

# MARKET BULLETIN

REF: Y4252

**Title** LLOYD'S NEW CENTRAL FUND 2009 CONTRIBUTIONS

**Purpose** To advise Managing Agents that the 2009 New Central contributions, which were included in MB Y4187 issued on 26 September 2008, will be collected on 1 April 2009. All collections will be made via the Lloyd's Central Accounting System.

**Type** Scheduled

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**Date** 13 March 2009

**Deadline** 18 March 2009

**Related links**

The principal New Central Fund contribution rates for 2009 are:

	Members (other than New Corporate Members as defined below)	New Corporate Members (Joining in 2007)	New Corporate Members (Joining in 2008)	New Corporate Members (Joining in 2009)
New Central Fund Contributions	0.50%	2.00%	2.00%	2.00%
<b>Total Rate Applicable</b>	<b>0.50%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>

## New Central Fund Contributions

The annual New Central Fund contribution rate payable by all members, other than new corporate members underwriting on new syndicates, for the 2009 year of account is 0.50%. New corporate members who joined in 2007 and 2008 will continue to pay the increased rate of 2% for their second and third years of operation at Lloyd's. Contributions however will be based on written premiums forecast.

New corporate members for 2009 will pay 2.0% for each of their first three years of operations. It should be noted that if a member writes on a mix of existing and new syndicates, then the higher rate will only be payable in respect of its participations on new syndicates.

Within the category of new corporate members the increased charges do not apply to:

- Conversion vehicles which meet the current definition of a “successor corporate member” in the Membership (Entrance Fees and Annual Subscriptions) Byelaw – i.e. in broad terms, any vehicle which is 85% owned by converting Names.
- New corporate members which only participate on *existing syndicates*.

Initial payment of contributions on account will be based on the written premium forecast within the syndicate business forecasts and subsequently adjusted to written premiums. For the purposes of charging, written premiums for a year of account will be finally determined by the audited annual syndicate returns.

Separate arrangements apply for RITC only syndicates, who will continue to be charged no more than the annual run off charge.

#### Settlement Arrangements

As advised in MB Y4187, syndicates have the option to settle their New Central Fund contributions in sterling or US dollars.

Please notify <mailto:carolyn.smith@lloyds.com> by **18 March 2009** if the New Central Fund is to be paid in US dollars. It should be noted that all settlements for the 2009 year will be made in the currencies selected now. This arrangement can be changed for 2010. For those wishing to pay in US dollars the amount to be collected will be calculated by reference to the middle closing exchange rate published in the FT on 16 March 2009.

Syndicates deciding to pay in US dollars should note that any subsequent adjustment to New Central Fund contributions will be made at the prevailing exchange rate at the time of the adjustment which could give rise to a foreign exchange movement.

#### 2008 Adjustment Arrangements

Syndicates were advised in MB Y4167 that the 2008 YOA charges would be adjusted to actual written premiums on 15 April 2009. To assist syndicate cashflow this date has been brought forward to correspond with the 2009 collection. Where the original settlement was in US dollars the adjustment will also be calculated using the middle closing exchange rate published in the FT on 16 March 2009.

Advices detailing the 2009 collection and 2008 adjustment amounts will be issued by 27 March 2009 for settlement via Central Accounting on 1 April 2009.

Any queries or feedback in relation to this market bulletin should be addressed to Mat Stone on ext 2202 or by email to [mat.stone@lloyds.com](mailto:mat.stone@lloyds.com) or by email to [Lloyds-Accounts-Receiveable@lloyds.com](mailto:Lloyds-Accounts-Receiveable@lloyds.com)

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