

MARKET BULLETIN

From Controller of Agencies Agency Department

Date 14 March 2006

Reference Y3767

Subject **SCALE OF CHARGES FOR THE PRODUCTION OF LLOYD'S ELECTRONIC CARGO CERTIFICATES**

Subject areas

Attachments

Action points

Deadlines

The Certificate office within the Agency Department at Lloyd's provides a facility to enable policy-holders, underwriters, brokers and their clients to issue Lloyd's Marine Certificates of Insurance by electronic means. The facility uses a web-based system called the Genoa system developed by Oceanwide.com and can be accessed at www.cargocerts.lloyds.com.

In June 2003, (market bulletin ref. Y3073) the Certificate office announced that all policies submitted for entry onto the electronic scheme would incur an administration charge of £500 per policy to cover the Certificate office's costs in preparing policy data for entry onto the electronic system. Thereafter a charge of £1.50 per certificate would be made for each certificate created using the electronic system.

In August, 2004, (market bulletin ref. Y3366) the Certificate Office reduced the cost of electronic certificates from £1.50 per certificate to £1 per certificate which compares favourably with the Certificate Office's current charge of £2.20 per certificate produced by conventional means.

Having reviewed our pricing structure, we regret to have to announce the need for us to increase our charges with effect from 1 April 2006 for the entry of new business onto Lloyd's Electronic Cargo Certificates (LECC) to £750 per policy. We shall also be introducing a charge for the cost of renewing policies already entered onto the LECC facility of £250 per policy. Furthermore any other work involving electronic certificates will attract a minimum charge of £100. However the cost per certificate will remain unchanged.

The increase in the set-up charges and the introduction of a renewal fee is required to cover the Certificate Office's costs in administering and maintaining the LECC, by users of the system.

For the sake of clarity, the Certificate Office's service levels and the complete Scale of Charges for both electronic and traditionally produced certificates, as revised, are attached hereto.

Comprehensive guidelines on the production of traditional and electronic certificates are available upon request from the Certificate Office by contacting Mike Spaul, the Manager on telephone number: 020 73275244, fax: 020 73276777 or email to mike.spaul@loyds.com.

This market bulletin with attachments has been sent to all Lloyd's Brokers and Underwriters.

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Controller of Agencies
Agency Department

SERVICE LEVELS FOR CERTIFICATE PRODUCTIONPart 1PAPER BASED CERTIFICATE / RIDER ORDERS

- 1 Upon presentation by a Lloyd's broker of a copy of the original slip which will be date stamped on receipt by the Certificate Office, the Certificate Office will provide the broker with a certificate 'proof' within 4 working days from submission.
- 2 The Certificate Office having supplied the certificate proof will retain this information on record for one calendar month from the date the 'proof' was supplied to the broker. If the order is NOT confirmed within that one calendar month period, an office charge as per Appendix A (ii) will be made to the broker for artwork preparation. Subsequent certificate orders on that job ticket will incur the Certificate Office's usual charges as contained in Appendix A (i).
- 3 On receipt of the agreed order, the certificates will be sent to the Certificate Office's nominated printers and thereafter delivered directly by the printers to the Lloyd's broker's London office address within 2 working days of the printer receiving the order. Delivery by the printers normally takes place about 4 p.m. each working day.
- 4 A minimum order of 100 certificates is required to meet the Certificate Office's administration costs. Orders of less than 100 will incur an additional office charge as per Appendix A (iii).
- 5 Underwriters will be charged (as per the current scale attached hereto) for all orders relating to marine open cargo covers ("C" certificates) and binding authority certificates ("CBA" certificates). Broker certificates will be charged to the respective broker by invoice on a monthly basis. Any additional agreed costs incurred (e.g., courier charges for special delivery) will be charged to the respective party.
- 6 In-house riders will only be prepared by the Certificate Office if 50 or LESS items are required. Costs will be charged as per Appendix A (v).

Part 2

LLOYD'S ELECTRONIC CARGO CERTIFICATES (LECC)

- 1 Upon presentation by a Lloyd's broker of a copy of the original slip which will be date stamped on receipt by the Certificate Office, the Certificate Office will provide the broker with a certificate 'proof' within 4 working days from submission.
- 2 The Certificate Office having supplied the certificate proof will retain this information on record for one calendar month from the date the proof was supplied to the broker. If the order is NOT confirmed within that one calendar month period, an office charge as per Appendix B (iv) will be made to the broker for artwork preparation. Subsequent certificate orders will incur the Certificate Office's usual charges as contained in Appendix B (iii).
- 3 On receipt of the agreed order, the certificates database will be modified to include the necessary "Clientside Administrator" (based on information supplied by the broker in advance) and the LECC certificate will be activated which normally occurs within 1 working day.
- 4 A one-off initial office charge for any new entry onto the system will be charged as per Appendix B (i). All certificates issued on the system will raise a cost per certificate as per Appendix B (iii) and this will be charged to the respective underwriters on a monthly basis.
- 5 Procedures to set up certificates from the site of another Oceanwide licensee will incur no initial entry charge unless additional artwork is required in which case the fee referred to in Appendix B (ii) will apply.

