

## **Lloyd's Actuarial Oversight Update December 2025 – Internal Model Outputs (IMO)**

As in previous years, the PRA is collecting Internal Model Outputs from insurers (including Lloyd's syndicates) which use internal models. This requirement forms part of the annual Pillar 3 reporting cycle.

IMO reporting should be consistent with the model version used for your Sept/October LCR submission (not any March submission), unless the syndicate has had a major risk profile change since then. If you are unsure as to the basis required for the IMO submission please contact your capital Point of Contact.

The regulatory requirements in this respect are set out [here](#). Please refer to section 1g 'Internal model outputs'. Please also refer to [Supervisory Statement SS25/15 Solvency II: Regulatory reporting, internal model outputs](#) and [SS26/15 'Solvency II: ORSA and the ultimate time horizon - non-life firms'](#). Reporting requirements have broadly remained the same as last year, with some updates to template IM.03. As in previous years, we ask you to complete the current PRA templates, except for IM.03, which has a slight modification as stated below. Consistent with the requirements of sections 2.4 and 2.5 of the supervisory statement:

- **Each syndicate** must complete **template IM.00**.
- **Each non-life syndicate** must complete **template IM.03** (updated 2025YE template found on [Lloyd's.com](#)). The are minor updates to this template since last year, namely combining the reporting of certain Solvency II LoBs and a requirement for reporting specific market risk impacts for additional terms. Please see further detail below.
- **Each life syndicate** must complete template **IM.01** and the additional template **IM.02 on counterparty risk**.
- The blocking checks template should also be submitted alongside the completed templates.

The IM.00, IM.01, IM.02 templates and LOG files/instructions can be found in section 1a) on the PRA website [here](#).

As per previous years, non-life syndicates do not need to complete IM.01 or IM.02.

The **template IM.03** will be available on [Lloyds.com](#) by **9th January 2026**. To confirm, this is essentially the PRA 2018YE version of the template (as the formatting changed but Lloyd's decided to perform the formatting conversions for syndicates) with the following addition:

- Additional CAT data is included within the template.

In line with previous years, the following sections do NOT need to be filled in by syndicates:

- Net discounted distributions for both Reserve Risk and Premium Risk are no longer required.
- Net discounted linear correlation for Insurance Risk Correlations are no longer required.

The template is the same format as last year in order to make the reporting as seamless as possible for syndicates. Areas no longer required as per the above have been formatted accordingly but can be submitted if syndicates choose to do so.

## Updates to Template IM.03

There have been some updates to the **template IM.03** this year. These are not material changes and are listed below:

Forms: IM.03.02.02, MO.03.02.02, IM.03.10.01, MO.03.10.01

- Solvency II LoB 17 and LoB 18 have been combined.
- Solvency II LoB 19 and LoB 20 have been combined.

Form: IM.03.07.01 – Market Risk

- Risk-Free Rates Data: An additional requirement has been introduced to provide the impact of an “Increase in risk-free zero coupon bond spot yield – Term 40”.
- Credit Risk Spread Data: An additional impact must now be provided for a term of 25 years.

Form: IM.03.05.01 and IM.03.05.01

- Change in header from: “Non-Modelled Risks” to “Pre-defined Peril 11 - all other natural catastrophe perils in aggregate”.

## Blocking checks template

The **blocking checks template** will be available on [Lloyds.com](https://lloyds.com) by **9th January 2026**. This should be submitted alongside the completed templates. Agents must review the checks in order to prevent resubmissions due to incorrect data wherever possible.

Our blocking checks template is designed to flag validation test failures, including those which would cause blocking errors when we submit the returns on to the PRA. Whilst this template captures the majority of blocking checks performed by the PRA, there are some formatting issues which the checks do not capture. Below are some guidance points to consider in response to common blocking errors we experience when uploading the IMO Returns to the PRA’s portal. Please consider these points before submitting your IMO template to Lloyd’s as otherwise we might not be able to submit your template to the PRA and a resubmission might be required.

- Ensure the reporting reference dates throughout the template are updated to the appropriate year-end.
- IM.00 template:
  - Where there are drop-down lists in the IM.00 template, ensure the value input into the cell is from this drop-down. E.g. for cell IM.00.01.01 Z0320 C0010, either “Reserving risk [IMO]” or “Premium risk [IMO]” must be input – any other values will cause errors when we come to submit returns to the PRA.
  - The “Reporting submission date” (IM.00.01.01 Z0080 C0010) should be the date you submit the return to Lloyd’s and must be in date format.
- IM.03 template:
  - Similarly to the first IM.00 point, the “Catastrophe Risk – 1Yr” and “Catastrophe Risk – Ultimate” tabs contain drop-down selections for the vendor model used. Inputs for these cells must be a selection from the drop-down list. Note there is an “OTHER (specified in cell CAT203)” selection in the drop-down which allows you to input the vendor model as free text in a different cell.
  - Line of business and total risk correlations input into IM.03.06.01, MO.03.06.01, IM.03.09.01 and MO.03.09.01 should be less than 100%. The PRA apply this test by checking that correlations are less than or equal to

99.99% (excluding the leading diagonal where correlations are equal to 100%). As such, correlations between 99.99% and 100% cause the submission to the PRA to fail. Please ensure that all correlations, excluding those on the leading diagonal, are less than or equal to 99.99%. Check 38 in the Blocking Checks Template has been amended to account for this.

### Details on submissions

Managing agents are asked to submit the completed Excel workbooks in respect of each managed syndicate to Lloyd's via the "MRC - Syndicate Capital Setting" Secure Share (note that access may need to be arranged so it is recommended that this occurs in advance) site by no later than **2 March 2026** following the naming conventions set out in the instructions of the blocking checks file. Files not following naming conventions may require resubmission. This date is set so that Lloyd's has time to review the submissions, resolve queries with agents and then prepare each syndicate's submission in time for meeting the PRA deadline of 13 April 2026. Submissions to the PRA are required in XBRL format as in the last years, but Lloyd's will undertake conversion from Excel to XBRL centrally.