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## STATUTORY INSTRUMENTS

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# 2015 No. 575

## The Solvency 2 Regulations 2015

### PART 4

#### Approvals

#### CHAPTER 1

#### Procedure: applications

#### **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>F1</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>F2</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>F3</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;

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**Changes to legislation:** The Solvency 2 Regulations 2015, Section 39 is up to date with all changes known to be in force on or before 28 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

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- (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>F4</sup>solvency capital requirement and minimum capital requirement]—
  - (i) when the volatility adjustment is applied; and
  - (ii) when the volatility adjustment is not applied.

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|-----------|---|
| <b>F1</b> | Word in <a href="#">reg. 39(3)</a> substituted (31.12.2020) by <a href="#">The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019</a> (S.I. 2019/407), regs. 1(2), <a href="#">10(3)(a)</a> (as amended by S.I. 2020/1385, regs. 1(2), 54(2))      |
| <b>F2</b> | Words in <a href="#">reg. 39(8)(a)</a> inserted (31.12.2020) by <a href="#">The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019</a> (S.I. 2019/407), regs. 1(2), <a href="#">10(3)(b)</a> (as amended by S.I. 2020/1385, regs. 1(2), 54(2))     |
| <b>F3</b> | <a href="#">Reg. 39(9)</a> omitted (31.12.2020) by virtue of <a href="#">The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019</a> (S.I. 2019/407), regs. 1(2), <a href="#">10(3)(c)</a> (as amended by S.I. 2020/1385, regs. 1(2), 54(2))        |
| <b>F4</b> | Words in <a href="#">reg. 39(10)(d)</a> substituted (31.12.2020) by <a href="#">The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019</a> (S.I. 2019/407), regs. 1(2), <a href="#">10(3)(d)</a> (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](#)