

MARKET BULLETIN

REF: Y4352

Title	2010 Market Charges
Purpose	Notification of 2010 charges, contributions, subscriptions and payments dates.
Type	Scheduled
From	Luke Savage, Director, Finance, Risk Management and Operations Contact details: 020 7327 6711 luke.savage@lloyds.com
Date	16 December 2009
Deadline	
Related links	

The purpose of this bulletin is to summarise Lloyd's 2010 Market Charges.

1 New Central Fund contributions / Members' subscriptions

1.1 Market Bulletin Y4315 dated 29 September 2009 set out the principal central charges for 2010 as below:

	2009 Charged as % of written premium	2010 Charged as % of written premium
New Central Fund contributions	0.50%	0.50%
Members' subscriptions	0.50%	0.50%
	1.00%	1.00%

1.2 The first instalment (50%) of the members' subscription for 2010 will be collected through Central Accounting on 7 January 2010. Further details are provided in MB Y4343 dated 3 December 2009.

- 1.3 The New Central Fund annual contribution, including any increased annual contribution for new corporate members underwriting in 2010 that meet the definitions set out in MB Y4315, any further contributions payable where syndicates have entered into qualifying quota share arrangements outside the Lloyd's market, are payable in April 2010. Details regarding payment arrangements for contributions will be advised in early 2010. A further contribution of up to 3% remains callable at the discretion of Council.

2 Franchise Performance & Risk Management Charge

- 2.1 The basis of the FPRM charge is unchanged in 2010. Details are set out in appendix 1.
- 2.2 The FPRM charge will be based on written premiums. In order to ensure consistency between members, written premiums, for this purpose, are stated net of brokerage, discounts and commissions but before reinsurance. This is consistent with how Lloyd's capacity (premium limits) is defined.
- 2.3 Initial payment of the FPRM charge will, however, be based on the written premium forecast within the syndicate business forecasts and subsequently adjusted to written premiums. For the purpose of charging, written premiums for a year of account will be finally determined by the audited annual syndicate returns
- 2.4 The charge is payable in two instalments, the first instalment being due on 7 January 2010. Payment arrangements are set out in MB Y4343 dated 3 December 2009.

3 Charges in respect of syndicates in run-off

- 3.1 The basis of the charge on run-off syndicates is unchanged in 2010. Details are set out in appendix 2.

4 Capacity Markets

- 4.1 Capacity Markets charges in 2010 will be the same as for 2009.
- 4.2 General queries should be addressed to Paul Thornton, 020 7327 6281 (email paul.thornton@lloyds.com).
- 4.3 A complete schedule of charges is attached at appendix 3.

5 Finance

- 5.1 The foreign exchange dealing fees charged by Treasury, and charges to corporate groups seeking to consolidate and make their individual corporate members' FAL inter-available by the Market Reporting Department, as well as the fees payable in respect of the provision of Schedule 3 (formerly Schedule 9A) syndicate data, have been maintained at 2009 levels.
- 5.2 The Tax Department administers the collection and payment of UK insurance premium tax and various foreign premium taxes and makes a charge to cover the administration costs of this activity. The charge is levied on a flat basis for all syndicates, arrived at by dividing total costs by the number of relevant syndicates

(excluding life syndicates and those motor syndicates that file their own IPT returns and have limited exposure to foreign taxes). On this basis the charge for 2010 is £9,000 per syndicate. The collection of this charge will take place in January 2010.

- 5.3 A complete schedule of charges is attached at appendix 4.
- 5.4 General queries regarding these charges should be addressed to Rob Deane, 020 7327 6087 (email: robert.deane@lloyds.com)

6 Information Technology Group

- 6.1 Lloyd's Information Technology Group will shortly begin the 2010 annual billing process by asking market firms to confirm their continuing requirement for managed infrastructure services. These services cover data communications, voice / telephone communications, associated cabling and Black Box Park usage. Following agreement of the requirements, invoices will be issued in early 2010.
- 6.2 2010 pricing for services will remain unchanged from last year, apart from Black Box Park unit charges.
- 6.3 To ensure continued investment in facilities, Black Box Park unit charges will increase by 9.8%.
- 6.4 Please note that the set-up of services will be charged on a time and materials basis.
- 6.5 A complete schedule of charges is attached at appendix 5.
- 6.6 Contact name for queries:
Lesley Parietti, Information Technology Group, 020 7327 5912 (email: lesley.parietti@lloyds.com)

7 Market Services (including Policyholder and Market Assistance) Charges

- 7.1 During 2009, Market Services' conducted a full review of its pricing structure, which included briefing all stakeholders of the proposed changes.
- 7.2 The 2010 member, members' agent and managing agent price list are enclosed at appendix 6.
- 7.3 Point of contact: Jenny Lavery 01634 392320 or via email: market-services-charges@lloyds.com
- 7.4 The Policyholder and Market Assistance charges for 2010 are unchanged from the 2009 rates. The price list is enclosed at appendix 7.
- 7.5 Point of contact: Mark Smith 01634 392352 or via email mark.smith@lloyds.com

8 Property Services

- 8.1 Room rental charges for 2010 have not been increased from the 2009 levels of £396 per sq ft per annum for Galleries One & Two and £594 per sq ft per annum for the Ground Floor. Please contact Darren Cox, Facilities Planning Manager on 020 7327 6636 (email darren.cox@lloyds.com) if you have any queries.
- 8.2 The charges for security passes will remain at £25 for 2010. Tenant services charges for 2010 have reduced by 5% to £18.96 per sq ft per annum (2009 £19.88 per sq ft per annum) due to utility cost decreases and the insurance charge has reduced to £1.65 per sq ft per annum (2009 £1.98 per sq ft per annum). Please contact Simon Harper, Commercial Manager on ext. 020 7327 6719 (email simon.harper@lloyds.com) if you have any queries.
- 8.3 A complete schedule of charges is attached at appendix 8.

9 New Entrant charges

- 9.1 New Entrant direct charges for 2010 are in accordance with the schedule published in September (MB Y4315), with the addition of the annual fee for run-off companies regarding maintenance of the register (£10,000), approval of syndicate mergers fees (£5,000), and the charge for new accredited brokers (£5,000), which remain unchanged from 2009.

Members' Entrance Fees queries should be addressed to Karen Fox, 01634 392368 (email: karen.fox@lloyds.com)

Underwriting Agent / Syndicate Application fees queries should be addressed to Robert Stevenson, 020 7327 5541 (email: robert.stevenson@lloyds.com)

- 9.2 A complete schedule of charges is attached at appendix 9.

10 Overseas Operating Charges

- 10.1 The core operating charges as a percentage of gross international premiums will remain as set for 2009 - direct business 0.40%, coverholder business supplement 0.19% and reinsurance 0.14%.
- 10.2 User pays charges continue to apply in Italy. In addition to these charges, costs will be recovered from specific syndicates on a user pays basis where those syndicates have requested additional work from an office, (e.g. the production of non-standard reports) and that additional work has resulted in significant additional cost. If this situation applies, then the cost implications will be made clear to the syndicate before proceeding with the work.
- 10.3 All queries on overseas operating charges should be referred to either Rob Geater 020 7327 6637 (email: robert.geater@lloyds.com), or Susan Jeapes 020 7327 2249 (email: susan.jeapes@lloyds.com), or to:

Lloyd's International Trading Advice (LITA)
Tel: 020 7327 6677
Email: LITA@lloyds.com

10.4 A complete schedule of charges is attached at appendix 10.

11 Further Information

11.1 The charges set out in the appendices to this bulletin, where applicable, have been reviewed and approved by the Franchise Board. The notes to each schedule of charges include details of assumptions and relevant key issues together with contact names and numbers for enquiries. The appendices are cross referenced as follows:

	Appendix	Pages
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11.2 If you have any queries regarding this bulletin please contact Rob Deane, 020 7327 6087 (email: robert.deane@lloyds.com)

