



WRITTEN NOTICE

Major changes to an approved internal model

To: **The Royal London Mutual Insurance Society Limited**
(FRN: 117672)
(the “firm”)

Of: 55 Gracechurch Street
London
EC3V 0RL

Reference Number: 00002548

Date: 26 February 2021

DECISION:

- (1) In accordance with Regulation 48 and 49 of the Solvency 2 Regulations 2015, the Prudential Regulation Authority (the “PRA”) has decided to approve the major changes to the firm’s partial group internal model approved in the Written Notice dated 20 September 2019 (reference 5211084) (the “Original Notice”).
- (2) This approval is granted on the basis of the information set out in the firm’s application dated 27 August 2020.
- (3) The details of the approved internal model following this approval are set out in Annex 1.

Effective date

- (4) This permission takes effect at 00:00 on 01 March 2021.

Decision maker

- (5) The decision which gave rise to the obligation to give this Notice was made by Andrew Dyer Head of Retail Life Division.

Publication

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



Reasons for the Decision

- (7) The PRA's assessment is that the partial 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:
- a. the internal model complies with the rules contained in Chapters 2,3 and 10-15 of the Solvency Capital Requirement – Internal Models part of the PRA Rulebook;
 - b. the internal model complies with the applicable 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; and
 - e. the model additionally fulfils the requirements of Chapter 4 of the Solvency Capital Requirement – Internal Models 4 of the PRA Rulebook.

PRA contacts

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

Andrew Dyer

Head of Retail Life Division

For and on behalf of the PRA



ANNEX 1

The approved partial internal model

Definition

1. The approved internal model is as set out in the internal model application documents submitted to the PRA on 27 August 2020.
2. The internal model is approved to calculate the Group SCR at the level of The Royal London Mutual Insurance Society Limited. The entities with a “Yes” in the Group SCR column in Table 1 are those which are included in the model in order to calculate the Group SCR.
3. The internal model is approved to calculate the individual SCR for those entities with a “Yes” in the Solo SCR column in Table 1.
4. This approval applies to all risks and major business units
5. The integration technique to be used to integrate the partial internal model into the SCR standard formula is integration technique 1 as set out in Annex XVIII of the Commission Delegated Regulation (EU) 2015/35.

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
The Royal London Mutual Insurance Society Limited	117672	Yes	Yes
Royal London Insurance DAC	N/A	No	N/A