

# MARKET BULLETIN

REF: Y4453

<b>Title</b>	<b>2011 Market Charges</b>
<b>Purpose</b>	Notification of 2011 charges, contributions, subscriptions and payments dates.
<b>Type</b>	Scheduled
<b>From</b>	Luke Savage, Director, Finance, Risk Management and Operations Contact details: 020 7327 6711 <a href="mailto:luke.savage@lloyds.com">luke.savage@lloyds.com</a>
<b>Date</b>	20 December 2010
<b>Deadline</b>	
<b>Related links</b>	

The purpose of this bulletin is to summarise Lloyd's 2011 Market Charges.

## 1 New Central Fund contributions / Members' subscriptions

1.1 Market Bulletin Y4425 set out the principal central charges for 2011 as below:

	2010 Charged as % of written premium	2011 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 2011 will be collected through Central Accounting on 7 January 2011. Further details are provided in MB Y4442 dated 3 December 2010.

1.3 The New Central Fund annual contribution, including any increased annual contribution for new corporate members underwriting in 2011 that meet the

definitions set out in MB Y4425, any further contributions payable where syndicates have entered into qualifying quota share arrangements outside the Lloyd's market, are payable in April 2011. Details regarding payment arrangements for contributions will be advised in early 2011. A further contribution of up to 3% remains callable at the discretion of Council.

## **2 Performance & Risk Management Charge**

- 2.1 The basis of the PRM charge is unchanged in 2011. Details are set out in appendix 1.
- 2.2 The PRM 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 PRM 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 2011. Payment arrangements are set out in MB Y4442 dated 3 December 2010.

## **3 Charges in respect of syndicates in run-off**

- 3.1 The basis of the charge on run-off syndicates is unchanged in 2011. Details are set out in appendix 2.

## **4 Capacity Markets**

- 4.1 Capacity Markets charges in 2011 will be the same as for 2010.
- 4.2 General queries should be addressed to Paul Thornton, 020 7327 6281 (email [paul.thornton@lloyds.com](mailto:paul.thornton@lloyds.com)).
- 4.3 A complete schedule of charges is attached at appendix 3.

## **5 Finance**

- 5.1 Finance charges include:
  - 5.1.1 Foreign exchange dealing fees;
  - 5.1.2 Provision of Schedule 3 information to Corporate Members;
  - 5.1.3 Corporate Inter-available FAL;
  - 5.1.4 Premium tax administration; and,
  - 5.1.5 Tax operations charges.

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

## **6 Information Technology Group**

- 6.1 Lloyd's Information Technology Group will shortly begin the 2011 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 2011.
- 6.2 2011 pricing for services will remain unchanged from last year.
- 6.3 Please note that the set-up of services will be charged on a time and materials basis.
- 6.4 A complete schedule of charges is attached at appendix 5.
- 6.5 Contact name for queries:  
Lesley Parietti, Information Technology Group, 020 7327 5912 (email: [lesley.parietti@lloyds.com](mailto:lesley.parietti@lloyds.com))

## **7 Market Services (including Policyholder and Market Assistance) Charges**

- 7.1 The 2011 member, members' agent and managing agent price list are enclosed at appendix 6.
- 7.2 Point of contact: Jenny Lavery 01634 392320 or via email: [market-services-charges@lloyds.com](mailto:market-services-charges@lloyds.com)
- 7.3 The Policyholder and Market Assistance charges for 2011 are enclosed at appendix 7.
- 7.4 Point of contact: Mark Smith 01634 392352 or via email [mark.smith@lloyds.com](mailto:mark.smith@lloyds.com)

## **8 Property Services**

- 8.1 Room rental charges for 2011 have not been increased from the 2010 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](mailto:darren.cox@lloyds.com)) if you have any queries.
- 8.2 The charges for security passes will remain at £25 for 2011. Tenant services charges for 2011 have reduced by 3% to £18.37 per sq ft per annum (2010 £18.87 per sq ft per annum) due to a reduction in small works and the insurance charge has increased to £1.68 per sq ft per annum (2010 £1.65 per sq ft per annum). Please contact Simon Harper, Commercial Manager on 020 7327 6719 (email [simon.harper@lloyds.com](mailto: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 The 2011 Underwriting Agent / Syndicate Application fees are enclosed at appendix 9. Member application fees are including within Market Services charges in appendix 6.