Luke Savage
Director, Finance, Risk Management & Operations

Franchise Performance and Risk Management Charge

- 1.1 The Franchise Performance and Risk Management charge has been calculated to recover approximately £12.5m from the Market in order to fund the activities of the Franchise Performance and Risk Management teams.
- 1.2 The principles of the charge:
- there should be a minimum fee for all agents;
 - the amount of resource required for an agent rises as the size of the agent increases. However, an agent with, for example, £500m written premium does not require five times the amount of resource as an agent with £100m written premium. The charging structure reflects this; and
 - the amount of resources needed increases with every syndicate an agent manages.
- 1.3 For 2010, managing agents will pay:
- a flat fee of £11,350 per syndicate managed;
 - a minimum fee of £15,950 for a managing agent and £21,300 for a members' agent;
 - various levies on bands of written premium, which decrease as the amount of written premium rises.
- 1.4 The charge will only be made on syndicates with active capacity for 2010. Agents which only manage syndicates in run-off will not attract a Franchise Performance & Risk Management charge, but will attract a special charge as outlined in appendix 2. An agent that commences or increases operations mid-year will attract a pro rata charge.
- 1.5 The charge will be collected in two equal instalments due by 7 January and 1 June 2010. Any payment not made by the due date will attract an interest charge at 5% over National Westminster Bank plc base rate.
- 1.6 The charges will be made as follows:

Managing Agents:

The charge on managing agents shall be calculated as follows. The flat fee of £11,350 per syndicate should be added to the figures set out in the table below for managing agents.

Written premium of Agent	£ (minimum fee)	For each £ of written premium above the minimum written premium stated in the left hand column
£0 - £50m	15,950 plus	0.1607%
£50m - £150m	97,900 plus	0.0966%
£150m - £250m	196,350 plus	0.0804%
£250m - £500m	278,350 plus	0.0223%
Above £500m	335,250 plus	0.0203%

Members' Agents:

The levy on members' agents (including corporate advisers) shall be calculated as follows:

Written premium of Agent	£ (minimum fee)	For each £ of written premium above the minimum written premium stated in the left hand column
£0 - £50m	21,300 plus	0.0253%
£50m - £150m	34,000 plus	0.0253%
£150m - £250m	59,300 plus	0.0126%
Above £250m	72,000 plus	0.0076%

Syndicate Expenses

- 1.7 As the activities underlying the Franchise Performance and Risk Management Charge relate predominantly to the day to day transaction of underwriting business at Lloyd's, it may be treated as a syndicate expense. Managing agents should ensure, however, that it is apportioned between syndicates and years of account in accordance with the Code of Practice for Underwriting Agents – Syndicate Expenses (see Regulatory Bulletin 069/2000, issued 13 September 2000). Moreover, specific disclosure should be made in the syndicate annual report and accounts of the apportionment policy adopted and a breakdown of the figures provided by reference to each year of account. Run-off charges paid in accordance with appendix 2 should be treated in a similar fashion.
- 1.8 The foregoing approach applies to all aspects of user pays charging currently in place through the Corporation, i.e. if the charge can be determined as relating directly to the business of the syndicate itself it may be charged as a syndicate expense, subject to the disclosure requirements outlined above.

Charges in respect of Syndicates in Run-off

- 1.1 The Franchise Performance and Risk Management Charge will not be applicable to agents with run-off syndicates. Instead they will pay an annual charge at a flat rate of £1 per £1,000 of reported net insurance liabilities, assessed by reference to the most recent audited accounts of the syndicate for each year of account in run-off. For this purpose a run-off syndicate means a syndicate which no longer accepts new or renewal insurance business (other than the variation or extension of risk previously underwritten or reinsurance to close an earlier year of account of that syndicate). This charge is unchanged from 2009.
- 1.2 In this context, net insurance liabilities means the amounts retained by each syndicate in run-off, in respect of each year of account in run-off, to meet all known and outstanding liabilities carried forward as at 31 December 2009. If the relevant audited financial statements are unavailable and their production appears likely to be significantly delayed, an interim charge (to be adjusted if necessary on subsequent publication of the relevant audited accounts) may be assessed by reference to the most recently submitted quarterly monitoring return (QMR) made by the run-off managers to Lloyd's for the syndicate for the relevant years of account. Any payment of this charge not made by the due date will attract an interest charge at 5% over National Westminster Bank plc base rate.

Capacity Markets

All charges set out below are to be paid by the relevant members of the Lloyd's community and exclude VAT.

Capacity Markets charges in 2010 will be the same as for 2009, as set out below.

Type of charge	Charge £
Approval of capacity offer by means of announced auction offer	1,900
Approval of formal capacity offer (cash only)	5,000
Approval of formal capacity offer (with shares or a share alternative)	6,200
Approval of conversion scheme (with interavailability)	9,600
Approval of conversion scheme (with reverse interavailability or transition)	10,600

An additional fee may be charged to sponsors to cover, for example:

- additional costs incurred in processing particularly complex schemes, especially where features not directly necessary to the scheme are included; and
- the reimbursement of any external legal (or other professional) fees incurred by Lloyd's in developing a particular scheme. An example of this is where bespoke trust deeds are prepared for reverse interavailability schemes.

Every effort will be made to make promoters/sponsors aware of the possibility of an additional charge at an early stage in the process.

Contact name for queries:

Paul Thornton 020 7327 6281
(email paul.thornton@lloyds.com)

Finance Directorate

1.1 Foreign Exchange Dealing Fees

The Treasury Department makes a charge for undertaking foreign exchange activity on behalf of Lloyd's market participants.

Foreign exchange dealing instructions may be received directly from managing agents or indirectly in connection with other activities, including the Lloyd's Currency Conversion Service.

Charges vary between 0.03% and 0.05% of the sterling value of transactions, although the minimum charge is £10. Charges are levied by adjusting the exchange rate at which deals are transacted, by reference to the relevant market rate. No separate charge is made.

As a result of the large volumes of foreign exchange business transacted by Treasury, it is able to obtain very competitive dealing rates from its counterparties. This means that the exchange rates achieved remain advantageous when compared to retail rates, despite the charge made by the Department.

1.2 Provision of Schedule 3 Information to Corporate Members

Introduction

Corporate members of Lloyd's are required to prepare their accounts in accordance with Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (replacing the previous requirements under Schedule 9a of the Companies Act 1985). Market Reporting Department (MRD) offers a "central facility" to provide corporate members with the data that they need in order to be able to prepare their accounts in accordance with Schedule 3. MRD is able to provide this facility by advising on the data requirements, collecting the syndicate data in the relevant format from managing agents, processing it and providing outputs in the Schedule 3 format for each subscribing member. If the central facility was not available, it would be necessary for individual corporate members to contact the managing agent of each syndicate on which they participate in order to negotiate arrangements to obtain this information, which would not be otherwise provided by managing agents. It is likely that the cost to a corporate member of having to obtain the data this way would be greater than the fees charged for the Lloyd's facility.

Fees

Each corporate member that wishes to subscribe to this service is required to pay a fee as prescribed under the Syndicate Accounting Byelaw (No. 8 of 2005) as amended. This fee is calculated by reference to the highest overall premium limit (OPL) of the corporate member concerned and number of syndicates (disregarding syndicate years of account for this purpose) in which the corporate member participates.

The prescribed fees (excluding VAT) for the December 2009 facility are set out below and vary with respect to the size (in terms of OPL) of the corporate member. They are unchanged from last year.

OPL for member*	Fee per syndicate participation**	Maximum fee**
£15,000,001 or greater	£125	£3,750
£10,000,001 to £15,000,000	£100	£3,000
£5,000,001 to £10,000,000	£70	£2,100
£2,000,001 to £5,000,000	£35	£1,050
£2,000,000 or less	£35	£700
Members participating on 2006 or prior run-off years only	£35	£700

* OPL is defined as the highest OPL written for any year of account within the last three years of account.

