
DIRECTION

To: Probitas Managing Agency Limited (FRN 931446) ("the firm")

Of: 4th Floor, 21 Lime Street, London EC3M 7HB

Ref: 00005836

Date: 25 January 2023

Handbook 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. This direction takes effect on 25 January 2023.
3. 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

4. The PRA directs that the rule listed below applies to the firm with the modifications shown.

Rule	Modified
SII Firms – Lloyd's – Rule 3.1	Rule 3.1. Notwithstanding that the liability of a reinsured member to a policyholder is unaffected by an approved



Rule	Modified
Approved Reinsurance to Close	reinsurance to close for the purposes of the Solvency II Firms Sector of the PRA Rulebook: (1) for an approved reinsurance to close or <u>other permitted reinsurance to close</u> which is not to a subsidiary undertaking of the Society: (a) A contract of insurance reinsured under an approved reinsurance to close or <u>other permitted reinsurance to close</u> must be treated as if 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 <u>other permitted reinsurance to close</u> 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 <u>other permitted reinsurance to close</u> to a subsidiary undertaking of the Society, a contract of insurance reinsured under that approved reinsurance to close or <u>other permitted reinsurance to close</u> 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 <u>other permitted reinsurance to close</u> 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 <u>other permitted reinsurance to close</u> 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 <i>the 2018 and prior year liabilities of Probitas Managing Agency Ltd Syndicate 1492 2020 year of account into Enstar Managing Agency Ltd Syndicate 2008 2022 year of account and all liabilities comprised in the 2020 year of account of Syndicate 1492 other than the 2018 and prior</i>

Rule	Modified
	<i>year liabilities into the 2021 year of account of Syndicate 1492".</i>

Interpretation

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

Robert Martin
Manager, London Market Supervision
For and on behalf of the Prudential Regulation Authority