
DIRECTION

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

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

Ref: 00005915

Date: 26 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 26 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 the Property and Casualty UK ("P&C UK") liabilities of MS AUL's Syndicate 2001's 2020 year of account ("YOA"), 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

Rule	Modified
	(non-P&C UK) classes of Syndicate 2001 would be reinsured by Syndicate 2001. For the purposes of this rule, P&C UK liabilities means all contracts of insurance and reinsurance of the Syndicate 2001 underwritten through and allocated to the 2020 Year of Account written as part of the MS AUL Property & Casualty UK portfolio, 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 all predecessors/equivalent historical SCOB codes, excluding: a) contracts of insurance and reinsurance written through binding authority agreements with Insolvency Risk Services acting as coverholder, identified as risks written under binding authority agreements references '%LIQ%'; b) any contracts of insurance and reinsurance written through Lloyd's SCOB code Professional Indemnity (AI050); c) any contracts of insurance and reinsurance written directly by Syndicate 2001 that are facilitated through the use of centralised London Market / DXC processes; and d) any contracts of insurance and reinsurance written directly by the Syndicate 2001 that are recorded on the Subscribe policy administration system and marked as DIRSET / PCLSET (and as defined as "Business Description" under the 2020 YOA RITC Contract)."

Interpretation

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

Max Dobson
Senior Manager, London Markets
For and on behalf of the Prudential Regulation Authority