



WRITTEN NOTICE
Change to the approved internal model

To: **QBE Insurance (Europe) Limited (FRN 202842)**
QREL (Europe) Limited (FRN 202015)
(the “firms”)

Of: Plantation Place
30 Fenchurch Street
London
EC3M 3BD

Reference Numbers: 4841374 (QBE Insurance (Europe) Limited)
4873287 (QBE Re (Europe) Limited)

Date: 31 January 2018

DECISIONS

- (1) In accordance with Regulation 48(1)(b) of the Solvency 2 Regulations 2015 (2015/575), the Prudential Regulation Authority (“the PRA”) has decided to approve changes to the firms’ full internal model, as approved in paragraph (1) of Written Notice 2221724; 2221726, dated 5 December 2015 (the “Original Notice”) and amended on 15 December 2016 and 3 March 2017 (collectively, the “Amended Notice”).
- (2) This approval is granted on the basis of the information set out in the firms’ application received by the PRA on 4 August 2017.
- (3) This Written Notice amends the Original Notice and the Amended Notice. The changes are set out in Annex 1.

Effective date

- (4) This approval takes effect on 31 January 2018.

Decision maker

- (5) The decision which gave rise to the obligation to give this Notice was made by Gareth Truran, Head of Department, London Markets.

Publication

- (6) Details of these approvals will be published on the Financial Services Register.

PRA contacts

- (7) For more information concerning this matter generally, the firms should contact their usual supervisory contact.

Gareth Truran
Head of Department, London Markets
For and on behalf of the PRA



Definition

1. The approved internal model is as set out in the internal model application documents submitted to the PRA on 2 June 2015 as amended and supplemented by the submissions provided on 12 June 2015, 2 December 2015, 5 September 2016 and 4 August 2017.
2. The internal model is approved to calculate the Group SCR at the level of QBE European Operations Plc.
3. The internal model is approved to calculate the individual SCR for QBE Insurance (Europe) Limited and QREL (Europe) Limited.

Table 1

Legal Entity	FRN	Group SCR ("the undertakings included in the scope of the model for the calculation of the group SCR")	Solo SCR
QBE European Operations Plc	n/a	Yes	
QBE Insurance (Europe) Limited	202842	Yes	Yes
QBE Re (Europe) Limited	202015	Yes	Yes

Reasons for the decision

4. The PRA's assessment is that the internal model, following the major model change, met the tests and standards at the time the decision was made. Specifically, the PRA is satisfied that, following the major model change:
 - a. the internal model complies with the rules contained in Chapters 2, 3 and 10 to 15 of the Solvency Capital Requirement – Internal Models part of the PRA Rulebook;
 - b. the internal model complies with the relevant requirements set out in Title 1 Chapter VI sections 1,2,3,4,6,7,8 and 9 of the Commission Delegated Regulation (EU) 2015/35; and
 - c. the systems of the undertaking for identifying, measuring, monitoring, managing and reporting risk are adequate.