
WRITTEN NOTICE
Major changes to an approved internal model

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

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

(* - the 'firm')

Reference Number: 5130586, 5130597

Date: 20 August 2019

Decision:

- 1) In accordance with Regulation 48(5)(a) 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 firm's internal model.
- 2) In accordance with Regulation 48(1)(c) of the Solvency II Regulations 2015, the PRA has decided to grant the firm's approval to make changes to the policy for changing an approved internal model ("the Policy"). The Policy was also approved in the Original Notice and amended in the Amended Notice.

Reasons for the Decision

- 3) On 10 December 2018 with addenda on 15 February 2019 and 28 February 2019, the firm applied for a major model change to its internal model.
- 4) The PRA's assessment is that after applying the major model changes set out in the Model Application, as amended, 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 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.
- e. 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.

Effective date

- 5) The approvals at paragraph 1) and 2) take effect on 12 August 2019.

Decision maker

- 6) The decision which gave rise to the obligation to give this Notice was made by Mark Cornelius, Head of Life Insurance Groups Department 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 their usual supervisory contact.

Mark Cornelius

Head of Life Insurance Groups Department

For and on behalf of the PRA

ANNEX 1

1) The approved internal model is as set out in the internal model application documents submitted to the PRA in relation to the approvals listed in Table 1.

Table 1

Type of application	PRA application approval date	Document Reference Number(s)
Internal Model Application	Written Notice dated 31 August 2018	4994628, 4994629
Reduction in Scope	Written Notices dated 5 November 2018	5082556, 5082557
Major Model Change	Written Notice dated 8 April 2019	4991557, 5100156
Major Model Change	Written Notice dated 16 August 2019	5130586, 5130597

2) The internal model is approved for those entities with a "Yes" in the Solo SCR column in Table 2 to calculate their individual Solvency Capital Requirement in respect of all material risks as at the date of this notice.

Table 2

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