
WRITTEN NOTICE

Internal model approval

To: American International Group UK Limited (FRN 781109) ("the firm")

Of: The AIG Building, 58 Fenchurch Street, London EC3M 4AB

Ref: 00006347

Date: 04 May 2023

DECISION:

- (1) In accordance with Regulation Article 48 (1) (c) of the Solvency 2 Regulations 2015(SI 2015/575), the Prudential Regulation Authority (the "PRA") has decided to approve a major model change to the firm's partial internal model approved in the original Written Notice – Internal model approval dated 18 July 2017 (reference 4227752; 4717203) and as amended by Written Notices dated 1 February 2018 (reference 4874809; 4874819; 4874831), 27 September 2018 (reference 4917065; 5002729) and 23 December 2020 (reference 00001998; 00002046)
- (2) This approval is granted on the basis of the information set out in the firms' application dated 17 November 2022.



(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 26 April 2023.

Decision maker

(5) The decision which gave rise to the obligation to give this Notice was made by Sam Fletcher, Senior Manager, London Markets, Insurance Directorate, of the PRA.

Publication

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

Reasons for the Decision

1. The PRA's assessment is that 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 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;
 - c. the systems of the undertaking for identifying, measuring, monitoring, managing and reporting risk are adequate. [; and]

PRA contacts

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

Sam Fletcher

Senior manager

For and on behalf of The Prudential Regulation Authority

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 17 November 2022.
2. The internal model is approved to calculate the Group SCR at the level of AIG Holdings Europe. [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
AIG Holdings Europe Limited	N/A	[Yes]	N/A
American International Group UK Limited	781109	Yes	Yes
AIG Israel Insurance Company Limited	N/A	No	N/A
AIG Europe Services Limited	N/A	[Yes]	N/A
AIG Receivables management Limited	N/A	Yes	N/A

Legal Entity	FRN	Group SCR (or contribution to Group SCR if solo entity)	Solo SCR
AIG Trade Finance Limited	N/A	Yes	N/A
Privilege Holdings Sarl	N/A	Yes	N/A
Privilege Sheffield Sarl	N/A	Yes	N/A
Privilege Southampton Holdings Sarl	N/A	Yes	N/A
Privilege Southampton Sarl	N/A	Yes	N/A
Privilege Cardiff Holdings Sarl	N/A	Yes	N/A
Privilege Cardiff Sarl	N/A	Yes	N/A
Privilege Bournemouth Holdings Sarl	N/A	Yes	N/A
Privilege Bournemouth Sarl	N/A	Yes	N/A
Privilege Leeds Sarl	N/A	Yes	N/A
Habitus Holdings Sarl	N/A	Yes	N/A

Legal Entity	FRN	Group SCR (or contribution to Group SCR if solo entity)	Solo SCR
Habitus Leeds Sarl	N/A	Yes	N/A
Habitus Lancastrian Holdings Sarl	N/A	Yes	N/A
Habitus Lancastrian Holdings Sarl	N/A	Yes	N/A
Trivium UK Logistics	N/A	Yes	N/A
Valor Industrial Partners 2 GP Limited	N/A	Yes	N/A