

PRA RULEBOOK: SII FIRMS: SOLVENCY II AMENDMENT (NO 1) INSTRUMENT 2024**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

PRA Rulebook: SII Firms: Solvency II Amendment (No 1) Instrument 2024

- C. The PRA Rulebook: SII Firms: Solvency II Instrument 2024 made amendments to the Solvency Capital Requirement - Standard Formula Part to come into force on 31 December 2024.
- D. The PRA makes amendments to rules inserted into the Solvency Capital Requirement - Standard Formula Part by the PRA Rulebook: Solvency II Instrument 2024 in the Annex to this instrument.

Commencement

- E. This instrument comes into force on 31 December 2024.

Citation

- F. This instrument may be cited as the PRA Rulebook: SII Firms: Solvency II Amendment (No 1) Instrument 2024.

By order of the Prudential Regulation Committee

17 December 2024

Annex

Amendments to the Solvency Capital Requirement – Standard Formula Part

In this Annex new text is underlined and deleted text is struck through.

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3B LIFE UNDERWRITING RISK MODULE

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3B6 LIFE LAPSE RISK SUB-MODULE

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6. A *firm* must calculate the capital requirement for mass *lapse risk* as equal to the loss in its *basic own funds* that would result from a combination of the following instantaneous events:
- (1) the *discontinuance* of 70% of the insurance *policies* falling within the scope of operations referred to with *Regulated Activities Order* Schedule 1, Part II, class VII ~~and *Regulated Activities Order* Schedule 1, Part II, class III~~ for which *discontinuance* would result in an increase in *technical provisions* without the *risk margin* and where one of the following requirements are met:

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