

# PRA CONSULTS ON INTERNAL MODELS UNDER SOLVENCY 2

Article By:

Finance: Banking, Restructuring, Insolvency

---

As part of its review into Solvency 2, PRA has published a **consultation paper** which proposes updated expectations of firms in respect of:

- the model change process set out in Supervisory Statement (SS) 12/16 ‘Solvency II: Changes to internal models used by UK insurance firms’; and
- the internal model change policies set out in SS17/16 ‘Solvency II: internal models – assessment, model change and the role of non-executive directors’

Having discussed the model change process with the ABI and other stakeholders, PRA is proposing guidance on:

- the model change process
- model change policies; and
- the reporting of minor model changes.

PRA has also published a [statement](#) on what it has investigated and reviewed in respect of model change related processes, policies and reporting.

The deadline for feedback on the consultation paper is 20 March 2018, with changes in relation to minor model change reporting to take effect from June 2018 and updated guidance on the model change process and model change policies to be implemented in the second quarter of 2018.

Copyright © 2025 Womble Bond Dickinson (US) LLP All Rights Reserved.

---

Source URL: <https://natlawreview.com/article/pa-consults-internal-models-under-solvency-2>