To: Aviva Life & Pensions UK Limited - FRN 185896  
(the “firm”)

Of: 2 Rougier Street  
York  
YO90 1UU

Reference Number: 3063346

Date: 5 October 2016

Decisions

(1) The Prudential Regulation Authority (the ‘PRA’) gave approval (Written Notice 2134029 dated 22 December 2015) to the firm to apply a transitional deduction to its technical provisions (the ‘TMTP Approval’), to vary that TMTP Approval from 30 June 2016 (Written Notice 2783534 dated 20 July 2016) and to grant the firm permission to recalculate its TMTP as at 1 January 2016 (Written Notice 2825129 dated 10 August 2016).

(2) In accordance with Regulation 54(5)(b)(ii) of The Solvency 2 Regulations 2015 (SI 215/575) (the ‘Regulations’), the PRA has decided to amend the condition to change the limit set out in paragraph 4 of the TMTP approval (the ‘Limit’) so that the Limit is adjusted in accordance with (3).

(3) The Limit must be adjusted by excluding, when calculating 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 still applied, the amount that would be required to be made as a provision for any future planned enhancements in accordance with INSPRU 7 as at 31 December 2015 as if the rules and guidance therein still applied to the undertaking.

Reasons

(4) This decision has been made on the basis of the information set out in the firm’s application dated 22 June 2016 and the additional information received on 6 July 2016, 22 August 2016 and 12 September 2016.

(5) The PRA concluded that it was appropriate to apply a limit to the amount of the approved deduction to comply with condition 3 of Regulation 54 of the Solvency 2 regulations 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 the undertaking would be required to maintain in accordance with GENPRU 1.2.26R. This limit has been varied in order to remove the effects of inconsistencies in the treatment of permanent enhancements under INSPRU 7 as compared with Solvency 2 requirements.
(6) The firm must apply the variation set out in paragraphs (2) and (3) of this written notice in calculating its TMTP from 5 October 2016.

(7) This approval takes effect as at 5 October 2016.

Decision-maker

(8) The decision which gave rise to the obligation to give this Notice was made by Lisa Leaman, Head of Division, Retail Life Insurance Supervision.

Publication

(9) Details of this approval 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.

Lisa Leaman
Head of Division, Retail Life Insurance Supervision
For and on behalf of the PRA