
WRITTEN NOTICE

Internal model approval

To: **Royal & Sun Alliance Insurance Limited (FRN 202323)**
The Marine Insurance Company Limited (FRN 202776)
Royal & Sun Alliance Reinsurance Limited (FRN 202325)
("the firms")

Of: 20 Fenchurch Street, London, EC3M 3AU

Ref: 00005366, 00005367, 00005368

Date: 20 September 2022

DECISION:

(1) In accordance with Regulations 48 and 49 of the Solvency 2 Regulations 2015, the Prudential Regulation Authority (the "PRA") has previously granted approval to the firms to use a full internal model for the calculation of their solo Solvency Capital Requirements ("SCR") and the group SCR at the level of Regent Bidco Limited.



- (2) In accordance with Regulation 49 of the Solvency 2 Regulations 2015, and following the liquidation of Regent Bidco Limited, the PRA has decided to vary the firms' approval to use a full internal model to calculate the group SCR at the level of the new ultimate UK holding company, RSA Insurance Group Limited.
- (3) The PRA has also decided to grant the firms approval to make changes to the policy for changing an approved internal model.
- (4) This approval is granted on the basis of the information set out in the firms' application dated 20 May 2021 and as amended by subsequent submissions dated 1 June 2021, 3 June 2021 and 6 June 2022.
- (5) The scope of the approved internal model is as set out in Annex 1.

Effective Date

- (6) This permission takes effect on 20 September 2022.

Reasons for the Decision

- (7) The PRA's assessment is that after making the changes listed above, 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 the 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, as it forms part of retained EU law;
 - 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, as it forms part of retained EU law; and
 - 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.

Decision Maker

(8) The decision which gave rise to the obligation to give this Notice was made by Patrick Connolly, Head of Department, Insurance Supervision.

Publication

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

PRA contacts

(10) For more information concerning this matter generally, the firm should contact their usual supervisory contact.

Patrick Connolly
Head of Department
For and on behalf of the PRA

ANNEX 1

The approved Internal Model

Definition

1. The approved internal model is as set out in the internal model application documents submitted to the PRA on 20 May 2021 and as amended by subsequent submissions dated 1 June 2021, 3 June 2021 and 6 June 2022.
2. The internal model is approved to calculate the Group SCR at the level of RSA Insurance Group 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.

Table 1

Legal Entity	FRN	Group SCR (or contribution to Group SCR if solo entity)	Solo SCR
Royal & Sun Alliance Insurance Limited	202323	Yes	Yes
Royal & Sun Alliance Reinsurance Limited	202325	Yes	Yes
The Marine Insurance Company Limited	202776	Yes	Yes
123 Money Limited	-	Yes	No
Alliance Assurance Company Limited	-	Yes	No

Benchmark Underwriting Limited	-	Yes	No
Centrium Management Company Limited	-	Yes	No
EGI Holdings Limited	-	Yes	No
Eurotempest Limited	-	Yes	No
GDII - Global Direct Insurance Investments V.O.F.	-	Yes	No
Hempton Court Manco	-	Yes	No
IDIP Direct Insurance B.V.	-	Yes	No
Insurance Corporation of the Channel Islands Limited	-	Yes	No
Insurance Corporation Service Company Limited	-	Yes	No
Intouch Insurance Group B.V.	-	Yes	No
Non-Destructive Testers Limited	-	Yes	No
Polaris U.K. Limited	-	Yes	No
Punchbowl Park Management Limited	-	Yes	No
R&SA Marketing Services Limited	-	Yes	No
Regent Subco Limited	-	Yes	No
Royal & Sun Alliance Insurance Agency Inc.	-	Yes	No
Royal & Sun Alliance Insurance PLC - Escritório de Representação no Brasil Ltda.	-	Yes	No

Royal & Sun Alliance Pension Trustee Limited	-	Yes	No
Royal & Sun Alliance Property Services Limited	-	Yes	No
Royal Insurance (U.K.) Limited	-	Yes	No
Royal Insurance Global B.V.	-	Yes	No
Royal Insurance Holdings Limited	-	Yes	No
Royal Insurance Service Company (Isle of Man) Limited	-	Yes	No
Royal International Insurance Holdings Limited	-	Yes	No
Roysun Limited	-	Yes	No
RSA Accident Repairs Limited	-	Yes	No
RSA Actuarial Services (India) Private Limited	-	Yes	No
RSA Broker Motor Insurance Ireland Ltd	-	Yes	No
RSA Finance	-	Yes	No
RSA Insurance Ireland DAC	-	Yes	No
RSA Insurance Group Limited	-	Yes	No
RSA Isle of Man No.1 Limited	-	Yes	No
RSA Law Limited	-	Yes	No
RSA Luxembourg S.A.	-	Yes	No
RSA Northern Ireland Insurance Limited	-	Yes	No
RSA Overseas (Netherlands) B.V.	-	Yes	No

RSA Overseas Holdings (No 1) Unlimited Company	-	Yes	No
RSA Overseas Holdings (No. 2) Unlimited Company	-	Yes	No
RSA Overseas Holdings B.V.	-	Yes	No
Sal Pension Fund Limited	-	Yes	No
Sun Alliance and London Insurance Limited	-	Yes	No
Sun Alliance Insurance Overseas Limited	-	Yes	No
Sun Alliance Mortgage Company Limited	-	Yes	No
Sun Insurance Office Limited	-	Yes	No
The Globe Insurance Company Limited	-	Yes	No
The London Assurance	-	Yes	No
Tower Insurance Company Limited	-	Yes	No
Westgate Properties Limited	-	Yes	No