
STATUTORY INSTRUMENTS

2015 No. 575

The Solvency 2 Regulations 2015

PART 4

Approvals

CHAPTER 2

Specific Approvals

Models

48.—(1) An insurance undertaking, reinsurance undertaking or third-country insurance undertaking may apply to the PRA for approval of—

- (a) a full or partial internal model;
- (b) major changes to an approved internal model; or
- (c) the policy for changing an approved internal model.

(2) The PRA may require an undertaking to run its internal model—

- (a) on relevant benchmark portfolios; or
- (b) using assumptions based on external rather than internal data,

in order to verify the calibration of the internal model and to check that its specification is in line with generally accepted market practice.

(3) The PRA must approve an application made under paragraph (1) if—

- (a) the internal model complies with the requirements of rules implementing Article 112 of the Solvency 2 Directive;
- (b) the internal model complies with the requirements of any directly applicable regulations made under Article 127 of the Solvency 2 Directive;
- (c) the systems of the undertaking for identifying, measuring, monitoring, managing and reporting risk are adequate; and
- (d) in the case of a partial internal model, the model fulfils the requirements of rules implementing Article 113 of the Solvency 2 Directive and any directly applicable regulation made under Article 114 of the Solvency 2 Directive.

(4) The PRA must give a decision on an application made under paragraph (1) within six months of its receipt of the completed application.

(5) Where the PRA grants approval under paragraph (3), the PRA may—

- (a) vary the approval;
- (b) revoke the approval.

(6) In this regulation “internal model” includes a partial internal model.

Changes to legislation: The Solvency 2 Regulations 2015, Section 48 is up to date with all changes known to be in force on or before 28 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Modifications etc. (not altering text)

- C1** Pt. 4 modified (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **12** (as amended by [S.I. 2020/1385](#), regs. 1(2), **54(2)** and [S.I. 2020/1301](#), regs. 1, 3, **Sch. para. 27(e)**)

Changes to legislation:

The Solvency 2 Regulations 2015, Section 48 is up to date with all changes known to be in force on or before 28 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)