** Fees are calculated per syndicate (not syndicate year) participation and are exclusive of VAT

Key assumptions

The fee structure for 31 December 2009 Schedule 3 reporting has been prepared on the assumption that the level of subscription to the central facility and Market Reporting Department's costs incurred in providing this facility, do not change materially from those relating to the 2008 exercise.

Other significant matters

No established alternative source in order for corporate members to obtain this data currently exists. As noted above, however, the cost incurred by corporate members making their own arrangements to obtain the information directly from managing agents is likely to be somewhat higher.

1.3 Corporate Inter-available FAL

Corporate groups may wish to rationalise their Lloyd's operations and reduce the number of underwriting subsidiaries. Lloyd's has developed a mechanism and the documentation to deal with the provision of Funds at Lloyd's to support both the business being run off by the ceasing corporate members and the increased level of underwriting by the continuing corporate member.

A fee is payable by those corporate groups seeking to consolidate and make their individual corporate members' FAL inter-available. This charge seeks to recover principally legal costs incurred by Lloyd's in respect of such consolidations. The fee is £1,000 (excluding VAT) per ceasing member subject to a maximum of £10,000 per corporate group consolidation.

1.4 Premium Tax Administration

The Tax department administers the collection and payment of UK insurance premium tax and various foreign insurance premium taxes and makes a charge to cover the administration costs of this activity. The charge is levied on a flat basis for all syndicates, arrived at by dividing total costs by the number of relevant syndicates (excluding life syndicates and those motor syndicates that file their own IPT returns and have limited exposure to foreign taxes). On this basis the charge for 2010 is £9,000 per syndicate. The collection of this charge will take place in January 2010.

1.5 Finance Directorate Contacts:-

Foreign Exchange Dealing Fees - Gary White 020 7327 5340, (email: gary.white@lloyds.com)

Schedule 3 Fees – Robert Smith 020 7327 5459, (email: robert.smith@lloyds.com)

Corporate Inter-available FAL - Kevin Nethersell 020 7327 6253, (email: kevin.nethersell@lloyds.com)

Premium Tax Administration – Nick Marman 020 7327 6727, (email: nick.marman@lloyds.com)

Ref	Chargeable Item	Customer	Unit of Charge	2010 Price per Unit (excl. VAT)	Benchmark Prices	2009 Price per Unit (excl. VAT)
1	Foreign Exchange Dealing fees	Managing Agents / Syndicates	Transaction value	0.03% to 0.05% dependant on transaction size. Minimum charge £10	0.25%	0.03% to 0.05% dependant on transaction size. Minimum charge £10
	Foreign exchange and currency translation services provided by the Tax and Treasury department, including operation of the Lloyd's Currency Conversion Service					
2	Provision of Schedule 9a data to corporate members	Corporate Members	Per syndicate participation	£125 (discount of up to 72% for low OPL)	No comparison	£125 (discount of up to 72% for low OPL)
	Charges to corporate members for completion of Schedule 9a as required by the Companies Act 1985. Service provided by Market Reporting					

Ref	Chargeable Item	Customer	Unit of Charge	2010 Price per Unit	Benchmark Prices	2009 Price per Unit
3	Corporate Inter-Available FAL	Corporate Members	Per corporate member	£1,000 (subject to £10,000 max.)	No comparison	£1,000 (subject to £10,000 max.)
	Charges to corporate members seeking to consolidate and making their individual corporate members' FAL inter-available.					
4	Premium Tax Administration Charges	All Syndicates	per syndicate	£9,000	No comparison	£9,000
	Charge levied in arrears to all syndicates (other than those motor syndicates that file their own IPT returns directly and have limited exposure to foreign premium taxes) to recover the costs of administration of insurance premium tax and foreign taxes. Collected from interest earned on IPT prior to payment to Customs & Excise					

Information Technology Group

Lloyd's Information Technology Group will shortly begin the 2010 annual billing process by asking market firms to confirm their continuing requirement for managed infrastructure services. These services cover data communications, voice / telephone communications, associated cabling and Black Box Park usage. Following agreement of the requirements, invoices will be issued in early 2010.

Ongoing Service Prices

2010 pricing for services will remain unchanged from last year, apart from Black Box Park unit charges.

To ensure continued investment in facilities, Black Box Park unit charges will increase by 9.8%.

Set-up Service Charges

Please note that the set-up of services will be charged on a time and materials basis.

Contact name for queries:

Lesley Parietti, Information Technology Group, 020 7327 5912
(email: lesley.parietti@lloyds.com)

IT Group - 2010 Market Charges				
Chargeable Item	Customer	Unit of Charge	2010 Price per Unit	2009 Price per Unit
LLOYD'S INSURANCE NETWORK (LIN) SERVICES				
LIN Network set-up – Ethernet	Market	Per Connection	Manpower Hourly Rate	Manpower Hourly Rate
Set-up of Ethernet connection to the LIN				
LIN Network Annual Fee – Ethernet	Market	Per Connection	£9,043	£9,043
Covers the cost of management of Ethernet connection to the LIN				
LIN Network Annual Fee - Additional for Service Providers	Market	Per customer	£1,091	£1,091
Additional £1,091 per customer from 2nd up to 10th customer - Maximum £9,819. For LIN customers who use the LIN to provide a commercial service to other organisations				
LIN ISP set-up - All bands	Market	Per Connection	Manpower Hourly Rate	Manpower Hourly Rate
Set-up of an Internet browsing facility for all dedicated bps.				
LIN ISP 512K	Market	Per Connection	£2,728	£2,728
Rental of an Internet browsing facility at 512K bps				
LIN ISP 2M	Market	Per Connection	£6,153	£6,153
Rental of an Internet browsing facility at 2M bps				
Virtual Private Network (via a single workstation) set-up fee	Market	Per connection	Manpower Hourly Rate	Manpower Hourly Rate
Set-up of a secure, data encrypted tunnel through to the LIN				
Virtual Private Network (via a single workstation)	Market	Per connection	£436	£436
Rental of a secure, data encrypted tunnel through to the LIN				
Virtual Private Network (branch-to-branch) set-up fee	Market	Per connection	Manpower Hourly Rate	Manpower Hourly Rate
Set-up of a secure, data encrypted tunnel through to the LIN				

IT Group - 2010 Market Charges				
Chargeable Item	Customer	Unit of Charge	2010 Price per Unit	2009 Price per Unit
Virtual Private Network (branch-to-branch) support 256K bps	Market	Per connection	£1,418	£1,418
Rental of a secure, data encrypted tunnel through to the LIN at 256K bps				
Virtual Private Network (branch-to-branch) support 512K bps	Market	Per connection	£2,161	£2,161
Rental of a secure, data encrypted tunnel through to the LIN at 512K bps				
Virtual Private Network (branch-to-branch) support 1M bps	Market	Per connection	£3,738	£3,738
Rental of a secure, data encrypted tunnel through to the LIN at 1M bps				
Virtual Private Network (branch-to-branch) support 2M bps	Market	Per connection	£6,889	£6,889
Rental of a secure, data encrypted tunnel through to the LIN at 2M bps				
LIN DR Set-up fee - Ethernet	Market	Per Connection	Manpower Hourly Rate	Manpower Hourly Rate
Set up of an alternative route to LIN in the event of a disaster				
LIN DR Annual Fee connection - Ethernet	Market	Per Connection	£2,489	£2,489
DR Invocation Tests	Market	Per Test	Manpower Hourly Rate	Manpower Hourly Rate
LIN DR testing outside bi-annual dates				
LIN DR Service for DR Service Providers	Market	Per Connection	Various	Various
Rental of service provider LIN DR connection				
LIN DR Service for DR Service Providers set-up	Market	Per Connection	Manpower Hourly Rate	Manpower Hourly Rate
Set-up of service provider LIN DR connection				
CABLING SERVICES				
Cabling within the Lloyd's building - Provide	Market	Per Cable	Manpower Hourly Rate Plus Materials	Manpower Hourly Rate Plus Materials
Installation of cabling within the Lloyd's building				

