



WRITTEN NOTICE
Internal model approval

To: **Standard Life Assurance Limited (FRN 439567)**
Standard Life Pension Funds Ltd (FRN 110466)

(the “firm”)

Of: Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

Reference Number: 4994628, 4994629

Date: 31 August 2018

DECISION:

- (1) In accordance with Regulation 48 of the Solvency 2 Regulations 2015, the Prudential Regulation Authority (the “PRA”) has decided to grant the firm approval to use an internal model for the calculation of its Solvency Capital Requirement (“SCR”) for the legal entities set out in Annex 1.
- (2) The PRA has also decided to grant the firm approval of its policy for changing an approved internal model.
- (3) This approval is granted on the basis of the information set out in the firm’s application dated 02 August 2018.

Effective date

- (4) This permission takes effect on 31 August 2018.

Decision maker

- (5) The decision which gave rise to the obligation to give this Notice was made by Mark Cornelius of the PRA.

Publication

- (6) Details of this approval will be published on the Financial Services Register on 31 August 2018.

PRA contacts

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

Mark Cornelius
Head of Division
Prudential Regulation Authority

ANNEX 1**The Internal Model Approval****Definition**

1. The approved internal model covered is that described to us in the application documents submitted to the PRA on 02 August 2018.
2. The internal model is approved to calculate the individual SCR for those entities with a “Yes” in the Solo SCR column in Table 1 in respect of all material quantifiable risks as at the date of this notice.

Table 1

Legal entity	FRN	Solo SCR
Standard Life Assurance Limited	439567	Yes
Standard Life Pensions Fund Ltd	110466	Yes

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 to 4 and 10 to 15 of 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 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.