

Bank of England PRA

QMC.01 – Quarterly model change

General comments

Firms are required to submit information on minor and major model changes to the PRA each quarter in line with Article 6(3) of Chapter 2A of the Reporting Part in the PRA Rulebook. This should include changes in Model Limitation Adjustments (MLAs) that are considered to be model changes.

Firms are required to use the QMC.01 template and provide supporting narrative documentation in their quarterly model change submission. Firms should use a separate row within the QMC.01 template for each model change implemented during the reporting period and provide the details described below.

Firms must submit an explanation of each model change in the supporting narrative documentation, in line with SS17/16: Solvency II: internal models – assessment, model change and the role of non-executive directors¹.

In this template all monetary amounts are entered in £m and should be reported to the nearer £m unless SCR is less than £500m where they should be reported to the nearer £0.1m.

| CELL(S) | ITEM | INSTRUCTIONS |
|-------------|---------------------------|--|
| R0010/C0010 | Undertaking name | Legal name of the undertaking. This must be the same as the identification code reported in the Implementing Technical Standard Reporting template IR.01.02. |
| R0020/C0010 | Reporting start date | Identify the ISO 8601 (yyyy-mm-dd) code of the date identifying the first day of the reporting period for which minor changes are accumulated. |
| R0030/C0010 | Reporting reference date | Identify the ISO 8601 (yyyy-mm-dd) code of the date identifying the last day of the reporting period. |
| R0040/C0010 | Reporting submission date | Identify the ISO 8601 (yyyy-mm-dd) code of the date when the report to the supervisory authority is made. |
| C0100 | Reference | Provide a unique reference number for each model change in format yyyy_XX. |
| C0110 | Effective date | Identify the ISO 8601 (yyyy-mm-dd) code of the effective date the change was implemented. |
| C0120 | Major / Minor | Indicate whether the change is classed as a major change or minor change in accordance with the Model Change Policy in force during the reporting period. |

¹ Available at: www.bankofengland.co.uk/prudential-regulation/publication/2016/solvency2-internal-models-assessment-model-change-and-the-role-of-non-executive-directors-ss.

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| C0130 | Brief summary of change | <p>A brief explanation of the change, for example:</p> <ul style="list-style-type: none"> • Longevity calibration now based on XXX data • Lapse calibration now separate for products A and B • Credit risk calibration now separate for asset classes C and D • Correlations review for YYY risk • Methodology change for XXX |
| C0140 | Risk module | <p>Indicate which of the following categories available is most appropriate for the change made:</p> <ul style="list-style-type: none"> • Market risk • Counterparty default risk • Life underwriting risk • Non-life underwriting risk • Health Underwriting • Operational risk • Other |
| C0150 | Quantitative impact on SCR (£m) | Quantitative impact on SCR (post-diversification) of the model change. |
| C0160 | Change accumulates? | Indicate whether the change accumulates with other changes, Y/N. |
| C0170 | Cumulative minor model changes (£m) | If the model change accumulates, the cumulative value of the impact on SCR of all the model changes from the last reset or major model change up to this point. |