IT Group - 2010 Market Charges				
Chargeable Item	Customer	Unit of Charge	2010 Price per Unit	2009 Price per Unit
Fibre Optic Cable – Support	Market	Per Fibre Pair	£723	£723
Rental and support of fibre infrastructure				
Block Wiring	Market	Per Pair	£16	£16
Charge for use of BT block wiring to support private PBX's (price per pair)				
BLACK BOX PARK (BBP1) SERVICES				
Black Box Park 1 (BBP1) Rack Space - 1 unit	Market	Per Unit	£276	£251
Rental of 1 unit rack space in a Lloyd's cabinet				
BBP1 Rack Space - 10 units	Market	Per Unit	£1,503	£1,366
Rental of a lockable portion of a Lloyd's cabinet (10 units)				
BBP1 Rack Space - 20 units	Market	Per Unit	£2,971	£2,701
Rental of a lockable portion of a Lloyd's cabinet (20 units)				
BBP1 Floor Space	Market	Per Unit	£5,860	£5,327
Rental of floor space in Black Box Park 1 for customers own comms cabinet				
VOICE SERVICES				
Installation of Voice Services	Market	Per Unit	Manpower Hourly Rate	Manpower Hourly Rate
Standard Extension	Market	Per Extension	£485	£485
Rental for Lloyd's extension number and a Lloyd's supplied analogue handset				
Digital Telephone Handset	Market	Per Handset	£107	£107
Additional rental for a digital handset				
Digital Add-on Unit	Market	Per Handset	£131	£131

<u>IT Group - 2010 Market Charges</u>				
Chargeable Item	Customer	Unit of Charge	2010 Price per Unit	2009 Price per Unit
Rent for a digital add-on unit, which supplies extra programmable keys				
Additional Telephone Socket	Market	Per Socket	£66	£66
Rental of an additional analogue telephone of an existing analogue extension				
Voicemail	Market	Per Unit	£93	£93
Rental of a voice mailbox				
Fax / Modem Line	Market	Per Line	£227	£227
Rental of a fax/modem link on a Lloyd's extension number				
Support for IPT Infrastructure	Market	Per Unit	£547	£547
Rental of an IP Conference Unit	Market	Per Unit	£197	£197

Market Services Charges

The 2010 member, managing agent and members' agent charging structures have been re-examined during 2009 with the major changes being:

Member Charges

- 1) Base Service Charge
This charge has been replaced by a Trustee and Regulatory Services Charge to more accurately reflect the Trustee and Regulatory duties placed on Market Services by the Trust Deeds and external bodies. A single charge is introduced for non-donor members in their final distribution year.
- 2) Fund Holding Charges
 - All charges will be levied per security code per Owner / Dividend code
 - SRF Administration charge trigger point increased from £100 to £250
 - Introduction of an alternative Interavailable Recipient Monitoring charge where the donor member is no longer subject to Market Services' charge as a result of the closure of their syndicate participation
- 3) Voluntary Drawdowns
All voluntary drawdowns will be subject to a charge rather than just those under £500
- 4) Partial Release of Funds at Lloyd's
All partial release requests will now attract a charge
- 5) Expiry of Guarantee / Letter of Credit
The introduction of a charge to encash an expiring document, this charge will not be levied if an extension is received prior to commencement of the encashment process
- 6) MAPA Participation
This charge has been removed and the costs of dealing with MAPA Participation will no longer be recovered from members
- 7) Qualified Intermediary Charge
This charge has been introduced to recover the cost of filing the US QI return in respect of US securities held in funds at Lloyd's
- 8) EU Savings Directive
The introduction of a charge for the reporting of gross interest payments to HMRC in respect of members who are resident in the EU outside of the UK
- 9) Declaration of Compliance
Introduction of new charges for the late submission or non submission of this documentation
- 10) Complex Issues
Introduction of a new charge in respect of dealing with complex and / or bespoke transactions
- 11) Payments Requested via CHAPS

Introduction of a new charge in respect of payments that are requested to be made via CHAPS that would normally be sent using BACS

12) Market Services Taxation / Dewey and LeBoeuf Taxation Charges for a SLP / LLP with 2 or more partners sharing in the profits of losses of the member

In the US SLPs and LLPs are fiscally transparent entities. Consequently tax processing takes place at a SLP / LLP partner level adding both an administrative and processing overhead to the filing, which frequently involves manual intervention. A new charge for both Market Services and Dewey and LeBoeuf will be made with effect from 2010 to reflect the additional taxation work required.

13) Dewey and LeBoeuf Taxation – US Resident / Controlled Foreign Corporation

Introduction of a new recovery charge to reflect the time spent by Dewey and LeBoeuf in supporting Market Services in preparing returns for US Residents and Controlled Foreign Corporations and dealing with queries raised by such members.

Whilst the above has highlighted the changes to the basis of the charges, it has also been necessary to increase a number of charges (mainly in line with inflation). The notable exceptions are discussed below:

- Tax work continues to become increasingly complex, a good example of which was the introduction of the new US closing agreement in 2005. Whilst this has improved cash flow to the market it has added complexity to the work that needs to be completed to file the tax return. This, in conjunction with a declining population from which to recover largely fixed costs has meant that charges to members for this work have needed to be significantly increased. However, a staged approach to this process will be implemented in order to recover the cost of the provision of the service as member numbers continue to decline.
- Dewey and LeBoeuf. As a third party charge Market Services simply seek to recover the cost of this service from members equitably based on the benefits they receive. The charge for this service has increased to reflect both exchange rate fluctuations and a declining population from which to recover these costs. This charge is reviewed annually in light of member numbers and the anticipated exchange rate for the coming year but will continue to reflect the relative ratios between members reflected in the price lists.
- Company Reports and Account charge has increased due to the declining number of members utilising this service.

Members' Agent Charges

Increase in Provision of Systems charge from £18,750 to £19,250 (2.6%)

Managing Agent Charges

Results and Stamp Processing

- Transfer of cost recovery for distribution process from members to syndicate resulting in increased charges

Syndicate Charges

- 1) Market Services Taxation – UK, Canada, United States, Illinois
Introduction of a charge to cover the work involved in dealing with tax returns on behalf of syndicates within these jurisdictions.

- 2) **Market Services Taxation – Singapore Taxation**
Introduction of a charge to cover the work involved in dealing with the Singapore return on behalf of those syndicates which underwrite business in Singapore.
- 3) **QI – per 1,000 transactional lines on LDFT**
Introduction of a charge in addition to the QI Base Charge to reflect the additional workload involved in dealing with reconciling greater syndicate data.
- 4) **Dewey and LeBoeuf Taxation - FET**
Introduction of a charge to recover the Dewey and LeBoeuf costs involved with processing the FET return on behalf of syndicates.
- 5) **Dewey and LeBoeuf Taxation – US Taxation**
Introduction of charge in respect of the provision of advice and guidance on the preparation of the Unites States syndicate information statement (SIS) by Dewey and LeBoeuf.
- 6) **Dewey and LeBoeuf Taxation – North American Taxation**
Dewey and LeBoeuf charge for audit and advisory work in respect of US tax. This has traditionally been charged as part of the fee for legal work carried out by Dewey and LeBoeuf via the overseas levy. In order to make the charge for US tax more transparent the proportion of the cost attributable to the tax work will be shown as part of Market Services charges although it will continue to be collected as part of the main charge in order to remain cost efficient.

All charges exclude VAT.

