



WRITTEN NOTICE

Internal model approval

To: Legal and General Assurance Society (FRN 117659)
Legal & General Assurance (Pension Management) Ltd (FRN 202050)
("the firms")

Of: One Coleman Street, London, EC2R 5AA

Ref: 00003502, 00003503

Date: 03 January 2022

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 a major model change to the firms's partial internal model approved in the original Written Notice – Internal model approval 16 December 2016 (reference 3853297; 3852398; 3852399 - the "Original Notice").
- (2) This approval is granted on the basis of the information set out in the firms' application dated 28 May 2021 and its addenda.
- (3) The details of the approved internal model following this approval are set out in Annex 1.

Effective date

- (4) This permission takes effect on 31 December 2021.

Decision maker

- (5) The decision which gave rise to the obligation to give this Notice was made by Shoib Khan, Head of Department, Major Life Groups, Insurance Division of the PRA.

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 firm should contact their usual supervisory contact.

Decision Maker

Shoib Khan

Head of Department, Major Life Groups

For and on behalf of The Prudential Regulation Authority

ANNEX 1

The approved group partial internal model

Definition

1. The approved internal model is as set out in the internal model application documents submitted to the PRA on 28 May 2021 and the letter dated 26 May 2021.
2. The internal model is approved to calculate the Group SCR at the level of Legal & General Group Plc. 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.

Table 1

Legal Entity	FRN	Group SCR (or contribution to Group SCR if solo entity)	Solo SCR
L&G Group Plc		Yes	
Legal & General Assurance Society Limited	117659	Yes	Yes
Legal & General Assurance (Pensions Management) Limited	202202	Yes	Yes
Legal & General Reinsurance Company (Bermuda)		Yes	
L&G Re Holdings Limited		Yes	
L&G Overseas Operations Limited		Yes	
L&G America Inc.		Yes	
L&G FX Structuring (SPV) Limited		Yes	
L&G LTM Structuring SPV		Yes	
L&G Finance Plc		Yes	
L&G Pension Fund Trustee Limited		Yes	
L&G Pension Scheme Trustee Limited		Yes	