SCALE OF CERTIFICATE OFFICE CHARGES

APPENDIX 'A' – PAPER BASED CERTIFICATE / RIDER ORDERS

- i. The table below outlines the costs charged to underwriters / brokers for the production of Lloyd's and Companies Market marine cargo insurance certificates and riders consisting of: **1 Original, 1 Duplicate and 2 Copies.**

All other orders, e.g., those requiring additional copies, NCR paper, CTF paper, or inter-leaved, may incur additional costs dependent on the printer's final invoice to the Certificate Office.

Certificate Production Costs <i>(Riders will be charged at 50% of the rates detailed below).</i>	
Quantity	Cost per certificate
Orders of 0-499	£2.20
Orders of 500-999	£1.65
Orders of 1000-1499	£1.15
Orders of 1500-2999	£0.80
Orders of 3000-4999	£0.55
Orders of 5000+	£ negotiable* (see note below)

- ii. Certificate orders for artwork created and retained within the Certificate Office for one calendar month from submission of proof to the Broker without ongoing completion of the order to 'print' will incur an office preparation charge of **£200**. Subsequent orders to print these certificates will in addition incur the usual certificate production costs in accordance with A (i) above.
- iii. A minimum order of 100 certificates is required to cover the Certificate Office's administration and printing costs. Orders of between 50 (the absolute minimum) and 100 certificates / riders will incur the usual charges in accordance with the costs listed in A (i) above PLUS an additional office charge of **£100**.
- iv. Courier charges incurred for special delivery of printed certificates / riders are charged to the broker concerned in accordance with the printer's invoice as presented to the Certificate Office.
- v. Requests for 'in-house' riders will incur costs based on the scale as per A (i) above. Excessive artwork may incur additional charges calculated at a rate of **£100** per hour of work involved.

* 5000 to 6999 certificates 40p per certificate
 7000 to 8999 certificates 35p per certificate
 9000+ certificates 30p per certificate

All prices are exclusive of VAT which shall be charged by Lloyd's in addition to the amounts set out in this schedule.

APPENDIX 'B' – LLOYD'S ELECTRONIC CARGO CERTIFICATES (LECC)

- i. New business entered onto the LECC system will be charged to underwriters at the cost of **£750** per policy.
- ii. Renewal business will incur an entry charge of **£250** per policy unless there are significant alterations to the cover conditions. In that event, an additional charge based on **£100** per hour will be calculated for the additional work involved.
- iii. Any other work will incur a charge of **£100** per hour with a minimum charge of **£100**.
- iv. Certificates generated on the LECC system will cost **£1.00** per certificate. All fees will be charged to the respective underwriters on a monthly basis.
- v. New business created and retained within the Certificate Office system for one calendar month (from submission of the electronic 'proof' to the Broker) without ongoing completion of the order to 'live set up' will incur an office 'preparation' charge of **£200**. Any subsequent request for the Certificates Office to proceed with the order will incur the costs as outlined in B (i), (ii) and (iv) above.
- vi. Lloyd's marine insurance certificates printed off the site of another Oceanwide licensee will incur the charges specified in B (iii), (iv) and (v) above.

All prices are exclusive of VAT which shall be charged by Lloyd's in addition to the amounts set out in this schedule.

APPENDIX 'C' – OTHER ELECTRONIC CARGO CERTIFICATES TEMPLATES

Anyone requesting other electronic cargo certificate templates shall pay to Lloyd's the following charges:

i. Creation of New Draft Certificate Template(s)

£1,500 per draft certificate template prepared by the Certificates Office for each new policy. Any requests for draft certificate templates relating to a renewed policy of insurance shall be deemed to be requests for new draft certificate templates.

ii. Changes to / Additional Draft Certificate Template(s) for an existing Assured

Where the Certificates Office is requested to make any changes to draft certificate templates already created by it or is requested to prepare additional templates under an existing policy, the Certificates Office shall charge as follows:

1. **£250** for the creation of additional draft certificate templates which have previously been created by the Certificates Office providing that such changes are limited to changes to the name and address of the declared signatory.
2. **£200** per hour of work involved for any further changes requested.

All prices are exclusive of VAT which shall be charged by Lloyd's in addition to the amounts set out in this Schedule.