

Chapter 18

Transfers of business



18.3 Insurance business transfers
outside the United Kingdom

Purpose

18.3.1 G Under section 115 of the *Act*, the *appropriate regulator* has the power to give a certificate confirming that a *firm* possesses any necessary margin of solvency, to facilitate an *insurance business transfer* to the *firm* under overseas legislation from a *Swiss general insurance company*. This section provides *guidance* on how the *appropriate regulator* would exercise this power and on related matters.

Appropriate regulator response to proposal

18.3.1A G Unless otherwise expressly stated by the *appropriate regulator*, all the procedural aspects for dealing with *insurance business transfers* outside the *United Kingdom* should be discussed by *firms* with the *PRA* in the first instance.

18.3.2 G If it has serious concerns about a proposed transfer from a *Swiss general insurance company*, the *appropriate regulator* should inform the *Swiss regulatory body*.

18.3.3 G The information that the *regulatory body* of the transferor is required to supply will normally be sufficient for the *appropriate regulator* to determine whether the transfer is likely to have a material effect on the transferee.

18.3.4 G If the effect of the transfer is not likely to be material and the *appropriate regulator* does not already have serious concerns about the transferee, the *appropriate regulator* can reply favourably.

18.3.5 G If the effect of the transfer may be material, the *appropriate regulator* will need to consider whether to request a *scheme of operations* or other information from the proposed transferee to assist in determining whether the likely effect of the transfer is such that the *appropriate regulator* should have serious concerns.

18.3.6 G If the effect of the transfer may have a material adverse effect on the transferee or the security of *policyholders*, the *appropriate regulator* will consider whether it is appropriate to exercise its powers under the *Act* to achieve its *statutory objectives*.