



Direction

To: MS Amlin Underwriting Limited (FRN 204918) ("the *firm*")

Ref: 00003947

Of: The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AG

Date: 11 February 2022

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 11 February 2022.

(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 applies to the firm with the modifications shown.

Rule	Modification
SII Firms – Lloyd's – Rule 3.1 Approved Reinsurance to Close	<i>Rule 3.1.</i> <i>Notwithstanding that the liability of a reinsured member to a policyholder is unaffected by an approved reinsurance to close for the purposes of the Solvency II Firms Sector of the PRA Rulebook:</i> <i>(1) for an approved reinsurance to close <u>or other permitted reinsurance to close</u> which is not to a subsidiary undertaking of the Society:</i> <i>(a) A contract of insurance reinsured under an approved reinsurance to close <u>or other permitted reinsurance to close</u> must be treated as if</i>

the reinsuring member and not the reinsured member had effected the original contract of insurance; and

(b) Any payment received by a member as consideration for or in connection with an approved reinsurance to close or other permitted reinsurance to close must be treated as a Lloyd's member's contribution and not as premium or as a reinsurance recovery.

(2) for an approved reinsurance to close or other permitted reinsurance to close to a subsidiary undertaking of the Society, a contract of insurance reinsured under that approved reinsurance to close or other permitted reinsurance to close must be treated as if the reinsured member had not effected the original contract of insurance but:

(a) For the purposes of the calculation of the Lloyd's SCR, general insurance business carried on by members and former underwriting members which has been reinsured to a subsidiary undertaking of the Society under an approved reinsurance to close or other permitted reinsurance to close must be treated as reinsured to a third party; and

(b) For the purposes of calculating the SCR of any subsidiary undertaking of the Society which is a UK Solvency II firm, the approved reinsurance to close or other permitted reinsurance to close must be treated as a reinsurance.

For the purposes of this rule, "other permitted reinsurance to close" is defined as the arrangement for a split-syndicate reinsurance to close of the property and casualty UK ("P&C UK") liabilities of MS AUL's Syndicate 2001's 2019 and prior years of account ("YOAs") transferring to third party run-off specialist syndicate 3500 of RiverStone Managing Agency Ltd and the liabilities for the closed underwriting YOAs of the remaining (non-P&C UK) classes of Syndicate 2001 would be reinsured by Syndicate 2001.

The business description of that portfolio of risks is:

- All risks written by legacy P&C UK Syndicates 919, 1051 and 1185, reinsured to close into Syndicate 2001*
- All risks written as part of the MS AUL P&C UK portfolio within Syndicate 2001, being that business written through Lloyd's SCOB codes: Motor (AI011), Employers' Liability (AI070) Public/Product Liability (AI080), Package (AI090), and Real Estate (AI091) and predecessors/equivalent historical SCOB codes excluding:*
- Business written via binding authorities to the coverholder Insolvency Risk Services (IRS) – identified as risks written under binding authority agreements referenced '%LIQ%'*

	○ <i>Professional Indemnity (PI) business (AI050)</i> ○ <i>Any risks written directly by Syndicate 2001 that are facilitated through the use of centralised London Market / DXC processes</i> ○ <i>Any risks written directly by Syndicate 2001 and recorded on Subscribe and marked as DIRSET / PCLSET.</i>
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Interpretation

4. 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 Department
Prudential Regulation Authority