Point of contact:

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Customer Categories for Charges

The overall price list for Market Services is split by customer category:-

- Individual Members
- Corporate Members
- Direct Corporate Participants
- Members' and Managing Agents

**MARKET SERVICES' CHARGES 2010
INDIVIDUAL MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.	Core Services				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£300	Outside Scope	Services for members underwriting on the current year
1.2	Trustee / Regulatory Services – Non-Active Participation	Annual	£225	Outside Scope	Services for members with open participation and/or donor members who last remaining participation was closed at previous year end
1.3	Trustee / Regulatory Services – Participation Closed at Previous Year End (excluding donor member)	Annual	£100	Outside Scope	Services for non donor members who last remaining participation was closed at previous year end
1.4	Market Services Taxation Base Services – Active Participation	Annual	£130	Standard Rate	Calculation and provision of UK, US and Canadian tax return data for members underwriting on the current year
1.5	Market Services Taxation Base Services – Non-Active Participation	Annual	£40	Standard Rate	Calculation and provision of UK, US and Canadian tax return data with open participation and/or donor members who last remaining participation was closed at previous year end
1.6	Market Services Taxation – US Resident	Annual	£350	Standard Rate	Provision of US Tax data US Resident Tax Return
2.	Fund Holding Charges				
2.1	Cash Service Charge	Bi-Annual	0.125%	Exempt	Charge for administration of cash held
2.2	Bank / Building Society Account	Annual	£55	Outside Scope	Levied per account held per fund per Owner / Dividend Code for bank / building society accounts held within funds at Lloyd's
2.3	UK Securities and Unit Trusts	Annual	£50	Outside Scope	Levied per security held per fund per Owner / Dividend Code for securities and unit trusts held within funds at Lloyd's
2.4	Foreign Securities (including Citibank)	Annual	£145	Outside Scope	Levied per security held per fund per Owner / Dividend Code for securities held within funds at Lloyd's
2.5	Guarantee / Letter of Credit	Annual	£75	Outside Scope	Levied per issuing institution per fund per Owner / Dividend code for guarantees / credits held within funds at Lloyd's
2.6	Life Policy / Bond	Annual	£150	Outside Scope	Levied per issuing institution per fund per Owner / Dividend code for policies and bonds held within funds at Lloyd's
2.7	Merrill Lynch	Annual	£330	Outside Scope	Levied per account per fund per Owner / Dividend code for monitoring assets held via Merrill Lynch within funds at Lloyd's
2.8	Non-Standard Currency Holdings	Annual	£55	Outside Scope	Levied per account per fund per Owner Dividend Code for non EUR, USD, GBP and AUD accounts held within funds at Lloyd's
2.9	Foreign Exchange Transactions	Per exchange	0.05%	Exempt	Levied per currency conversion currency deals carried out on behalf a member at 0.05% of the transactional value
2.10	Special Reserve Fund Administration	Annual	£100	Outside Scope	Administration of Special Reserve fund valued in excess of £250
2.11	Unregulated Collective Investment Scheme – initial charge	One-off	£500	Outside Scope	Initial approval to allow a member to hold unregulated collective investment schemes within funds at Lloyd's
2.12	UK Securities and Unit Trust Overtrading	Per overtrade	£20	Exempt	Trades processed in excess of the allowance of 2 trades per holding charge levied
2.13	Foreign Securities (including Citibank) Overtrading	Per overtrade	£25	Exempt	Trades processed in excess of the allowance of 2 trades per holding charge levied

Appendix 6

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
3.	<u>Ad Hoc Services</u>				
3.1	Company Reports and Accounts	Per account	£30	Standard Rated	Provision of company reports and account on request of the member
3.2	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.3	Duplicate Requests (including Payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.4	Coming into Line Extension Requests	Per day per £5m or part	£100	Outside Scope	Granting an extension to the coming-into-line deadline and the subsequent monitoring of the extension
3.5	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.6	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.7	Partial Release	Per request	£100	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's
3.8	Expiry of Guarantee / Letter of Credit	Per demand	£150	Outside Scope	Encashment of a guarantee / letter of credit once the expiry date falls due with no extension granted
3.9	Complex / Non-Standard Issues	Per hour	£100	Standard Rated	Complex/bespoke transactions, investigation of proposals outside the scope of existing trust, regulatory and policy obligations
3.10	Qualifying Intermediary	Per security	£5	Standard Rated	Filing of Qualified Intermediary return to the US IRS
3.11	EU Savings Directive	Annual	£15	Standard Rated	Reporting of gross interest payments to HMRC in line with EU Savings Directive
3.12	Lloyd's Underwriting Syndicates Publication	Per publication	£100	Standard Rated	Per copy of publication requested
3.13	Payments Requested via CHAPS	Per payment	£20	Exempt	Per payment requested to be made via CHAPS rather than BACS
4.	<u>Third Party Charges</u>				
4.1	Dewey and LeBoeuf Taxation Base Services – Active Participation	Annual	£245	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of members for members underwriting on the current year
4.2	Dewey and LeBoeuf Taxation Base Services – Non-Active Participation	Annual	£100	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of members for members with open participation and/or donor members who last remaining participation was closed at previous year end
4.3	Dewey and LeBoeuf - US Resident	Annual	£100	Standard Rated	Dewey and LeBoeuf charge for provision of guidance in the preparation of the US Resident Tax Return

Notes:

1. Where third party costs are incurred by Market Services in providing a service, these will be charged to the member concerned (eg Citibank Global Custody Fee, bank charges, Companies House Filing Fee, Legal Fees, Postage and Packaging, Crest late settlement charges, stamp duty).
2. Market Services reserves the right to charge members for each trade carried out where no securities holding charges have been levied
3. Full details of each service are available upon request.
4. VAT status to be confirmed.

**MARKET SERVICES' CHARGES 2010
CORPORATE MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.	<u>Core Services</u>				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£600	Outside Scope	Services for members underwriting on the current year
1.2	Trustee / Regulatory Services – Non-Active Participation	Annual	£525	Outside Scope	Services for members with open participation and/ or donor members who last remaining participation was closed at previous year end
1.3	Trustee / Regulatory Services – Participation Closed at Previous Year End (excluding donor members)	Annual	£500	Outside Scope	Services for non donor members who last remaining participation was closed at previous year end
1.4	Market Services Taxation – Base Services	Annual	£190	Standard Rate	Calculation and provision of UK, US and Canadian tax return data
1.5	Market Services Taxation – SLP / LLP with 2 or more partners	Annual	£50	Standard Rate	Provision of US tax information at partner level
1.6	Market Services Taxation – Controlled Foreign Corporation	Annual	£350	Standard Rate	Provision of US Tax data US Resident Tax Return
2.	<u>Fund Holding Charges</u>				
2.1	Cash Service Charge	Bi-Annual	0.125%	Exempt	Charge for administration of cash held
2.2	Bank / Building Society Account	Annual	£55	Outside Scope	Levied per account held per fund per Owner / Dividend Code for bank / building society accounts held within funds at Lloyd's
2.3	UK Securities and Unit Trusts	Annual	£50	Outside Scope	Levied per security held per fund per Owner / Dividend Code for securities and unit trusts held within funds at Lloyd's
2.4	Foreign Securities (including Citibank)	Annual	£145	Outside Scope	Levied per security held per fund per Owner / Dividend Code for securities held within funds at Lloyd's
2.5	Guarantee / Letters of Credit	Annual	£75	Outside Scope	Levied per issuing institution per fund per Owner / Dividend code for guarantees / credits held within funds at Lloyd's
2.6	Non-Standard Currency Holdings	Annual	£55	Outside Scope	Levied per account per fund per Owner Dividend Code for non EUR, USD, GBP and AUD accounts held within funds at Lloyd's
2.7	Foreign Exchange Transactions	Per exchange	0.05%	Exempt	Levied per currency conversion currency deals carried out on behalf a member at 0.05% of the transactional value
2.8	Unregulated Collective Investment Scheme – initial charge	One-off	£500	Outside Scope	Initial approval to allow a member to hold unregulated collective investment schemes within funds at Lloyd's
2.9	Interavailable Recipient Monitoring Charge - per Donor	Annual	£160	Outside Scope	Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
2.10	Interavailable Recipient Monitoring Charge – per Finalised Donor	Annual	£400	Outside Scope	Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
2.11	UK Securities and Unit Trust Overtrading	Per overtrade	£20	Exempt	Trades processed in excess of the allowance of 2 trades per holding charge levied
2.12	Foreign Securities (including Citibank) Overtrading	Per overtrade	£25	Exempt	Trades processed in excess of the allowance of 2 trades per holding charge levied

