

# MEMBERSHIP (ENTRANCE FEES AND ANNUAL SUBSCRIPTIONS) BYELAW

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## Commencement

This byelaw commenced on 7 October 1987.

## Amendments

This byelaw was amended by

Corporate Members (Consequential Amendments) Byelaw (No. 20 of 1993)  
Transitional and Conversion Arrangements (Corporate Member) Byelaw (No. 9 of 1994)  
Conversion and Related Arrangements Byelaw (No. 22 of 1996)  
Membership (Entrance Fees and Annual Subscriptions) (Amendment) Byelaw (No. 25 of 1997)  
Annual Subscribers Byelaw (No. 15 of 2000).

## Explanatory Note

(This note is not part of the byelaw)

This Byelaw provides for the payment of entrance fees and annual subscriptions by members of the Society. It replaces and amends certain of the byelaws passed under Lloyd's Acts 1871 to 1951.

The Byelaw requires, as a condition of underwriting insurance business at Lloyd's, that members pay the entrance fees and annual subscriptions as prescribed from time to time by the Council. In addition, the Council may charge interest on late payments. The remaining penalties in the Byelaw for the non-payment of entrance fees and annual subscriptions are essentially re-enactments of those present in the byelaws passed under Lloyd's Acts 1871 to 1951.

The Council of Lloyd's in exercise of its powers under section 6(2) and paragraph (4) of Schedule 2 of the Lloyd's Act 1982 by special resolution hereby makes the following byelaw:

## 1. Interpretation

In this byelaw –

- (a) “approved conversion arrangement” has the meaning given in the Conversion and Related Arrangements Byelaw (No. 22 of 1996);
- (b) “due date” means the date prescribed by the Council under paragraph 2(3);
- (c) “effective date” has the meaning given in the Conversion and Related Arrangements Byelaw (No. 22 of 1996);
- (d) “equity share capital” has the meaning given in section 744 of the Companies Act 1985; and
- (e) “successor corporate member” means a corporate member -
  - (i) not less than 85 per cent (or such other percentage as the Council may for the time being prescribe) of the equity share capital of which is beneficially owned by one or more individual members who have entered into an approved conversion arrangement with that corporate member; and
  - (ii) not less than that percentage of the voting power at any general meeting of which is exercisable by (or at the direction of) such individual members.

## 2. Entrance Fees and Annual Subscriptions payable by members of the Society

- (1) Subject to sub-paragraphs (5) and (7), every member of the Society shall pay to the Society in each calendar year such entrance fees and annual subscriptions as the Council may from time to time prescribe in accordance with the provisions of this paragraph.
- (2) The amounts of entrance fees and annual subscriptions and the manner of calculating such amounts shall be such as the Council shall from time to time by special resolution prescribe.
- (3) Entrance fees and annual subscriptions shall be payable on such dates and in such manner as the Council shall from time to time by special resolution prescribe.
- (4) Entrance fees and annual subscriptions shall be levied on members of the Society by service on each member of the Society or his underwriting agent or agents of a notice specifying the amount due or the method of calculating the amount due, which shall be paid by such member not later than the date specified for that purpose in such notice.

- (5) The Council may from time to time exempt wholly or in part any member or category or class of members of the Society from liability to pay any fee or subscription pursuant to this byelaw.
- (6) Any exemption granted pursuant to sub-paragraph (5):
  - (a) may apply indefinitely or for such period as the Council may specify;
  - (b) may be general or limited to a particular payment or payments made or otherwise due to be made under sub-paragraph (1).
- (7) A successor corporate member shall be exempt from liability to pay the entrance fee applicable to a corporate member under sub-paragraph (1).

### 3. Powers to obtain information

- (1) Every member of the Society shall furnish to the Council such information as the Council may from time to time require by notice in writing to such member or his underwriting agent for the purposes of this byelaw.
- (2) Any information required pursuant to sub-paragraph (1) shall be furnished in such manner and at such time as the Council may specify in writing.
- (3) A member of the Society shall only be required under this paragraph to furnish such information as he or his underwriting agent possess or can reasonably be expected to obtain.

### 4. Non-payment of subscriptions, etc.

- (1) The making of payments prescribed pursuant to paragraph 2 and any interest thereon charged pursuant to sub-paragraph (2)(b) of this paragraph shall be a condition relating to permission to underwrite insurance business at Lloyd's and the provisions of the Membership Byelaw (No. 17 of 1993) shall apply accordingly where any member of the Society fails to comply with such condition.
- (2) Without prejudice to sub-paragraph (1) where a member of the Society fails to make any payment required pursuant to this byelaw by the due date the Council may from time to time by special resolution take one or more of the following measures:
  - (a) post the name of such member in the Room;

- (b) charge interest on such amounts of the payments as are unpaid on the due date from the due date until the date of payment at a rate determined by the Council.
  - (c) suspend such member's right of access to the Room and other parts of the Society's premises until payment of all sums due under this byelaw has been made.
- (3) An individual admitted as a member of the Society shall not be admitted to the Room until he has paid his entrance fee.

4A. Power to prescribe percentage

The Council may from time to time by special resolution prescribe a different percentage for the purposes of paragraph 1(e).

5. Revocation and amendment of byelaws made under Lloyd's Acts 1871 to 1951

- (1) Byelaws Nos. 23 and 30 are revoked.
- (2) Byelaw No. 21 is amended by deleting "Members".
- (3) Byelaw No. 24 is amended by deleting "a Member or" and substituting "an".
- (4) Byelaw No. 28 is amended by deleting "Members".
- (5) The following Schedule is substituted for the Schedule referred to in Byelaw No. 21:

6. Commencement

This byelaw shall come into force on 7th October 1987.