



WRITTEN NOTICE
Internal model approval

To: **Legal and General Assurance Society Limited (FRN: 117659)**
Legal & General Insurance Limited (FRN: 202050)
Legal and General Assurance (Pensions Management) Limited
(FRN: 202202)
(the “firm”)

Of: One Coleman Street
London
EC2R 5AA

Reference Numbers: 4834952, 4699342, 4836895

Date: 14 December 2017

DECISION:

- (1) In accordance with Regulation 48 and 49 of the Solvency 2 Regulations 2015 (SI 2015/575) (the ‘Regulations’), the Prudential Regulation Authority (the “PRA”) has decided to approve major changes to the Legal & General Group partial internal model.
- (2) This approval is granted on the basis of information:
 - a. Set out in the firms’ application dated 30 June 2017.
 - b. Listed in the supplemental application documentation provided by the firm dated 13 September 2017
- (3) The detail of the approved internal model following these decisions is set out in Annex 1 (the ‘Internal Model Approval’).

Reasons for the Decision

- (4) The PRA’s assessment is that after making the changes listed above, the partial internal model met the tests and standards at the time the decision was made. Specifically, the PRA is satisfied that:
 - a. the internal model complies with the rules contained in Chapters 2 to 4 and 10 to 15 of the Solvency Capital Requirement – Internal Models part of the PRA Rulebook;
 - b. the internal model complies with the requirements set out in Title 1 Chapter VI Solvency capital requirement – full and partial internal models of the Commission Delegated Regulation (EU) 2015/35;
 - c. the systems of the undertaking for identifying, measuring, monitoring, managing and reporting risk are adequate.
 - d. the model complies with the requirements of Title 2 Chapter II Section 2 of the Commission Delegated Regulation (EU) 2015/35; and
 - e. the policy for changing the approved partial internal model complies with the rules contained in Chapter 6 of the Solvency Capital Requirement – Internal Models Part of the PRA Rulebook.



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Effective Date

(5) This permission takes effect on 23 November 2017.

Decision-Maker

(6) The decision which gave rise to the obligation to give this Notice was made by the Head of Department, Major Life Insurance Groups, Insurance Division of the PRA.

Publication

(7) Details of this approval will be published on the Financial Services Register.

PRA contacts

(8) For more information concerning this matter generally, the firm should contact its usual supervisory contact.

Signed

Mark Cornelius

Head of Department, Major Life Insurance Groups, Insurance Division

For and on behalf of the PRA



ANNEX 1

Internal Model Approval - The approved Internal Model

Definition

- (1) The approved partial internal model is as set out in the internal model application documents submitted to the PRA and listed at Table 1
- (2) The internal model is approved to partially calculate the consolidated Group SCR at the level of Legal & General Group Plc. The entities with a “Yes” in the Group SCR column in table 2 are those which are included in the model in order to calculate the Group SCR.
- (3) Entities not included in Table 2 that are included in the calculation of the Group SCR using method 1 (Consolidation) on the basis of the standard formula are integrated with the partial internal model using the integration technique 1 as set out in Annex XVIII of the commission delegated regulation (EU) 2015/35.
- (4) The internal model is approved to calculate the individual SCR for those entities with a “Yes” in the Solo SCR column in table 2.
- (5) Subject to 2 to 4 above, the model is approved to calculate the consolidated Group SCR as the level of Legal & General Group Plc and the individual SCR for each entity indicated in respect of all material and quantifiable risks as at the date of this notice.

Table 1 – Internal model application documents

Approval	Date	Written Notices	Internal Model documents
Internal model approval	05 December 2015	2247358 2247360 2247362 2247364	Application received by the PRA on 1 June 2015.
Major changes to an approved internal model	16 December 2016	3852397 3852398 3852399	Application received by the PRA on 15 September 2016 relating to the changes approved by the PRA including supplementary information provided on 15 September 2016 and 22 November 2016.
Major changes to an approved internal model	23 November 2017	4834952 4699342 4836895	Application received by the PRA on 30 June 2017 relating to the changes approved by the PRA including supplementary information provided on 13 September 2017.