Appendix 6

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
3.	Ad Hoc Services				
3.1	Declaration of Compliance Extension Request	Per request	£260	Outside Scope	Charge for considering and granting an extension to the Declaration of Compliance deadline
3.2	Breach of Declaration of Compliance	Per breach	£100	Outside Scope	Charge for unauthorised changes highlighted by the annual Declaration of Compliance checking
3.3	Declaration of Compliance – Late Submission	Per late submission	£400	Outside Scope	Monitoring of late submission of documentation
3.4	Declaration of Compliance – Non Submission	Per non submission	£500	Outside Scope	Monitoring of non submission of documentation
3.5	Approval of Controller / Director / SLP / LLP Changes	Per change	£155	Outside Scope	Charge for considering and approving requested change
3.6	Company Reports and Accounts	Per account	£30	Standard Rated	Provision of company reports and account on request of the member
3.7	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.8	Duplicate Requests (including payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.9	Coming into Line Extension Requests	Per day per £5m or part	£100	Outside Scope	Granting an extension to the coming-into-line deadline and the subsequent monitoring of the extension
3.10	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.11	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.12	Partial Release	Per request	£100	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's NB Charge levied per participant for recipient corporate members
3.13	Expiry of Guarantee / Letter of Credit	Per demand	£150	Outside Scope	Encashment of a guarantee / letter of credit once the expiry date falls due with no extension granted
3.14	Complex / Non-Standard Issues	Per hour	£100	Standard Rated	Complex/bespoke transactions, investigation of proposals outside the scope of existing trust, regulatory and policy obligations
3.15	Qualified Intermediary	Per security	£5	Standard Rated	Filing of Qualified Intermediary return to the US IRS
3.16	Lloyd's Underwriting Syndicates Publication	Per publication	£100	Standard Rated	Per copy of publication requested
3.17	Payments Requested via CHAPS	Per payment	£20	Exempt	Per payment requested to be made via CHAPS rather than BACS

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
4.	<u>Third Party Charges</u>				
4.1	Dewey and LeBoeuf – Taxation Base Services	Annual	£350	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of members
4.2	Dewey and LeBoeuf – SLP / LLP with 2 or more partners	Annual	£100	Standard Rate	Dewey and LeBoeuf charge for provision of US tax information at partner level
4.3	Dewey and LeBoeuf - Controlled Foreign Corporation	Annual	£100	Standard Rated	Dewey and LeBoeuf charge for provision of guidance in the preparation of the US Resident Tax Return

Notes:

1. Where third party costs are incurred by Market Services in providing a service, these will be charged to the member concerned (eg Citibank Global Custody Fee, bank charges, Companies House Filing Fee, Legal Fees, Postage and Packaging, Crest late settlement charges, stamp duty).
2. Market Services reserves the right to charge members for each trade carried out where no securities holding charges have been levied
3. Full details of each service are available upon request.
4. A member that commences underwriting mid-year will attract pro rate charges.
5. VAT status to be confirmed

**MARKET SERVICES' CHARGES 2010
DIRECT CORPORATE PARTICIPANT**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.	<u>Core Services</u>				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£4,000	Outside Scope	Services for members underwriting on the current year
1.2	Trustee / Regulatory Services – Non-Active Participation	Annual	£2,500	Outside Scope	Services for members with open participation or donor members who last remaining participation was closed at previous year end
1.3	Trustee / Regulatory Services – Participation Closed at Previous Year End	Annual	£2,500	Outside Scope	Services for non donor members who last remaining participation was closed at previous year end
1.4	Market Services Taxation – Base Services	Annual	£250	Standard Rate	Calculation and provision of UK, US and Canadian tax return data
1.5	Market Services Taxation – Controlled Foreign Corporation	Annual	£350	Standard Rate	Provision of US Tax data US Resident Tax Return
1.6	Market Services Taxation – Accelerated Taxation	Annual	£100	Standard Rate	Provision of information to facilitate tax planning
2.	<u>Fund Holding Charges</u>				
2.1	Cash Service Charge	Bi-Annual	0.125%	Exempt	Charge for administration of cash held
2.2	Bank / Building Society Account	Annual	£55	Outside Scope	Levied per account held per fund per Owner / Dividend Code for bank / building society accounts held within funds at Lloyd's
2.3	UK Securities and Unit Trusts	Annual	£250	Outside Scope	Levied per security held per fund per Owner / Dividend Code for securities and unit trusts held within funds at Lloyd's
2.4	Foreign Securities (including Citibank)	Annual	£320	Outside Scope	Levied per security held per fund per Owner / Dividend Code for securities held within funds at Lloyd's
2.5	Guarantee / Letter of Credit	Annual	£175	Outside Scope	Levied per issuing institution per fund per Owner / Dividend code for guarantees / credits held within funds at Lloyd's
2.6	FX Contract Base Charge	Per contract	£220	Outside Scope	Levied per security held per fund per Owner / Dividend code for receipt and initial setting up of contract
2.7	FX Contract Monitoring	Per month or part thereof	£95	Outside Scope	Levied per security held per fund per Owner / Dividend code for daily monitoring of contract margin
2.8	Covenant and Charge	Annual	£340	Outside Scope	Charge for monitoring of securities held within funds at Lloyd's under a Covenant and Charge arrangement
2.9	Non-Standard Currency Holdings	Annual	£55	Outside Scope	Levied per account per fund per Owner Dividend Code for non EUR, USD, GBP and AUD accounts held within funds at Lloyd's
2.10	Foreign Exchange Transactions	Per exchange	0.05%	Exempt	Levied per currency conversion currency deals carried out on behalf a member at 0.05% of the transactional value
2.11	Unregulated Collective Investment Scheme – initial charge	One-off	£500	Outside Scope	Initial approval to allow a member to hold unregulated collective investment schemes within funds at Lloyd's
2.12	Interavailable Recipient Monitoring Charge – per Donor	Annual	£160	Outside Scope	Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
2.13	Interavailable Recipient Monitoring Charge – per Finalised Donor	Annual	£400	Outside Scope	Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
2.14	UK Securities and Unit Trust Overtrading	Per overtrade	£20	Exempt	Trades processed in excess of the allowance of 6 trades per holding charge levied

	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
2.15	Foreign Securities (including Citibank) Overtrading	Per overtrade	£25	Exempt	Trades processed in excess of the allowance of 6 trades per holding charge levied
3.	<u>Ad Hoc Services</u>				
3.1	Declaration of Compliance Extension Request	Per request	£260	Outside Scope	Charge for considering and granting an extension to the Declaration of Compliance deadline
3.2	Breach of Declaration of Compliance	Per breach	£100	Outside Scope	Charge for unauthorised changes highlighted by the annual Declaration of Compliance checking
3.3	Declaration of Compliance – Late Submission	Per late submission	£400	Outside Scope	Monitoring of late submission of documentation
3.4	Declaration of Compliance – Non Submission	Per non submission	£500	Outside Scope	Monitoring of non submission of documentation
3.5	Approval of Controller / Director Change	Per change	£155	Outside Scope	Charge for considering and approving requested change
3.6	Company Reports and Accounts	Per account	£30	Standard Rated	Provision of company reports and account on request of the member
3.7	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.8	Duplicate Requests (including Payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.9	Coming into Line Extension Requests	Per day per £5m or part	£100	Outside Scope	Granting an extension to the coming-into-line deadline and the subsequent monitoring of the extension
3.10	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.11	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.12	Partial Release	Per request	£100	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's
3.13	Expiry of Guarantee / Letter of Credit	Per demand	£150	Outside Scope	Encashment of a guarantee / letter of credit once the expiry date falls due with no extension granted
3.14	Complex / Non-Standard Issues	Per hour	£100	Standard Rated	Complex/bespoke transactions, investigation of proposals outside the scope of existing trust, regulatory and policy obligations
3.15	Qualified Intermediary	Per security	£5	Standard Rated	Filing of Qualified Intermediary return to the US Internal Revenue Service
3.16	TAROT Access	Annual	£110	Standard Rated	Charge for remote access to TAROT – all infrastructure costs to be borne by the member
3.17	Lloyd's Underwriting Syndicates Publication	Per publication	£100	Standard Rated	Per copy of publication requested
3.18	Payments Requested via CHAPS	Per payment	£20	Exempt	Per payment requested via CHAPS rather than BACS