9.2 All queries should be addressed to Robert Stevenson, 020 7327 5541 (email: [robert.stevenson@lloyds.com](mailto:robert.stevenson@lloyds.com))

## **10 Overseas Operating Charges**

10.1 The core operating charges fund aggregate overseas costs, net of local and user pays charges.

10.2 User pays charges continue to apply where costs are incurred on behalf of specific syndicates or where 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](mailto:robert.geater@lloyds.com)), or Susan Jeapes 020 7327 2249 (email: [susan.jeapes@lloyds.com](mailto:susan.jeapes@lloyds.com)), or to:

Lloyd's International Trading Advice (LITA)

Tel: 020 7327 6677

Email: [LITA@lloyds.com](mailto: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
Performance & Risk Management Charge	1	6-7
Charge in respect of syndicates in run-off	2	8
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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](mailto:robert.deane@lloyds.com))

Luke Savage  
Director, Finance, Risk Management & Operations

## Performance and Risk Management Charge

- 1.1 The Performance and Risk Management charge has been calculated to recover approximately £13m from the Market in order to fund the activities of the 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 2011, 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 2011. Agents which only manage syndicates in run-off will not attract a 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 2011. 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 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 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 2010.
- 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 2010. 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 are exempt from VAT.

Capacity Markets charges in 2011 will be the same as for 2010, 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](mailto: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 and are exempt from VAT, 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.

Point of contact: - Gary White 020 7327 5340, (email: [gary.white@lloyds.com](mailto:gary.white@lloyds.com))

### 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. 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 for the December 2010 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** (excl VAT)	Maximum fee** (excl VAT)
£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.

#### Key assumptions

The fee structure for 31 December 2010 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 2009 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.

Point of contact: - Robert Smith 020 7327 5459, (email: [robert.smith@lloyds.com](mailto:robert.smith@lloyds.com))

### 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.

Point of contact: - Kevin Nethersell 020 7327 6253, (email: [kevin.nethersell@lloyds.com](mailto:kevin.nethersell@lloyds.com))

### 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 2011 is £9,000 per syndicate. The collection of this charge will take place in January 2011.

Point of contact: - Nick Marman 020 7327 6727, (email: [nick.marman@lloyds.com](mailto:nick.marman@lloyds.com))

### **1.5 Tax Operations**

The Tax department charges on a user pays basis to both members and managing agents for the provision of tax information and the filing of various tax returns on behalf of all members of Lloyd's. The overall price list for Tax Operations is split by customer category.

Point of contact: - Christine Allcott 01634 392433, (email: [Christine.Allcott@lloyds.com](mailto:Christine.Allcott@lloyds.com))

**TAX OPERATIONS CHARGES 2011  
INDIVIDUAL MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.1	Market Services Taxation – Active Participation	Annual	£170	Standard Rate	Calculation and provision of UK, US Canadian, Singapore and Japan tax return data for members underwriting on the current year
1.2	Market Services Taxation – Non-Active Participation	Annual	£40	Standard Rate	Calculation and provision of UK, US and Canadian tax return data for members with open participation and/or donor members whose last remaining participation was closed at previous year end
1.3	Market Services Taxation – US Resident	Annual	£350	Standard Rate	Provision of US Tax data to assist with preparation of US Resident Tax Return
2.0	<u>Third Party Charges</u>				
2.1	Dewey and LeBoeuf Taxation Services – Active Participation	Annual	£280	Standard Rate	Dewey and LeBoeuf charge for filing US tax return on behalf of members underwriting on the current year
2.2	Dewey and LeBoeuf Taxation Services – Non-Active Participation	Annual	£100	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of the member for members with open participation and/or donor members whose last remaining participation was closed at previous year end
2.3	Dewey and LeBoeuf - US Resident	Annual	£100	Standard Rated	Dewey and LeBoeuf charge for provision of guidance to Lloyd's in the preparation of the US Resident Tax Return

