

## STATUTORY INSTRUMENTS

# 2015 No. 575

## The Solvency 2 Regulations 2015

### PART 4

#### Approvals

#### CHAPTER 1

#### Procedure: applications

#### Meaning of “approval”, “group application” <sup>F1</sup> and “protected item”]

38.—(1) In this Part <sup>F2</sup>...—

“approval” means an approval granted by the PRA under this Part;

“group application” means an application for permission to calculate any of the following matters in accordance with an internal model—

- (i) the consolidated group solvency capital requirement for a group and the solvency capital requirements for the insurance undertakings <sup>F3</sup>, reinsurance undertakings, Gibraltarian insurance undertakings and Gibraltarian reinsurance undertakings ] in the group in accordance with method 1 <sup>F4</sup>;
- (ii) the aggregated group solvency capital requirement in relation to group solvency determined in accordance with method 2 <sup>F5</sup>; and

“protected item” has the same meaning as in section 413 of FSMA.

<sup>F6</sup>(2) .....

- F1** Words in reg. 38 heading substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **10(2)(a)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))
- F2** Words in reg. 38(1) omitted (31.12.2020) by virtue of S.I. 2019/407, **reg. 10(2)(b)(i)** (as substituted by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(5)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F3** Words in reg. 38(1) substituted (31.12.2020) by S.I. 2019/407, **reg. 10(2)(b)(ii)** (as substituted by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(5)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F4** See Article 231 of the Solvency 2 Directive.
- F5** See Article 233(5) of the Solvency 2 Directive.
- F6** [Reg. 38\(2\)](#) omitted (31.12.2020) by virtue of [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **10(2)(c)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))

**Changes to legislation:** The Solvency 2 Regulations 2015, CHAPTER 1 is up to date with all changes known to be in force on or before 01 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## Applications: eligibility, process, information and documents

**39.**—(1) This regulation applies to an application to the PRA for—

- (a) the grant of an approval; or
- (b) a variation of an existing approval.

(2) An insurance undertaking, reinsurance undertaking or third-country insurance undertaking may apply for an approval under regulations 41 to 48, 53 and 54 only if it is authorised under Part 4A of FSMA.

(3) [<sup>F7</sup>An] application must—

- (a) be made in such manner as the PRA may direct; and
- (b) contain, or be accompanied by, such other information or documents as the PRA may reasonably require.

(4) At any time after receiving the application and before determining it, the PRA may require the undertaking to provide it with such further information or documents as it may reasonably require.

(5) The PRA may require any information provided under this regulation to be provided in such form and verified in such manner as it may reasonably require.

(6) The PRA may require any documents provided under this regulation to be produced at such place and authenticated in such manner as it may reasonably require.

(7) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

(8) The powers conferred on the PRA by this regulation—

- (a) must be exercised in accordance with any directly applicable regulation [<sup>F8</sup>that forms part of retained EU law] made under the Solvency 2 Directive; and
- (b) may not be used to require the production of a protected item.

<sup>F9</sup>(9) .....

(10) Where an application has been made to the PRA under regulation 43 (volatility adjustment), paragraphs (3)(b) and (4) may only be used to require—

- (a) a liquidity plan projecting the incoming and outgoing cash flows in relation to the assets and liabilities subject to the volatility adjustment;
- (b) where the disapplication of the volatility adjustment would result in the undertaking failing to meet the solvency capital requirement, an analysis of the measures the undertaking could apply to re-establish the level of own funds covering the solvency capital requirement or reduce its risk profile to restore compliance with the solvency capital requirement;
- (c) the undertaking's written policy on risk management;
- (d) an assessment of the undertaking's compliance with the [<sup>F10</sup>solvency capital requirement and minimum capital requirement]—
  - (i) when the volatility adjustment is applied; and
  - (ii) when the volatility adjustment is not applied.

**F7** Word in [reg. 39\(3\)](#) substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/407), regs. 1(2), [10\(3\)\(a\)](#) (as amended by S.I. 2020/1385, regs. 1(2), [54\(2\)](#))

**F8** Words in [reg. 39\(8\)\(a\)](#) inserted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/407), regs. 1(2), [10\(3\)\(b\)](#) (as amended by S.I. 2020/1385, regs. 1(2), [54\(2\)](#))

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- F9** Reg. 39(9) omitted (31.12.2020) by virtue of [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **10(3)(c)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2))
- F10** Words in reg. 39(10)(d) substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **10(3)(d)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2))

### **Additional process: applications from groups and applications to more than one supervisory authority**

<sup>F11</sup>**40.** . . . . .

- F11** Reg. 40 omitted (31.12.2020) by virtue of [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **10(4)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2))

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**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)