



WRITTEN NOTICE
Variation of internal model approval

To: MGM Advantage Life Limited (FRN: 598800)
Canada Life Limited (FRN: 110394) (the “firm”)

Of: 110 Cannon Street
London
EC4N 6EU

Reference Number: 4859629 and 4861853

Date: 10 January 2018

DECISION:

(1) In accordance with Regulation 48 and 49 of *The Solvency 2 Regulations 2015* (SI 2015/575), the Prudential Regulation Authority (the “PRA”) previously granted approval to MGM Advantage Life Limited (“MGMA”) to use a partial internal model for the calculation of its group and solo Solvency Capital Requirements (“SCR”) (the “Internal Model Approval”).

(2) In accordance with Regulation 48(5)(a) of *The Solvency 2 Regulations 2015*, the PRA has decided to grant the firm a variation of the Internal Model Approval to reflect the firm’s acquisition by The Canada Life Group (UK) Limited on 2 January 2018.

(3) In accordance with Regulation 48 and 49 of *The Solvency 2 Regulations 2015*, the PRA has decided to grant the firm approval to use the Internal Model Approval for the purpose of calculating part of its group SCR.

(4) The scope of the Internal Model Approval following these decisions is set out at Annex A.

Effective date

(4) This permission takes effect on 10 January 2018.

Decision maker

(5) Lisa Leaman, Head of Department, Retail Life Department, Insurance Division, of the PRA.



Reasons for the Decision

(6) The PRA assessed that the partial internal model continued to meet the tests and standards as a result of the proposed changes 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 sections 1-9 inclusive 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.

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 their usual supervisory contact.

Lisa Leaman
Head of Department

For and on behalf of the PRA



ANNEX A

The approved Partial Internal Model

Definition

2. The approved partial internal model is as set out in the partial internal model application documents submitted to the PRA on 17 October 2016 and the Addendum submitted to the PRA on 15 December 2016, as amended pursuant to the major model change documents submitted to the PRA on 29 September 2017.
3. The partial internal model is approved to calculate part of the individual SCR for those entities with a “Yes” in the Solo SCR column in table 1. The model covers the risks set out in table 2.
4. MGMA is included in the group SCR calculation at the level of Canada Life Group (UK) Limited in accordance with *method 2*. The partial internal model is approved to calculate part of the SCR of MGMA for the purpose of aggregating the SCR of MGMA with the remainder of the group.

Table 1 Regulated entities the approval applies to

Legal Entity	FRN	Group SCR	Solo SCR
MGM Advantage Life Limited (“MGMA”)	598800	Yes	Yes

Table 2 Risk categories the approval applies to, by entity

	Entities the approval applies to
Risk Categories	MGMA
Spread risk	Yes