

PRA RULEBOOK: LLOYD'S (ACTUARIES AND AUDITORS) INSTRUMENT 2014

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); and
 - (3) section 316(1) (Direction by a regulator).
- 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 in Annex A and Annex B to this instrument and gives the direction in Annex B to this instrument.

Commencement

- E. This instrument comes into force on 19 June 2014.

Citation

- F. This instrument may be cited as the PRA Rulebook: Lloyd's (Actuaries and Auditors) Instrument 2014.

By order of the Board of the Prudential Regulation Authority

13 June 2014

Annex A

Insert the following new definitions into the Glossary Part of the PRA Rulebook:

actuarial body

means the Institute and Faculty of Actuaries.

actuary

means a fellow of an *actuarial body* or (in connection with *general insurance business*) a Fellow of the Casualty Actuarial Society who is a member of an *actuarial body*.

carrying out contracts of insurance

means the *regulated activity* specified in article 10(2) of the *Regulated Activities Order* (Effecting and carrying out contracts of insurance).

contracts of general insurance

has the meaning given in article 3(1) of the *Regulated Activities Order*.

contracts of long-term insurance

has the meaning given in article 3(1) of the *Regulated Activities Order*.

Council

means the governing body of the *Society* constituted by section 3 of the Lloyd's Act 1982.

effecting contracts of insurance

means the *regulated activity* specified in article 10(1) of the *Regulated Activities Order* (Effecting and carrying out contracts of insurance).

general insurance business

the business of *effecting contracts of insurance* or *carrying out contracts of insurance* in each case in relation to *contracts of general insurance* only.

long-term insurance business

the business of *effecting contracts of insurance* or *carrying out contracts of insurance* in each case in relation to *contracts of long-term insurance* only.

managing agent

has the meaning given in article 3(1) of the *Regulated Activities Order*.

member

means a *person* admitted to membership of the *Society* or any *person* by law entitled or bound to administer its affairs.

PRA Handbook

means the *PRA's Handbook of rules and guidance*.

syndicate

means one or more *persons*, to whom a particular *syndicate* number has been assigned by or under the authority of the *Council*, *carrying out contracts of insurance* or *effecting contracts of insurance* written at Lloyd's.

Annex B

In this Annex, the text is all new and is not underlined.

Part

LLOYD'S: ACTUARIES AND AUDITORS

Chapter content

1. DEFINITION
2. AUDITORS AND ACTUARIES DIRECTION

Links

1 DEFINITIONS

1.1 In this Part the following definition applies:

insurance business

means the *regulated activities* of *effecting contracts of insurance* or *carrying out contracts of insurance* written at Lloyd's.

2 AUDITORS AND ACTUARIES DIRECTION

2.1 (1) The *PRA* directs that, with effect from 27 May 2014, Part XXII of *FSMA* (Auditors and Actuaries) applies to the carrying on of *insurance business* by *members* as modified by (2).

(2) Regulations made by *the Treasury* under section 342(5) and section 343(5) of Part XXII of *FSMA* apply only to *actuaries* appointed by a *managing agent* in respect of the *insurance business* of a *syndicate*, in relation to the *long-term insurance business* of that *syndicate*.

(3) In Part XXII of *FSMA* (Auditors and Actuaries) as applied by this direction:

(a) a reference to an auditor of an *authorised person* is to be read as including an auditor appointed by a *managing agent* in respect of the *insurance business* of a *syndicate*; and

(b) a reference to an *actuary* acting for an *authorised person* is to be read as including an *actuary* appointed by a *managing agent* in respect of the *insurance business* of a *syndicate*.

2.2 The direction in SUP 3.1.13D of the *PRA Handbook* continues to have effect from the date specified in that direction to the date on which the direction in 2.1 has effect.