



WRITTEN NOTICE
[Model Change Approval]

To: **Society of Lloyd's (FRN 202761)**
(the "firm")

Of: 1 Lime Street
London
EC3M 7HA

Reference Number: 4837149

Date: 19 December 2017

ACTION

- (1) In accordance with Regulation 48 of the Solvency 2 Regulations 2015, the Prudential Regulation Authority ("the PRA") has decided to approve the major changes to the firm's internal model approved in the Written Notice – Internal model approval dated 5 December 2015 (reference 2246766).
- (2) This approval is granted on the basis of the information set out in the firm's resubmitted application received by the PRA on 20 September 2017, and the supplementary information set out in the document sent on 14 December 2017.
- (3) The details of the approved internal model following these decisions is set out in Annex 1.

Decision-Maker and Publication

- (4) The decision which gave rise to the obligation to give this Notice was made by Anna Sweeney, Director of Insurance Supervision.
- (5) Details of this approval will be published on the Financial Services Register.

PRA contacts

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

Effect

- (7) This permission takes effect on 19 December 2017.

Anna Sweeney
Director, Insurance Supervision
Prudential Regulation Authority



Annex 1

The Approved Internal Model

Definition

1. The approved internal model is as set out in the internal model application documents submitted to the PRA on 30 June 2015 and the letter dated 30 June 2015 as supplemented by the additional information submitted to the PRA on the 20 September 2017 and the letter of 14 December 2017.
2. The internal model is approved to calculate a Market Wide SCR and a Central SCR for the Society of Lloyd's.

Reasons for the Decision

3. The PRA's assessment is that the 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, 3 and 10 to 15 and 17 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, 2, 3, 4, 6, 7, 8 and 9 of the Commission Delegated Regulation (EU) 2015/35;
 - c. the systems of the undertaking for identifying, measuring, monitoring, managing and reporting risk are adequate; and
 - d. the policy for changing the approved internal model complies with the rules contained in Chapter 6 of the Solvency Capital Requirement – Internal Models Part of the PRA Rulebook.