	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
4.	Third Party Charges				
4.1	Dewey and LeBoeuf – Taxation Base Services	Annual	£1,500	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of members
4.2	Dewey and LeBoeuf - Controlled Foreign Corporation	Annual	£100	Standard Rated	Dewey and LeBoeuf charge for provision of guidance in the preparation of the US Resident Tax Return
4.3	Dewey and LeBoeuf – Accelerated Taxation	Annual	£350	Standard Rated	Dewey and LeBoeuf charge for provision of information to facilitate members tax planning

Notes:

1. Where third party costs are incurred by Market Services in providing a service, these will be charged to the member concerned (eg Citibank Global Custody Fee, bank charges, Companies House Filing Fee, Legal Fees, Postage and Packaging, Crest late settlement charges, stamp duty).
2. Market Services reserves the right to charge members for each trade carried out where no securities holding charges have been levied
3. Full details of each service are available upon request.
4. A direct corporate participant that commences underwriting mid-year will attract pro rate charges.
5. VAT status to be confirmed

MARKET SERVICES' CHARGES 2010
MEMBERS' AGENT, MANAGING AGENT AND SYNDICATE

Ref	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
1.	<u>Core Services</u>					
1.1	Provision of Systems	Members' Agent	Annual	£19,250	Standard Rated	Single charge per members' agent
1.2	Provision of Systems	Managing Agent	Annual	£435	Standard Rated	Per syndicate - active / open / closed in distribution
2.	<u>Results and Stamp Processing</u>					
2.1	– Active Aligned / Dedicated Syndicate	Syndicate	Annual	£1,195	Standard Rated	Per syndicate per year of account
2.2	– Non-Active Aligned / Dedicated Syndicate		Annual	£1,050	Standard Rated	Per syndicate per year of account
2.3	– Active Spread Syndicate without MAPA Participation		Annual	£2,380	Standard Rated	Per syndicate per year of account
2.4	– Non-Active Spread Syndicate without MAPA Participation		Annual	£2,100	Standard Rated	Per syndicate per year of account
2.5	– Active Spread Syndicate with MAPA Participation		Annual	£3,500	Standard Rated	Per syndicate per year of account
2.6	– Non-Active Spread Syndicate with MAPA Participation		Annual	£3,080	Standard Rated	Per syndicate per year of account
3.	<u>Taxation Charges</u>					
3.1	Market Services Taxation - Filing of Syndicate Federal Excise Tax Return	Syndicate	Annual	£1,000	Standard Rated	Per syndicate
3.2	Market Services Taxation – UK, Canada, United States, Illinois	Syndicate	Annual	£230	Standard Rated	Per syndicate per year of account
3.3	Market Services Taxation – Singapore Tax	Syndicate	Annual	£500	Standard Rated	Per syndicate underwriting business in Singapore
4.	<u>Ad Hoc Services</u>					
4.1	Auction	Members' Agent				
4.1.1	– Buy / Sell Capacity at Auction including Bilateral Arrangements		Per auction	0.05%	Outside Scope	Per successful bid
4.1.2	– Deletion of Invalid Order / Withdrawal of Bilateral Arrangement		Per auction	£75	Outside Scope	Per deletion / withdrawal
4.1.3	– Subscription order including Revision and Withdrawal		Per auction	£15	Outside Scope	Per bid / revision / withdrawal
4.1.4	– Bilateral Arrangement		Per auction	£100	Outside Scope	Per party
4.2	Coming into Line Extension Requests	Members' Agent	Per day per £5m or part	£100	Outside Scope	Granting an extension to the coming-into-line deadline and the subsequent monitoring of the extension
4.3	Register of Agent Charges	Members' & Managing Agent	Ad hoc	£25	Zero Rated	Per copy of register requested
4.4	Agency Agreement	Members' Agent	Ad hoc	£5	Zero Rated	Per agreement requested
	Agency Agreement	Managing Agent	Ad hoc	£3	Zero Rated	Per agreement requested

	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
4.5	Lloyd's Underwriting Syndicates Publication	All	Ad hoc	£100	Standard Rated	Per copy of publication requested
4.6	Calculation of Non Distribution Interest	Managing Agent	Per request	£100	Standard Rated	Per syndicate charging late interest
4.7	Enquiries	All	Per half-hour	£50	Standard Rated	Investigation of enquiries
4.8	Duplicate Requests (including payments)	All	Per request	£42	Standard Rated	Provision of duplicate items
4.9	Publication of Syndicate Reports and Accounts	Managing Agent				Provision of address labels and publication of documents on to lloyds.com. NB materials costs in respect of label printing will also be incurred.
	– 1 – 100 members		Ad hoc	£50	Standard Rated	
	– 101 – 500 members		Ad hoc	£100	Standard Rated	
	– 501 – 1,000 members		Ad hoc	£125	Standard Rated	
	– 1,001 – 1,500 members		Ad hoc	£175	Standard Rated	
	– 1,501 – 2,000 members		Ad hoc	£225	Standard Rated	
4.10	Qualified Intermediary	Syndicate				
4.10.1	– Base Charge		Per syndicate	£200	Standard Rated	Per syndicate
4.10.2	– per 1,000 transactional lines on LDTF		Per 1,000 lines	£50	Standard Rated	Per syndicate
4.11	Complex / Non-Standard Issues	All	Per hour	£100	Standard Rated	Complex/bespoke transactions, investigation of proposals outside the scope of existing trust, regulatory and policy obligations
5.	Third Party Charges					
5.1	Dewey and LeBoeuf – Filing of Syndicate Federal Excise Tax Return	Syndicate	Annual	£300	Standard Rated	Dewey and LeBoeuf charge for dealing with return
5.2	Dewey and LeBoeuf – US Taxation	Syndicate	Annual	£2,250	Standard Rated	Dewey and LeBoeuf charge for dealing with syndicate information statement
5.3	Dewey and LeBoeuf – North American Taxation	Syndicate	Quarterly per written premium	0.0034%	Standard Rated	Dewey and LeBoeuf charge for dealing with North American taxation issues.

Notes:

1. Where third party costs are incurred by Market Services in providing a service, these will be charged to the agent / syndicate concerned (eg bank charges, Legal Fees, Postage and Packaging, stamp duty).
2. Full details of each service are available upon request.
3. A syndicate that commences underwriting mid-year will attract pro rate charges.
4. VAT status to be confirmed

Policyholder and Market Assistance Charges 2010

The Policyholder and Market Assistance complaints handling charges will be maintained at 2009 levels

Policyholder and Market Assistance Charges 2010	
Administration fee for UK complaints	£115
Administration fee for overseas complaints	£200
Additional fee for overseas complaints (see above for details)	£100
Additional fee for full investigation – Overseas complaints	£400
Additional fee for full investigation – UK complaints – Tier 1 (£500 and under)	£175
Additional fee for full investigation – UK complaints – Tier 2 (£501- £10,000)	£500
Additional fee for full investigation – UK complaints – Tier 3 (£10,001 - £25,000)	£750
Additional fee for full investigation – UK complaints – Tier 4 (above £25,001)	£1000
Recovery of Financial Ombudsman Service (FOS) case fee	FOS revises their case fee on the 1st April each year. 2009/2010 charge fixed at £500
Recovery of FOS Levy	Levy is only recovered from those syndicates underwriting personal lines

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Property Services

Market Services

Introduction

2010 Room Rental charges have not increased from the 2009 levels.

Key Assumptions

Property Services reserves the right to review its decision should it transpire that the demand for Underwriting space in 2010 is significantly less than that for 2009.

