

### WRITTEN NOTICE

#### Major Changes and Extension of Scope to an Approved Internal Model

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To: Phoenix Life Limited (FRN 110418)  
Phoenix Life Assurance Limited (FRN 117667)  
PA (GI) Limited (FRN 117668)

Of: 1 Wythall Green Way, Wythall, Birmingham, B47 6WG

Reference Number: 00006197, 00006198, 00006199

And

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

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

Reference Number: 00006200, 00006201

And

To: ReAssure Limited (FRN 110495)  
ReAssure Life Limited (FRN 110462)

Of: Windsor House, Ironmasters Way, Telford, Shropshire, TF3 4NB

Reference Number: 00006202, 00006203

And

To: Sun Life Assurance Company of Canada (U.K.) Limited (FRN 110481) Reference Number: 00006285

Of: Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ

Date: 13 April 2023



## **DECISION:**

1. In accordance with Regulations 48 and 49 of the Solvency 2 Regulations 2015 the Prudential Regulation Authority (the "PRA") has decided to grant Sun Life Assurance Company of Canada (U.K.) Limited ('SLOC') approval to use the Phoenix Group Model for the purposes of the calculation of part of its group SCR as set out in Annex 1.
2. The amended and restated details of the Phoenix Group Model are set out in Annex 2.

### Reasons for the Decision

3. The application requests that the PRA vary the Internal Model Approval to allow SLOC to use the Phoenix Group Model to calculate part of the group SCR.
4. As various subsidiaries of Phoenix Group Holdings PLC, (listed in Annex 1,) have approval to use the Phoenix Group Model to calculate part of their group SCR, the PRA is satisfied that it is therefore appropriate to give approval to SLOC to use the Phoenix Group Model to calculate the same part of the group SCR.
5. The PRA's assessment is that, at 3 April 2023, the Phoenix Group Model continues to meet the tests and standards after the major model change and extension of scope. 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 I, 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 II, Chapter II, Section 2 of the Commission Delegated Regulation (EU) 2015/35.

(e)The policy for changing the approved partial internal model complies with the rules contained in Chapter 6 of the Solvency Capital Requirement – Internal Models Part of the PRA Rulebook.

### **Effective Date**

6. The approvals set out in paragraphs 1 and 2 take effect on 03 April 2023

### **Decision-Maker**

7. The decision which gave rise to the obligation to give this Notice was made by Lisa Leaman, Head of Division.

### **Publication**

8. Details of this approval will be published on the Financial Services Register.

### **PRA contacts**

9. For more information concerning this matter generally, the firms should contact their usual supervisory contact.

**Lisa Leaman**  
**Head of Division**  
**For and on behalf of The Prudential Regulation Authority**

## **ANNEX 1: SCOPE OF THE APPROVED INTERNAL MODEL**

1. The approved Phoenix Group Model is as set out in the internal model application approved by the PRA on 5 December 2015 and varied in line with the decision history set out in Annex 2. It is approved in respect of all material quantifiable risks as at the date of this notice.
2. The Phoenix Group Model is a partial internal model and has been approved to calculate part of the group Solvency Capital Requirement (the 'Group SCR') at the level of Phoenix Group Holdings 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 Phoenix Group Model is approved for those entities with a "Yes" in the Solo SCR column in Table 1 to calculate their individual Solvency Capital Requirements.
4. The Phoenix Group Model includes the use of Standard Formula to incorporate Standard Life International DAC (Ireland), ReAssure Limited (FRN 110495), ReAssure Life Limited (FRN 110462) and Sun Life Assurance Company of Canada (U.K.) Limited (FRN 110481). All Standard Formula entities are incorporated under Alternative Integration Technique 1.

**Table 1**

| Legal Entity                                                | FRN       | Group SCR | Solo SCR |
|-------------------------------------------------------------|-----------|-----------|----------|
| Phoenix Group Holdings plc (PGH plc)                        | N/A       | Yes       | N/A      |
| Phoenix Life Limited (PLL)                                  | 110418    | Yes       | Yes      |
| Phoenix Life Assurance Limited (PLAL)                       | 117667    | Yes       | Yes      |
| PA (GI) Limited (PAGI)                                      | 117668    | Yes       | Yes      |
| Standard Life Assurance Limited (SLAL)                      | 439567    | Yes       | Yes      |
| Standard Life Pension Funds Limited (SLPF)                  | 110466    | Yes       | Yes      |
| Standard Life International DAC (SLINTL)                    | (Ireland) | Yes       | No       |
| Sun Life Assurance Company of Canada (U.K.) Limited (SLOC). | 110481    | Yes       | No       |
| ReAssure Limited (RAL)                                      | 110495    | Yes       | No       |
| ReAssure Life Limited (RLL)                                 | 110462    | Yes       | No       |

# Bank of England

## Prudential Regulation Authority

### ANNEX 2: DECISION HISTORY

| Date             | Model Reference | Description                                                                                                                                                                                                                            | Written Notices                             |
|------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 5 December 2015  | N/A             | Approval granted to PLL, PLAL, NPL and PAGI to use a partial internal model to calculate group (at the level of PLHL) and solo SCR per regulations 48 and 49 of the Solvency 2 Regulations 2015, and to SMIL for the group SCR only.   | 2268756,<br>2268757,<br>2268759,<br>2268762 |
| 18 December 2015 | IM0143          | Variation granted to PLL, PLAL, NPL and PAGI to use a full internal model to calculate group and solo SCR per regulations 48(5)(a) of the Solvency 2 Regulations 2015, following the sale of SMIL.                                     | 2320418,<br>2320419,<br>2320420,<br>2320421 |
| 1 November 2016  | IM0193x         | (i) Variation granted to PLL, PLAL, and PAGI to use a partial internal model to calculate group and solo SCR per regulations 48(5)(a) of the Solvency 2 Regulations 2015 following the acquisition of AWL and de-authorisation of NPL. | 3464280,<br>3464285,<br>3464283,<br>3470905 |

