

**Bank of England PRA**



# **Wholesale Insurance Accelerated Authorisation Pathway**

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# Introduction

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We recognise that applicants want the new firm authorisation process to advance as promptly and efficiently as possible in order to allow firms to make the most of their identified business opportunities in the market. Through the Wholesale Insurance Accelerated Authorisation Pathway (The Pathway), developed jointly between the PRA and the FCA (the regulators), we aim to provide an accelerated route to authorisation for a sub-set of London market wholesale applicants.

The Pathway applies exclusively to wholesale insurance business and is designed to address three areas:

- the speed of the authorisation process;
- the level of business plan review;
- the documentation required at the point of engagement with the regulators.

## Suitability for the Pathway

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While all firms seeking authorisation must meet the same threshold conditions, the Pathway represents a recognition that some business models pose less risk and that certain applicants may therefore be able to demonstrate they satisfy the threshold conditions quicker than others.

Not every applicant will be suitable for the Pathway. The main indications of suitability include (but are not limited to):

- Credible executive team.** The applicant firm should be able to demonstrate that the proposed management team has an established track record of success in their chosen field, wholesale market experience, and a knowledge of the UK regulatory regime.
- Capital.** The Pathway is intended for firms that have secured meaningful commitments of sufficient, high-quality capital from credible counterparties to satisfy the requirements of the Business Plan over the initial 24 months of proposed operation.
- Business plan.** The firm should have a logical and reasoned business plan, which is in line with the expertise of the management team and mindful of

potential resolvability issues. The business plan can be at a high-level (provided that sufficient information is provided to allow the regulators to assess that the firm complies with its minimum standards for authorisation) and accompanied by a recognition from the PRA that it could evolve as the firm enters the market.

- d. **Operational capability to engage with the regulators.** The firm should be able to demonstrate that they are responsive, available and flexible in order to maximise the benefit of this Pathway.
- e. **Credible governance in place.** The firm should be able to provide comfort that the board and non-executive oversight (including committees) will be in place for launch to provide appropriate management and corporate governance.
- f. **Technical capability.** The firm should be able to demonstrate that they have a credible pathway to delivering the technical solutions to responsibly meet the near-term targets of their business plan.
- g. **FSCS.** The firm's proposal should not present liabilities to the Financial Services Compensation Scheme.
- h. **Structure.** The ownership and group structure is simple and transparent.

Before the PRA agrees that a potential applicant is suitable for the Pathway, it will meet with the firm to consider its compatibility with these points. Acceptance to the Pathway does not mean that the PRA or FCA consider the threshold conditions to be met; these will be assessed during the authorisation process once an application has been submitted.

## What does being on the Pathway mean?

Firms that are considered suitable for the Pathway will undergo the same assessment process against threshold conditions as any other new firm applicants. The main differences will be the expected time it takes to complete a threshold conditions assessment, the level of detail required in documentation and the progress on systems development expected. These differences will be possible because of the type of risks firms suitable for the Pathway are expected to pose.

Assessments under the Pathway remain subject to the same statutory timelines, of 12 months from the point of application or 6 months from the point an application is

deemed complete. However, subject to no issues being raised, the aim of the Pathway would be to determine applications in a significantly shorter period.

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## How to be considered for the Pathway

If you believe your proposal displays the above features and you wish to be considered for the Pathway, please send an email to

[NewInsurerStartupUnit@bankofengland.co.uk](mailto:NewInsurerStartupUnit@bankofengland.co.uk) outlining (briefly) how these are met and expressing your interest in the Pathway.

The PRA will aim to contact you to arrange an initial meeting within two weeks to discuss the applicant and its business plans. Where possible, the FCA will attend the meeting. During the meeting we will ask some high-level questions on the business proposition. These questions could cover areas such as the ownership structure, funding, business model and lines of business, and any transfers of business. It will also provide the firm with the opportunity to ask us any questions and allow us to discuss the authorisation process and next steps.

To facilitate this meeting, we will expect you to provide an overview of the business plan in particular covering the elements described under the headings above, so please plan to be ready with this shortly after the point you send your initial email.

Following the initial meeting the PRA, having liaised with the FCA, will inform the potential applicant if the Pathway is suitable. Where appropriate an opportunity will be given for the potential applicant to provide further information.

If it is decided that the Pathway is not suitable, the potential applicant is free to continue with pre-application engagement with the PRA and the FCA and to submit an application for authorisation outside of the Pathway.

## What happens if we agree your application is suitable for the Pathway

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If the Pathway is suitable the applicant can proceed with an application for authorisation. The forms and information required are the same as for all authorisation applications and can be found [here](#). You should discuss the submission of the application material with your PRA contact.

The applicant can expect early engagement from PRA staff dedicated to their application. The PRA and FCA will conduct their assessments of whether the threshold conditions are met in a proportionate manner taking into account the risks of the business model.

Once on the Pathway applicants will be expected to engage and respond quickly to any requests for information or clarification. At any point during the assessment process, the PRA may indicate that an applicant is no longer suitable for the Pathway, if information emerges which is contrary to the elements outlined above.