Security Passes

Introduction

The charges for security passes will remain at the 2009 level of £25.

Key Assumptions

There is a continued need for a security pass system for entry into Lloyd's buildings.

Tenants' Service Charge

Introduction

The office accommodation on Galleries 3-10 attracts a service charge for the provision of all day-to-day services. Apart from telephone and data charges, tenants have a fully inclusive service charge covering their needs. Service charges will decrease by 5% from the 2009 level due to decreased utility costs.

Key Assumptions

Property Services has outsourced the running of the services of the 1986 Building. The costs will be reviewed throughout 2010 and any savings that can be achieved will be passed on to the tenants.

Tenants' Insurance Charge

Introduction

2010 charges have been decreased by 17% compared to the 2009 level.

Key Assumptions

It has been assumed that there will be no additional increase to the projected rate from July 2010, but Property Services reserves the right to pass on any increases in costs.

Contact Name for Queries

Simon Harper 020 7327 6719 (email simon.harper@lloyds.com)

Jack Kent 020 7327 6548 (email jack.kent@lloyds.com)

All charges set out below are to be paid by the relevant members of the Lloyd's community and exclude VAT

PROPERTY SERVICES UNIT - 2010 MARKET CHARGES

Ref	Chargeable Item	Customer	Means of Collection	Unit of Charge	2010 Price per Unit	Benchmark Prices	2009 Price per Unit	Fixed / Variable
1	Room Rent Charges for underwriting space on the Ground Floor to Gallery 2. This is charged on a net footprint area of the space occupied by underwriting boxes.	G1&2 Ground Underwriters	Invoice Annually in Advance	per sq. ft.	£396 £594	Prior years	£396 £594	V
2	Company Market Rent Charges for Company Market leases on Gallery 2 and Gallery 3. This is charged on a net footprint area of the space occupied by underwriting boxes. New entrants pay additional 50% of first year annual rental.	G2/G3 Company Market	Invoice Quarterly in Advance	per sq. ft.	£710 Estimated index linked	Prior years	£698	V
3	Security Passes The charge for security passes where applicable.	Market wide Non-u/w working members	Invoice	per pass	£25 £26	N/A N/A	£25 £26	V
4	Tenant Service Charge Tenants on Galleries 3-10 of the 1986 building have a fully inclusive service charge based on square footage occupied.	Tenants 1986 Building	Invoice Quarterly in advance	per sq. ft.	£18.96	No comparable benchmark	£19.88	V
5	Tenant Insurance Charge Tenants on Galleries 3-10 of the 1986 building pay this on the square footage occupied.	Tenants 1986 Building	Invoice Quarterly in advance	per sq. ft.	£1.65	N/A	£1.98	V

NB: Excluded from the above are tenant's rental charges for Galleries 3-10 which are reviewed every five years and agreed on an individual basis.

New Entrant Charges

The current charges will continue unchanged in 2010 and are set out below.

	2010
Members' Entrance Fees	
Corporate Member Application	£25,000
Shell Corporate Members	
- Stage 1	£10,000
- Stage 2	£15,000
Conversion to NameCo / SLP / LLP	
- Base Charge	£2,000
- Per Converting member/LLP member/Limited Partner/New member/Controller	£155
New Money NameCo / SLP / LLP	
- Base Charge	£5,000
- per Member/Controller/Limited Partner for 5 or more members/Controllers	£155
New Money vehicle where private individual is/was previously a member of Lloyd's	£2,000
New Member not covered by any other category	
- Base Charge	£5,000
- per connected entity	£155
SLP Conversion to LLP	
- Base Charge	£2,000
- Interavailability Fee	£1,500
- per Member for 5 or more members (excluding designated members)	£155
Recommencement of Underwriting	
- Individual member with Open Participation	£155
- Corporate member with Open Participation with no change of Director / Controller	£155
- Corporate member with change of Control/Structure	
- Base Charge	£5,000
- per Connected Entity	£155
Approval of Controller / Director / SLP / LLP Changes	£155
Underwriting Agent / Syndicate Application fees	
Change in Controller (underwriting agent) (see note 1)	£5,000
New Underwriting Agent	£100,000
New Syndicate	£50,000
Syndicate Merger / change of managing agent	£5,000
New Accredited Broker	£5,000
Annual Charge for Maintenance of the Approved Run-off Companies Register	£10,000

Notes

1. Applicable when a voting interest of 50% or more is acquired.

VAT

Under current tax rules VAT is not chargeable on these New Entrant Charges.

Contact name for queries:

Members' Entrance Fees queries should be addressed to Karen Fox, 01634 392368 (email: karen.fox@lloyds.com)

Underwriting Agent / Syndicate Application fees queries should be addressed to Robert Stevenson, 020 7327 5541 (email: robert.stevenson@lloyds.com)

Overseas Operating Charges

All charges set out below are to be paid by the relevant members of the Lloyd's community and exclude VAT.

1.1 Overseas operating charges

Charge	Basis	2010 Operating Charge %
Direct Business - overseas	Per £ of gross overseas premium	0.40%
Reinsurance business - overseas	Per £ of gross overseas premium	0.14%
Coverholder business supplement	Per £ of gross overseas premium	0.19%

1.2 Other charges

Italy	Premium and claims payment processing fee of 0.75% of gross premiums flowing through the Lloyd's Italian office.
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1.3 General User Pay Charges

User pay charges will apply for work requested by specific market customers where that work requires substantial additional effort and has resulted in significant extra cost. These charges are likely to be time based.

If this situation applies, then the cost implications will be made clear to the syndicate before proceeding with the work. Such charges are likely to be on a time and materials basis and could include the following in respect of Canadian operations:

- the production of non-standard reports
- significant charges incurred by Lloyd's in the event of late payments by coverholders of Scheme Canada settlements.
- costs of data entry by Lloyd's after full transition to Lineage
- costs of reconciliation of Scheme Canada statistics and records with underwriter, Lloyd's broker or coverholder records.

Cost base

The overseas operating charges fund aggregate overseas costs, net of local and user pays income. For 2010 the net costs are budgeted to be £48m.

Premium assumptions

Gross international (i.e. excluding UK and Channel Islands) premiums will continue to be used as the basis for the core operating charges. For the purposes of calculating the 2010 operating charges set out above, 12 months premium to 30 September 2009 has been used, however actual premium relating to the 2010 year of account will be used for collection purposes.

Overseas Operating Charges 2010

Collections from syndicates

The core operating charges will continue to be collected from syndicates in advance on a quarterly basis, with an adjustment in the following year. The adjustment will ensure that the aggregate amounts collected from syndicates are equal to the costs for the year, and that at individual syndicate level, the amounts collected in respect of direct and reinsurance business are equal to that syndicate's proportionate share of the aggregate premiums. This might result in amounts being repaid to individual syndicates or further collections being made. In making any adjustments, the coverholder supplement will remain at 50% of the overseas operating charge on direct business.

Further information

All queries on Overseas Operating Charges should be referred to either Rob Geater 020 7327 6637 (email: robert.geater@lloyds.com) or Susan Jeapes 020 7327 2249 (email susan.jeapes@lloyds.com) or to:

Lloyd's International Trading Advice (LITA),

Tel: 020 7327 6677

Email: LITA@lloyds.com