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Instructions for proper application of IMAP and MMC for group internal models

Internal Model Approval Process (hereafter: IMAP)

- For a group internal model, the IMAP application should clearly define the scope of the group internal model and list the entities applying for the use of the group internal model to calculate their Solvency Capital Requirement.
- For a group internal model, the IMAP application letter should be submitted by the group (in practice often by the holding company) and signed by at least:
 - the relevant member(s) of the Administrative Management or Supervisory Board (hereafter: AMSB) of the group (being the relevant person(s) who effectively run the group; in practice often the relevant member(s) of the AMSB of the holding company)
 - the relevant member(s) of the AMSB of each undertaking applying for the use of the group IM.

Major Model Change (hereafter: MMC)

- For a group internal model, the MMC application should clearly define the scope of the MMC and list the entities affected by the MMC.
- For a group internal model, the MMC application letter should be submitted by the entity that submitted the IMAP application letter (and received approval to use the group internal model) and signed by at least:
 - the relevant member(s) of the AMSB of the group (being the relevant person(s) who effectively run the group; in practice often the relevant member(s) of the AMSB of the holding company)
 - the relevant member(s) of the AMSB of each entity affected by the MMC.

Legal framework

- Art. 4b subsection 3 Decree on prudential supervision of financial groups FSA
- Art. 231 SII Directive
- Art. 212 SII Directive
- Art. 347 and following SII Delegated Acts (EU) 2015/35
- (EU) 2015/460 ITS with regard to the procedure concerning the approval of an internal model
- EIOPA guidelines on the use of internal models (EIOPA-BoS-14/180)
- EIOPA Guidelines on Pre-application of Internal Models (EIOPA-CP-13/011)