

# MARKET BULLETIN

<b>From</b>	Manager, Financial Processing, Financial Control (extn 2920)
<b>Date</b>	8 December 2006
<b>Reference</b>	Y3918
<b>Subject</b>	<b>2007 MEMBERS' SUBSCRIPTIONS AND FRANCHISE PERFORMANCE &amp; RISK MANAGEMENT CHARGE</b>
<b>Subject areas</b>	
<b>Attachments</b>	Instructions for Completion of Forms Form A - For Managing Agents Form B - For Members' Agents
<b>Action points</b>	<b>Pro forma due 21 December 2006</b> <b>Payments due 8 January 2007</b>
<b>Deadlines</b>	<b>Immediate</b>

Further to the Market Bulletin of 27 September 2006 reference Y3875, this Market Bulletin outlines the arrangements for the collection of the first instalment of the 2007 Members' Subscription and 2007 Franchise Performance and Risk Management Charge.

## **2007 Members' Subscriptions**

Arrangements for the collection of the first instalment of the 2007 Members' Subscriptions will be the same as those for the 2006 subscriptions. This will be settled via the Lloyd's Central Accounting System on **8 January 2007** and invoices will be issued by 22 December, 2006.

## **2007 Franchise Performance and Risk Management Charge**

The basis and rates of the 2007 Franchise Performance and Risk Management Charge are unchanged from 2006. Electronic pro forma schedules can be found on the MSU Returns Website and these must be completed and returned by **21 December, 2006**. Copies of these schedules along with instructions on how to complete them are attached to this Market Bulletin. When completing the electronic form please enter syndicate details and capacity, as appropriate, and the amount due will be calculated automatically. The due date for the payment of the first instalment of the Franchise Performance & Risk Management Charge is **8 January 2007**. Payments should be made by CHAPS to the following:

Account Name: Corporation of Lloyd's Number One Account

Account Number: 13626469

Bank: National Westminster Bank PLC  
City of London Office  
1 Princes Street  
London, EC2R 8PA

Bank Sort Code: 60-00-01

IBAN GB91NWBK6000 0113 6264 69

BIC NWBKGB2LXXX

Financial Control will be issuing invoices during January 2007 in respect of these charges.

Members' Subscriptions for 2007 are Exempt from VAT as per Market Bulletin Y2870 issued on 13 September 2002. No VAT is chargeable on the Franchise Performance and Market Risk Charge.

Interest is chargeable for late remittances at a rate of 5% over Nat West base lending rate.

Completed forms should be sent by e-mail to <mailto:carolyn.m.smith@lloyds.com> or by post to:

Carolyn Smith  
Financial Control  
Corporation of Lloyd's  
Fidentia House  
Walter Burke Way  
Chatham Maritime  
Kent ME4 4RN

This Market Bulletin has been sent to all underwriting agents, including corporate advisers. All enquiries should be addressed to Carolyn Smith on Lloyd's extension 2922 or 01634 392922.

The second instalment of the 2007 Members' Subscriptions and Franchise Performance & Risk Management Charge will be due on 1 June 2007.

### **2007 New Central Fund Contributions and Syndicate Loans**

A further bulletin will be issued in 2007 detailing the arrangements for the 2007 New Central Fund contributions and Syndicate Loans.

Alison Mings  
Manager, Financial Processing  
Financial Control

## **INSTRUCTIONS FOR COMPLETION OF FORMS**

### **Form A – For Managing Agents**

#### **1. Electronic Completion**

- I. Only enter data into the shaded areas
- II. Enter Name of firm
- III. Enter Syndicate Nos. in first shaded column
- IV. Enter syndicate allocated capacity for each managed syndicate in the adjacent shaded column. All capacity must be completed in round £'s only
- V The total amounts due will be calculated automatically

### **Form B – For Members' Agents and Lloyd's Advisers**

#### **1. Electronic Completion**

- I. Only enter data into the shaded areas.
- II. Enter Name of Firm.
- III. Enter total gross allocated capacity in round £'s only
- IV. The total amounts due will be calculated automatically

