i> which has been reinsured to a <i>subsidiary undertaking</i> of the <i>Society</i> under an <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> must be treated as reinsured to a third party; and (b) for the purposes of calculating the <i>SCR</i> of any <i>subsidiary undertaking</i> of the <i>Society</i> which is a <i>UK Solvency II firm</i>, the <i>approved reinsurance to close</i> <u>or other permitted reinsurance to close</u> must be treated as a <i>reinsurance</i>. <u>For the purposes of this rule “other permitted reinsurance to close” is defined as the split-syndicate reinsurance to close of the 2017 and prior year liabilities of Apollo’s Syndicate 1969 2018 year of account into Compre Syndicate 1994 2021 year of account and all liabilities comprised in the 2018 year of account of Syndicate 1969 other than the 2017 and prior year liabilities into the 2019 year of account of Syndicate 1969.</u>

Interpretation

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

Lisa Leaman
Head of Division
Prudential Regulation Authority