

PRA RULEBOOK: SOLVENCY II FIRMS; NON SOLVENCY II FIRMS; NON-AUTHORISED PERSONS: LLOYD'S INSTRUMENT 2015

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);
 - (2) section 137T (General supplementary powers);
 - (3) section 213(1) (The compensation scheme);
 - (4) section 316(1) (Direction by a regulator);and
 - (5) section 317 (The core provisions).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA) and section 319 of the Act (Consultation), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and the proposed direction and had regard to representations made.

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- D. The PRA makes the rules and amendments in Annexes A and B to this instrument.

Commencement

- E. This instrument comes into force on 3 July 2015.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms; Non Solvency II Firms; Non-Authorised Persons: Lloyd's Instrument 2015.

By order of the Board of the Prudential Regulation Authority
30 March 2015

Annex A

Insert the following new definitions (in the appropriate alphabetical position) into the Glossary Part of the *PRA* Rulebook:

former member

means a *person* who has ceased to be a *member*, whether by resignation or otherwise, in accordance with Lloyd's Act 1982 and any *byelaw* made under it.

individual member

includes a *member* which is a *limited liability partnership* or a *body corporate* whose *members* consist only of, or of the nominees for, a single natural *person* or a group of connected *persons*.

Annex B

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

Part

~~LLOYD'S: ACTUARIES AND AUDITORS~~

Chapter content

1. APPLICATION AND DEFINITIONS
2. AUDITORS AND ACTUARIES DIRECTION
3. LLOYD'S AND THE FSCS
4. LLOYD'S MEMBERS COMPENSATION SCHEME

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1 APPLICATION AND DEFINITIONS

1.1 This Part applies to the *Society*.

~~4.1.1.2~~ In this Part the following definitions apply:

insurance business

...

underwriting agent

means a firm permitted by the Council to act as an underwriting agent at Lloyd's.

2 AUDITORS AND ACTUARIES DIRECTION

2.1 ...

...

3 LLOYD'S AND THE FSCS

3.1 With effect from 15 October 2003, it was directed that the following *core provisions of FSMA* apply to the carrying on of *insurance market activities by members*:

- (1) Part 9A (Rules and guidance) for the purpose of applying the rules in chapters 1 and 3, the Policyholder Protection Part, the FSCS Management Expenses Levy Limit and Base Costs Part, the Management Expenses in respect of Relevant Schemes Part and relevant interpretative provisions; and
- (2) Part XV (Financial Services Compensation Scheme).

4 LLOYD'S MEMBERS COMPENSATION SCHEME

4.1 The *Society* must maintain *byelaws* establishing appropriate and effective arrangements to compensate *individual members and former members who were individual members if underwriting agents* are unable, or likely to be unable, to satisfy claims by those *members* relating to *regulated activities* carried on in connection with their participation in Lloyd's *syndicates*.