Table 2 – Entities in scope

Legal Entity	FRN	Group SCR ('the undertakings included in the scope of the model for the calculation of the group SCR')	Solo SCR
Legal & General Group Plc	203538	Yes	
Legal and General Assurance Society Limited	117659	Yes	Yes
Legal & General Insurance Limited	202050	Yes	Yes
Legal and General Assurance (Pensions Management) Limited	202202	Yes	Yes
Legal & General Reinsurance Company Limited		Yes	
Legal & General SAC Limited		Yes	
Legal & General Re Holdings Limited		Yes	
Legal & General Overseas Operations Limited		Yes	
Legal & General America Inc.		Yes	
Legal & General FX Structuring (SPV) Limited		Yes	
Legal & General LTM Structuring (SPV) Limited		Yes	
First British Bermuda Reinsurance Company II Limited		Yes	
Legal & General Finance Plc		Yes	
Legal & General Resources Bermuda Limited		Yes	
Legal & General Resources Limited		Yes	
Legal & General Pension Fund Trustee Limited		Yes	
Legal & General Pension Scheme Trustee Limited		Yes	
Legal & General Co Sec Limited		Yes	
Legal & General Financial Services Limited		Yes	
Legal & General Estate Agencies Limited		Yes	
Adam Kennedy Estate Agents Limited		Yes	
Whitegates (Holdings) Limited		Yes	
Whitegates (Tyne & Wear) Limited		Yes	
William Parker and Son (Reading) Limited		Yes	
Legal & General Share Scheme Trustees Limited		Yes	
Legal & General Capital Investment Limited		Yes	
Oxford PV Limited		Yes	
Access Development Limited Partnership		Yes	
Accelerated Digital Ventures Limited		Yes	
NTR Wind Management Limited		Yes	
Cambridge Innovation Capital PLC		Yes	
Tokamak Energy Ltd		Yes	
Haut Investments Limited		Yes	
Cala Group (Holdings) Limited		Yes	
Cala 1 Limited		Yes	
Cala Group Limited		Yes	
Legal & General Homes Holdings Limited		Yes	



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Legal & General Homes (Services Co) Limited		Yes	
Legal & General Homes Communities Limited		Yes	
Legal & General Homes Communities (Crowthorne) Limited		Yes	
Legal & General Development Assets Holdings Limited		Yes	
Legal & General (Strategic Land) Limited		Yes	
Legal & General Senior Living Limited		Yes	
ECV Partnerships Warwick Limited		Yes	
Legal & General Warwick Gates Limited		Yes	
Warwick Gates LLP		Yes	
ECV Partnerships Tattenhall Limited		Yes	
Legal & General Tattenhall Limited		Yes	
Tattenhall Care Village LLP		Yes	
Peel Holdings (Media) Limited		Yes	
Peel Media (Holdings) Limited		Yes	
Peel Media Limited		Yes	
Peel Media Development (Residential 1) Limited		Yes	
Peel Media Development (Residential 2) Limited		Yes	
Thorpe Park Holdings Limited		Yes	
Thorpe Park Developments Limited		Yes	
TP 2005 Limited		Yes	
TP Property Services Limited		Yes	
Antham 1 Limited		Yes	
Pemberton Asset Management Holdings Limited (and subs)		Yes	
Legal & General Distribution Services Limited		Yes	
Legal & General Grenfell Limited		Yes	
Rackhams Birmingham Limited		Yes	
Legal & General Kingston upon Hull Limited		Yes	
City & Urban Developments Limited		Yes	
Legal & General Surveying Services Limited		Yes	
Synergy Gracechurch Holdings Limited		Yes	
Synergy Gracechurch Limited		Yes	
Legal & General Pensions Limited		Yes	
LGPL Cornwall Limited		Yes	
103 Wardour Street Retail Investment Co Limited		Yes	