

Open Year Profit Release Instructions

Version 1.0

Table of Contents

1	Open year profit release	3
1.1	Background	3
1.2	Basis of completion	3
1.3	Completing the form	3
1.4	Impact of open year profit release	3
1.5	Lloyd's American Trust Fund (LATF) (Life syndicates only)	4
2	Submission	4
2.1	Approval	4
2.2	Timetable	4
2.3	Key contacts	4

1 Open year profit release

1.1 Background

1.1.1 The open year profit release instructions set out the mechanisms by which members may obtain an early release of profits, outside of the traditional three years of account distribution process. Please also refer to Market Bulletin Y5411 for additional context.

1.2 Basis of completion

1.2.1 All syndicates with an open reporting year (whether naturally open or in run-off) must use the Open Year Profit Release template to report open year transfers.

1.2.2 Any transfers will be subject to the managing agent's sign-off confirming that there are no liquidity or other concerns, such as fundamental uncertainty regarding the ultimate outcome of the open year of account.

1.2.3 An agent must act prudently and should ensure that it retains sufficient assets to cover its reasonable estimate of the liabilities. It should therefore be reasonably satisfied in making its decision that the retained assets will allow it to meet all liabilities as they are expected to fall due. In addition, by approving the cash transfer, managing agents are providing negative assurance that no material adverse development has occurred since the reporting date.

1.3 Completing the form

1.3.1 For the avoidance of doubt, if a syndicate is making an open year profit release, then select "Yes" on line 2 "Confirmation of Open Year Profit Release" on the Open Year Profit Release template.

1.3.2 Line 3 represents the maximum potential open year profit release for the reporting year of account and is based on the lower of the Solvency and Statutory net asset position for the respective reporting year of account. This amount will be validated against the supplementary solvency data template.

1.3.3 Where a managing agent proposes to make a transfer, it must:

- Prepare cash flow projections for the business of the syndicate in order to satisfy itself that the transfer of syndicate funds will not cause cash flow difficulties in the future;
- Complete and return the Open Year Profit Release template with the quarterly Solvency UK return; and
- Use the balance sheet rate of exchange for US Dollars to calculate the sterling equivalent of any cash transfer to be effected in US dollars.

1.3.4 Any cash to be collected from syndicate PTFs (Sterling, LDTF and, for life syndicates only, LATF) will be included for payment via Central Accounting Settlement on a date agreed with member services.

1.3.5 Agents should not remit funds directly, but should ensure that their Central Settlement Accounts have sufficient funds to support settlement on the relevant date.

1.4 Impact of open year profit release

1.4.1 The maximum available for transfer is the lower of the IR.02.01 (Solvency Balance Sheet) Column C0010 / C0020 (or GAAP equivalent on a quarterly basis) for the relevant reporting year of account.

1.5 Lloyd's American Trust Fund (LATF) (Life syndicates only)

- 1.5.1 Transfers from open years will also be permitted from the LATF. Transfers from the LATF will be available for release into members' Personal Reserve Fund (PRF) accounts to meet non-LATF liabilities once the member is LATF solvent across all syndicate participations. The LATF solvency exercise is conducted centrally by Central Finance and Member Services. Where members are not LATF solvent, Member Services will retain any LATF balances in separate member-level LATF accounts.
- 1.5.2 Transfers from the LATF cannot exceed any surplus reported on QMA250 line 28 (as reported in the QMA Delta). Any LATF profits (either via DD File results or open year transfers) available for release are dependent upon completion of the LATF Solvency Test.

2 Submission

2.1 Approval

- 2.1.1 This form must be signed by the managing agent's Compliance Officer and one Director for each reporting year where an entry is made on any of lines 4, 6 and 7 inclusive, and must be submitted via the Solvency UK SecureShare site.
- 2.1.2 Files uploaded to SecureShare must use the following naming convention:
- Quarterly:** xxxx_yyyyQQ_OYPR where xxxx refers to 4-digit syndicate number and yyyy to the reporting year e.g. 9999_2025Q4_OYPR

Annual: xxxx_yyyyA_OYPR where xxxx refers to 4-digit syndicate number and yyyy to the reporting year e.g. 9999_2025A_OYPR

2.2 Timetable

- 2.2.1 Submissions must be received by Lloyd's by 5pm on the same submission dates as the Solvency UK quarterly and annual submission dates.

2.3 Key contacts

- 2.3.1 The key contacts in the Central Finance team are:

Name	Position	Email address
Vince Santiago	Regulatory Reporting Manager	Vince.Santiago@lloyds.com
Sachin Patel	Reporting Accountant	Sachin.Patel@lloyds.com
Kate Maloney	Accounts Assistant	Kate.Maloney@lloyds.com
Rizwan Kermali	Head of External Reporting	Rizwan.Kermali@lloyds.com