
STATUTORY INSTRUMENTS

2015 No. 575

The Solvency 2 Regulations 2015

PART 4

Approvals

CHAPTER 2

Specific Approvals

Transitional measures on risk-free interest rates

53.—(1) An insurance undertaking, reinsurance undertaking or third-country insurance undertaking may apply to the PRA for permission to apply a transitional adjustment to a risk-free interest rate term structure with respect to admissible insurance or reinsurance obligations.

(2) Admissible insurance or reinsurance obligations are insurance or reinsurance obligations that meet all of the following requirements—

- (a) the contracts that give rise to the insurance or reinsurance obligations are concluded before 1st January 2016;
- (b) the technical provisions for the insurance and reinsurance obligations are determined in accordance with rules implementing Article 20 of Directive [2002/83/EC](#) of the European Parliament and of the Council of 5th November 2002 concerning life assurance ^{F1} until 1st January 2016;
- (c) the insurance or reinsurance obligations are not subject to a matching adjustment in accordance with an approval granted under regulation 42.

(3) For the purposes of paragraph (2)(a), the renewal of a contract does not give rise to a new contract.

(4) The PRA must approve an application made under paragraph (1) if the condition specified in paragraph (6) would be satisfied if the approval is granted.

(5) Where the PRA grants approval under paragraph (4)—

- (a) the undertaking may apply to vary the approval;
- (b) the PRA must vary the approval on an application made under sub-paragraph (a) if the condition specified in paragraph (6) would be satisfied in relation to the approval as varied;
- (c) the PRA must revoke the approval if the condition specified in paragraph (6) ceases to be satisfied;
- (d) the PRA must revoke the approval if the condition specified in paragraph (7) is satisfied.

(6) The condition referred to in paragraphs (4), (5)(b) and (5)(c) is that the transitional adjustment is calculated in accordance with rules implementing Article 308c of the Solvency 2 Directive.

(7) The condition referred to in paragraph (5)(d) is that a progress report submitted to the PRA under rules implementing Article 308e of the Solvency 2 Directive shows that it is unrealistic to expect compliance with the solvency capital requirement by 2032.

Changes to legislation: The Solvency 2 Regulations 2015, Section 53 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

F1 OJ No L345, 19.12.02, p 1.

Modifications etc. (not altering text)

C1 Pt. 4 modified (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **12** (as amended by [S.I. 2020/1385](#), regs. 1(2), **54(2)** and [S.I. 2020/1301](#), regs. 1, 3, **Sch. para. 27(e)**)

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Changes and effects yet to be applied to :

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