

# APPROVAL OF APPROVED INSURANCE PRODUCT PROVIDER

**MEETING NAME** BSC Panel Meeting 286

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**Purpose of paper** Decision

**Classification** Public

**Summary** ELEXON are seeking the approval of Zurich Insurance plc as an Approved Insurance Product provider. Approval is required as the company is registered outside of the United Kingdom (UK).

## 1. Background

- 1.1 A BSC Party has requested to use Zurich Insurance plc as the provider for an Approved Insurance Product. Approved Insurance Products (AIP) is one form of Credit Cover allowed in the BSC in addition to Letter of Credit and cash.
- 1.2 The BSC pre-approves Approved Insurance Products issued by UK regulated insurers. Other providers need to be approved by the BSC Panel.
- 1.3 [BSC Section M, Annex M-4 1.1.1](#) outlines the requirements for a provider of an Approved Insurance Product. BSC Section M Annex M-4 1.1.1(a) outlines that a provider of an Approved Insurance Product may be an insurance company regulated in the UK which shall meet the credit rating as specified in the definition of Approved Insurance Product.
- 1.4 The definition of Approved Insurance Products in [BSC Section X, Annex X-1](#) states that Approved Insurance Products are provided by:
  - a) An insurance company regulated in the UK which has a long term debt rating of not less than single A; or
  - b) Such other bank(s), insurance company or insurance companies as the Panel may approve, such rating to be the equivalent to that required of a bank to be able to provide a Letter of Credit<sup>1</sup>.

## 2. Zurich Insurance plc

- 2.1 Zurich Insurance plc, is a public limited company incorporated in Ireland:
  - Registration No. 13460; and
  - Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland.
- 2.2 The Zurich Insurance plc UK Branch is registered in England and Wales with Registration No. BR7985. Zurich Insurance plc is regulated by Central Bank of Ireland<sup>2</sup> and subject to limited regulation by the Financial Conduct Authority (FCA).

<sup>1</sup> A single A by Standard & Poor's Corporation or Fitch Ratings Limited shall satisfy these requirements if appended with a '+' or '-'. A single A by Moody's Investors Service, Inc. shall satisfy these requirements if appended with a '1', '2' or '3';

<sup>2</sup> <http://registers.centralbank.ie/FirmDataPage.aspx?firmReferenceNumber=C743>

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- 2.3 As Zurich Insurance plc is regulated in the European Economic Area (EEA) it can operate in the UK. Zurich Insurance plc meets the credit rating requirement, with a Standard and Poor's (S&P) rating of AA<sup>-3</sup>.

### 3. Recommendations

- 3.1 We invite the Panel to:
- a) **APPROVE** Zurich Insurance plc as an Approved Insurance Product provider.

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<sup>3</sup> <https://www.zurich.com/en/investor-relations/ratings>