|                  |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                         |
|------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
|                  |                    | (ii) Approval granted to AWL to use the Phoenix Group Model to calculate its part of the group SCR per regulations 48 and 49 of the Solvency 2 Regulations 2015.                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                         |
| 30 December 2016 | IM0222             | Approval granted to ALAC to use the Phoenix Group Model to calculate its part of the group SCR per regulations 48 and 49 of the Solvency 2 Regulations 2015 following the acquisition of ALAC.                                                                                                                                                                                                                                                                                                                                                                                    | 3906173                                                 |
| 17 March 2017    | IM0193x            | Approval granted to extend the scope of the Phoenix Group Model to include AWL for the purposes of calculating the group SCR and AWL's solo SCR per regulation 48(1)(b) of the Solvency 2 Regulations 2015.                                                                                                                                                                                                                                                                                                                                                                       | 3835210,<br>3835212,<br>3835214,<br>3835217,<br>4231537 |
| 9 June 2017      | IM0171x            | Approval granted to PLL, PLAL, PAGI, AWL and ALAC to calculate the group SCR at the level of both PGH (Cayman Islands) and PLHL, per regulations 48 and 49 of the Solvency 2 Regulations 2015.                                                                                                                                                                                                                                                                                                                                                                                    | 3852845,<br>4640696,<br>4640697,<br>4640698,<br>4640699 |
| 1 March 2018     | IM0247x<br>IM0277x | (i) Approval granted to PLL, PLAL, PAGI and ALAC per regulation 48(5)(a) of the Solvency 2 Regulations 2015 to amend the Phoenix Group Model to reflect: <ul style="list-style-type: none"> <li>a. the change in the scope from a partial internal model to a full internal model;</li> <li>b. that the firms are no longer required to calculate a group SCR at the level of PLHL following the establishment of the ultimate parent, PGH (Cayman Islands), as the ultimate EEA insurance holding company for the group; and</li> <li>c. the de-authorisation of AWL.</li> </ul> | 4792364,<br>4792448,<br>4792449,<br>4792500             |

|                  |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                 |
|------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
|                  |            | <p>(ii) Approval granted for a major model change granted to PLL, PLAL and PAGI per regulation 48(1)(b) of the Solvency 2 Regulations 2015.</p> <p>(iii) Approval granted to extend the Approval granted to extend the scope of the Phoenix Group Model to include ALAC for the purposes of calculating the group SCR and ALAC's solo SCR per regulation 48(1)(b) of the Solvency 2 Regulations 2015.</p>                                                                  |                                                                                 |
| 31 August 2018   | IM0318     | <p>(i) Variation granted to PLL, PLAL, PAGI and ALAC to use a partial internal model to calculate group and solo SCR per regulations 48(5)(a) of the Solvency 2 Regulations 2015, following the acquisition of SLAL, SLPF and SLINTL (Ireland).</p> <p>(ii) Approval granted to SLAL and SLPF to use the Phoenix Group Model to calculate their parts of the group SCR per regulations 48 and 49 of the Solvency 2 Regulations 2015 following the acquisition of ALAC.</p> | <p>4978533,<br/>5006531,<br/>5006535,<br/>5006556,<br/>5006557,<br/>5006558</p> |
| 13 December 2018 | IM0291     | Approval granted to PLL, PLAL, PAGI, ALAC, SLAL and SLPF to extend the scope of the Phoenix Group Model to calculate the group SCR at the level of the new ultimate EEA insurance holding company, PGH plc, instead of PGH (Cayman Islands).                                                                                                                                                                                                                               | <p>5071140,<br/>5071500,<br/>5071501,<br/>5071502,<br/>5071503,<br/>5071504</p> |
| 20 August 2019   | IMA.214.05 | <p>(i) Approval granted to PLL, PLAL, PAGI, SLAL and SLPF per regulation 48(5)(a) of the Solvency 2 Regulations 2015 to amend the Phoenix Group Model to reflect the de-authorisation of ALAC.</p> <p>(ii) Approval granted for a major model change granted to PLL, PLAL, PAGI, SLAL and SLPF per regulation 48(1)(b) of the Solvency 2 Regulations 2015.</p>                                                                                                             | <p>5130563,<br/>5130566,<br/>5130565,<br/>5306248,<br/>5306249</p>              |

|                   |                  |                                                                                                                                                                                                                                                        |                                                                                        |
|-------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 5 August 2020     | IM0372           | Approval granted to RAL and RLL to use the Phoenix Group Model to calculate their parts of the group SCR per regulations 48 and 49 of the Solvency 2 Regulations 2015 following the acquisition of RAL, RLL and ARK (Ireland).                         | 00001538,<br>00001539                                                                  |
| 14 September 2021 | IM0338           | Approved an extension of the scope of the Phoenix Group Model to include Standard Life Assurance Limited ('SLAL') and Standard Life Pension Funds Limited ('SLPF') for the purpose of calculating the group SCR and their own solo.                    | 00003178,<br>00003179,<br>00003180,<br>00003181,<br>00003182,<br>00003183,<br>00003184 |
| 3 April 2023      | IM_CP_202306_002 | Approval granted to Sun Life Assurance Company of Canada (U.K.) Limited ('SLOC') to use the Phoenix Group Model to calculate its part of the group SCR per regulations 48 and 49 of the Solvency 2 Regulations 2015 following the acquisition of SLOC. | 00006197,<br>00006198,<br>00006199,<br>00006200,<br>00006201,<br>00006202,<br>00006203 |