
WRITTEN NOTICE

Major Change to an Approved Internal Model

To: Scottish Widows Limited (FRN 181655)
Lloyds Bank General Insurance Limited (FRN 202091)
St Andrew's Insurance plc (FRN 202932)

Of: 69 Morrison Street, Edinburgh, Midlothian, EH3 8YF

Ref: 00005114, 00005115, 00005116

Date: 27 July 2022

Decisions

- (1) In accordance with Regulation 48 and Regulation 49 of the Solvency 2 Regulations 2015, the Prudential Regulation Authority ("the PRA") has decided to approve the major changes to the firms' full group internal model approved in the Original Notice dated 5 December 2015, as amended by model changes described in Table 1, Annex 1.
- (2) In accordance with Regulation 48(1)(c) of the Solvency 2 Regulations 2015, the PRA has also decided to grant the firm approval to make changes to the policy for changing an approved internal model.
- (3) This approval is granted on the basis of the information set out in the firms' major model change application received on 4 February 2022.
- (4) The details of the approved internal model following these decisions are set out in Annex 1.

Effective date

- (5) The approval takes effect on 27 July 2022.

Decision-maker

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

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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.

Shoib Khan

Head of Division

Major Life Insurance Groups

For and on behalf of The Prudential Regulation Authority

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Annex 1

The approved Internal Model

Definition

1.The approved group internal model is as set out in the internal model application documents submitted to the PRA and listed at Table 1.

2.The internal model is approved to calculate the Group SCR at the level of Scottish Widows Group Ltd. The entities with a “Yes” in the Group SCR column in Table 2 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 2.

4.Subject to 2 & 3 above, the model is approved to calculate the Group SCR at the level of Scottish Widows Group Ltd and the individual SCR for each entity indicated in respect of all material quantifiable risks as at the date of this notice.

Table 1

	Type of Application	PRA Application Approval Date	Document Reference Number(s)	Internal model documents
1.	Group Internal Model application	5 December 2015	2247199; 2247200; 2247247; 2247253; 2247248; 2247252; 2247250; 2247251; 2247204; 2247249	Application received by PRA on 26 June 2015, with addendum received on 26 November 2015
2.	Major Model Change	5 December 2015	2254736; 2329310; 2329313; 2268112; 2268115; 2268116; 2268151; 2268157;	Application received by the PRA on 12 August 2015, with supplementary documentation received 10 September 2015

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	Type of Application	PRA Application Approval Date	Document Reference Number(s)	Internal model documents
			2268186; 2268228	
3.	Major Model Change	14 December 2016	2796742; 3870475; 3870478	Application received by PRA on 1 July 2016
4.	Major Model Change	21 November 2017	4680187, 4786541, 4786544	Application received by PRA on 30 June 2017
5.	Major Model Change	23 November 2018	4972241, 5093298, 5093338	Application received by PRA on 22 June 2018
6.	Major Model Change	7 May 2019	5163653, 5245728, 5245729	Application received by PRA on 1 February 2019
7.	Major Model Change	19 November 2019	5272850, 5407190, 5407191	Application received by PRA on 25 June 2019
8.	Major Model Change	12 November 2020	00001971, 00001972, 00001973	Application received by PRA on 06 August 2020
9.	Major Model Change	29 September 2021	D000000708	Application received by PRA on 28 June 2021
10	Major Model Change	22 November 2021	00003576, 000003577, 000003578	Application received by PRA on 27 August 2021
11	Major Model Change	27 July 2022	D000002916	Application received by PRA on 4 February 2022

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Table 2

Legal Entity	FRN	Group SCR (the undertakings included in the scope of the model for the calculation of the group SCR')	Solo SCR
Scottish Widows Limited	181655	Yes	Yes
Lloyds Bank General Insurance Limited	202091	Yes	Yes
St Andrew's Insurance plc	202932	Yes	Yes
Scottish Widows Group Ltd	N/A	Yes	No
Lloyds Bank General Insurance Holdings Ltd	N/A	No	No