**Statement of Board Responsibilities template (5 October submission)**

***All managing agents will be required to include a statement of Board Responsibilities with their application letter. At a minimum, this should include a statement in respect of each of the following*:**

1. The Board is responsible for preparing the Solvency II Application for Internal Model Authorisation in accordance with the requirements of the Solvency II Directive and the current EIOPA level 2 and level 3 guidance (including all updates at the point of submitting the application). This includes, but is not limited to, the following high-level requirements from the Solvency II Directive:
   * Article 101 – the model must be able to calculate a Solvency Capital Requirement (SCR)
   * Article 112(5) – there are adequate systems in place for identifying, measuring, managing and reporting risk
   * Articles 120-126 – the model meets the tests and standards on use, statistical quality, profit & loss attribution, calibration, validation, documentation and external models & data
2. The Board is responsible for submitting this application to Lloyd’s and thereby requesting authorisation for the use of its internal model for the purpose of assuring regulatory and member level capital with effect from 1 January 2014.
3. The Board is required to confirm that the material contained within the application properly represents the current status its Solvency II compliance and all material facts or details relevant to the application have been disclosed.
4. The Board is required to prepare an SCR for each financial year which fairly presents the financial position of the syndicate at the required 99.5% Value at Risk confidence level over both a twelve month time horizon (in line with the Solvency II Calibration Standards) and for one year of new business to ultimate (in line with Lloyd’s requirements). In preparing the SCR, the Board is required to:
   * Select appropriate assumptions and mathematical and empirical bases underlying the internal model
   * Operate a robust system of governance and control over the internal model to ensure quality and reliability of the model (including, but not limited to validation policies and independent assurance)
   * Provide additional disclosures when compliance with the Directive and EIOPA guidance is insufficient to enable users to understand the limitations of the internal model
   * Attest that the agency has complied with the Solvency II Directive and EOIPA guidance requirements, subject to any material departures being disclosed and explained in the FAP
   * Maintain comprehensive evidence of this compliance (both at the time of application and subsequently) in a manner that is relevant, reliable, comparable and understandable
5. The Board is responsible for implementing and maintaining an appropriate assurance process over its internal model and associated risk management processes to assist it in discharging the responsibilities listed here. The Board is further responsible for ensuring that evidence of this process is available for review if requested.
6. The Board is responsible for keeping appropriate documentation and records to disclose with reasonable accuracy at any time the status of compliance with the requirements
7. The Board is also responsible for ensuring that this compliance is demonstrably maintained on an on-going basis following the application, and for notifying Lloyd’s as soon as possible if any of the conditions for compliance cease to be met. This would include, but is not limited to:
   * That the calculated SCR and one-year to ultimate numbers remain appropriate in light of changes to the agent’s business and risk profile
   * That the agent’s policies, systems, processes, procedures, and documentation continue to represent compliance in an appropriate manner
   * In particular, the Board is required to notify Lloyd’s as soon as reasonably possible if such circumstances arise that would have had a material impact on the application.
8. The Board hereby confirms that this application has been subject to full Board approval and is signed on its behalf by the CEO and Finance Director or Senior Nominated Person (provided they are a board member)