



## Direction

To: [Firm name] (“the firm”)

Of: [Firm Address]

Ref: [TARDIS Reference]

Date: [Date of issuance]

### **PRA Rulebook Group Supervision 20.1 and 20.2 (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 01 October 2018.  
(2) This direction ends on the earlier of:
  - i) the date the relevant rule is revoked or no longer applies to the firm (in whole or part); or
  - ii) 01 October 2021.

#### **Rules Modified**

3. The PRA directs that the *rules* listed below apply to the firms with the modifications shown.

<b>Group Supervision 20.1</b>	<p>The rule is replaced with the following:</p> <p>20.1 When 2.1(3) applies, 16 applies with any necessary changes at the level of the <i>insurance holding company</i> or <i>mixed financial holding company</i> which does not have its head office in an <i>EEA State</i>, <i>third country insurance undertaking</i> or <i>third country reinsurance undertaking</i> unless, subject to 20.2, the third country in which that <i>undertaking</i> has its head office is assessed to be equivalent under Article 260 of the <i>Solvency II Directive</i>, in which case this rule and 20.1A do not apply.</p> <p>Insert the following after rule 20.1:</p> <p>20.1A When 2.1(3) applies, each <i>relevant insurance group undertaking</i> and (as applicable) <i>UK holding company</i> must provide to the <i>PRA</i> a copy of their most recently available ORSA (or equivalent group risk report) within 1 month of it being reported to the US supervisor. The information to be provided to PRA within 1 month of submitting to the US group supervisor basis includes:</p> <ol style="list-style-type: none"><li>(i) a description of the insurance or reinsurance group’s risk management framework;</li><li>(ii) an assessment of the insurance or reinsurance group’s risk exposure; and</li></ol>
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	(iii) a group assessment of risk capital and a prospective solvency assessment.
<b>Group Supervision 20.2</b>	<p>The rule is replaced with the following:</p> <p>20.2 Notwithstanding an assessment of equivalence under Article 260 of the <i>Solvency II Directive</i> referred to in 20.1, rules 20.1 to 20.1A apply where, in the case of temporary equivalence under Article 260(5) of the <i>Solvency II Directive</i>, there is a <i>Solvency II undertaking</i> in the <i>group</i> that has a balance sheet total that exceeds the balance sheet total of the <i>parent undertaking</i> situated outside of the EEA.</p>

#### Interpretation

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

**Anna Sweeney**  
**Prudential Regulation Authority**