



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY

Please note: This letter has been prepared for the website. Square brackets show where this letter may differ slightly from those versions sent directly to firms.

**[Anna Sweeney**  
Executive Director  
Insurance Supervision  
Prudential Regulation Authority]

28 February 2020

Dear [PRA-regulated insurance firm supervisory contact]

**Letter to firms with outstanding EU liabilities following the UK's withdrawal from the European Union**

We are writing to you in relation to your contingency plans to ensure ongoing service continuity in respect of EU liabilities. In particular, you may have previously made us aware that you intend to rely on EU run-off regimes, or you may have informed us of your intention to transfer your EU liabilities to an EU-authorised insurer but have not yet completed this process.

We wrote to firms directly in November 2019 to highlight the measures taken (or due to be taken) by EU Competent Authorities in response to EIOPA's 'Recommendations for the insurance sector in light of the United Kingdom withdrawing from the European Union',<sup>1</sup> particularly those put in place for a 'no-deal, no-transition' scenario. Unless EU authorities revisit this issue, these transitional measures may not automatically apply at the end of the transition period. In addition there are a number of countries that did not commit to put in place transitional regimes at all.

Firms intending to rely on EU run-off regimes – as a temporary or permanent solution to ensure service continuity – should undertake a thorough analysis of their expected run-off profile, and proactively discuss their proposed approach with the relevant EU authorities.

For firms seeking to transfer their EU liabilities to an EU-authorised insurer, we cannot guarantee that any Part VII transfer will be sanctioned by the Court or that it will be sanctioned within firms' intended timeframes. Therefore, you should proactively contact the relevant EU authorities to ensure that your contingency plans, and any associated risks, remain satisfactory to them.

All firms should ensure that they have considered relevant legal advice when finalising contingency plans and that these plans have been discussed and approved at an appropriate level within the firm.

Please provide confirmation to [your PRA supervisory contact] that you have engaged with all relevant EU authorities regarding this letter by Thursday 30 April 2020. We are available to discuss these issues further if required.

Yours sincerely,

Anna Sweeney  
Executive Director, Insurance Supervision

<sup>1</sup> These are set out in EIOPA's 'Opinion on service continuity in insurance in light of the withdrawal of the United Kingdom from the European Union': [https://www.eiopa.europa.eu/sites/default/files/publications/stand\\_guide\\_recom/eiopa-bos-19-040\\_recommendation\\_brexit\\_final.pdf](https://www.eiopa.europa.eu/sites/default/files/publications/stand_guide_recom/eiopa-bos-19-040_recommendation_brexit_final.pdf).