**FORM A**

**FOR MANAGING AGENTS**

**2007 FRANCHISE PERFORMANCE & RISK MANAGEMENT CHARGE**

Name of firm:

**1. Franchise Performance & Risk Management Charge - First instalment due 8 January 2007**

	SYNDICATE Nos.	SYNDICATE ALLOCATED CAPACITY for 2007 £
<b>Totals</b>	<b>0</b>	<b>£0</b>

Please enter syndicate numbers and syndicate allocated capacity for the 2007 year of account in the table

**a) Minimum capacity fee**

if managed capacity for the 2007 year of account is >£0 & <=£50m then fee is £15,500	
if managed capacity for the 2007 year of account is >£50m & <=£150m then fee is £95,050	
if managed capacity for the 2007 year of account is >£150m & <=£250m then fee is £190,650	
if managed capacity for the 2007 year of account is >£250m & <=£500m then fee is £270,250	
if managed capacity for the 2007 year of account is >£500m then fee is £325,500	
	<b>£0.00</b>

**b) Additional capacity fee**

if managed capacity for the 2007 year of account is >£0 & <=£50m then charge is 0.1591% x managed capacity	
if managed capacity for the 2007 year of account is >£50m & <=£150m then charge is 0.0956% x managed capacity over £50m	
if managed capacity for the 2007 year of account is >£150m & <=£250m then charge is 0.0796% x managed capacity over £150m	
if managed capacity for the 2007 year of account is >£250m & <=£500m then charge is 0.0221% x managed capacity over £250m	
if managed capacity for the 2007 year of account is >£500m then charge is 0.0201% x managed capacity over £500m	
	<b>£0.00</b>

**c) Syndicate fee**

At £11,000 per syndicate for the 2007 year of account	<b>£0.00</b>
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Total Franchise Performance & Risk Management Charge for 2007	<b>£0.00</b>
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50% of Total Franchise Performance & Risk Management Charge payable by CHAPS on 8 January 2007	<b>£0.00</b>
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No VAT is payable on the Franchise Performance & Risk Management Charge

Please e-mail the completed version of this form to [carolyn.m.smith@lloyds.com](mailto:carolyn.m.smith@lloyds.com) by 21 December 2006  
<mailto:carolyn.m.smith@lloyds.com>

CHAPS payments should be made to the Corporation of Lloyd's at National Westminster Bank Account No.13626469 sort code 60-00-01.

Interest is chargeable at 5% over Nat West Base Rate on overdue amounts.

**FORM B**

**FOR MEMBERS' AGENTS AND LLOYD'S ADVISERS**

**2007 FRANCHISE PERFORMANCE & RISK MANAGEMENT CHARGE**

Name of firm:

Please enter gross allocated capacity of members for whom the members' agent acts or syndicate participation placed by Lloyd's adviser for the 2007 year of account

Total Capacity £

**1. Franchise Performance & Risk Management Charge - First instalment due 8 January 2007**

**a) Minimum capacity fee**

if capacity for the 2007 year of account is >£0 & <=£50m then fee is £20,700	
if capacity for the 2007 year of account is >£50m & <=£150m then fee is £33,000	
if capacity for the 2007 year of account is >£150m & <=£250m then fee is £57,600	
if capacity for the 2007 year of account is >£250m then fee is £69,900	
	£0.00

**b) Additional capacity fee**

if capacity for the 2007 year of account is >£0 & <=£50m then charge is 0.0246% x capacity	
if capacity for the 2007 year of account is >£50m & <=£150m then charge is 0.0246% x capacity over £50m	
if capacity for the 2007 year of account is >£150m & <=£250m then charge is 0.0123% x capacity over £150m	
if capacity for the 2007 year of account is >£250m then charge is 0.0074% x capacity over £250m	
	£0.00

<b>Total Franchise Performance &amp; Risk Management Charge for 2007</b>	£0.00
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<b>50% of Total Franchise Performance &amp; Risk Management Charge payable by CHAPS by 8 January 2007</b>	£0.00
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No VAT is payable on the Franchise Performance & Risk Management Charge

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