**CORPORATE MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.1	Market Services Taxation	Annual	£215	Standard Rate	Calculation and provision of UK, US Canadian, Singapore and Japan tax return data for members underwriting on the current year
1.2	Market Services Taxation – SLP / LLP with 2 or more partners Per additional partner	Annual	£50	Standard Rate	Provision of US tax information to Dewey & LeBoeuf at partner level
1.3	Market Services Taxation – Controlled Foreign Corporation	Annual	£350	Standard Rate	Provision of US Tax data US Resident Tax Return
2.0	<u>Third Party charges</u>				
2.1	Dewey and LeBoeuf – Taxation Services	Annual	£390	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of members
2.2	Dewey and LeBoeuf – SLP / LLP with 2 or more partners Per additional partner	Annual	£150	Standard Rate	Dewey and LeBoeuf charge for dealing with US tax information at partner level
2.3	Dewey and LeBoeuf - Controlled Foreign Corporation	Annual	£100	Standard Rated	Dewey and LeBoeuf charge for provision of guidance to Lloyd's in the preparation of the US Resident Tax Return

Note

Where third party costs are incurred with Dewey & LeBoeuf for providing additional services such as dealing with Changes of Ownership and Reinsurance adjustments these will be charged to the member concerned.

**TAX OPERATIONS CHARGES 2011  
DIRECT CORPORATE PARTICIPANT**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.1	Market Services Taxation	Annual	£250	Standard Rate	Calculation and provision of UK, US and Canadian tax return data
1.2	Market Services Taxation – Controlled Foreign Corporation	Annual	£350	Standard Rate	Provision of US Tax data US Resident Tax Return
1.3	Market Services Taxation – Accelerated Taxation	Annual	£100	Standard Rate	Provision of information to facilitate tax planning
2.0	<u>Third Party Charges</u>				
2.1	Dewey and LeBoeuf – Taxation Services	Annual	£1,500	Standard Rate	Dewey and LeBoeuf charge for filing US tax return of behalf of members
2.2	Dewey and LeBoeuf - Controlled Foreign Corporation	Annual	£100	Standard Rated	Dewey and LeBoeuf charge for provision of guidance to Lloyd's in the preparation of the US Resident Tax Return
2.3	Dewey and LeBoeuf – Accelerated Taxation	Annual	£350	Standard Rated	Dewey and LeBoeuf charge for provision of information to facilitate members tax planning

Note

Where third party costs are incurred with Dewey & LeBoeuf for providing additional services such as dealing with Changes of Ownership and Reinsurance adjustments these will be charged to the member concerned.

**MEMBERS' AGENT, MANAGING AGENT AND SYNDICATE**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
3.1	Market Services Taxation - Filing of Syndicate Federal Excise Tax Return	Annual	£1,100	Standard Rated	Per syndicate
3.2	Market Services Taxation – UK, Canada, United States, Illinois	Annual	£230	Standard Rated	Per syndicate per year of account
3.3	Market Services Taxation – Singapore Tax	Annual	£500	Standard Rated	Per syndicate year of account for syndicates underwriting business in Singapore
4.0	Qualified Intermediary				
4.1	Base Charge	Annual per syndicate	£200	Standard Rated	Per syndicate
4.2	Per 1000 transactional line on LDTF	Per 1000 lines	£50	Standard Rated	Per syndicate
5.0	<u>Third Party Charges</u>				
5.1	Dewey and LeBoeuf – Filing of Syndicate Federal Excise Tax Return	Annual	£425	Standard Rated	Dewey and LeBoeuf charge for dealing with return
5.2	Dewey and LeBoeuf – US Taxation –	Annual	£2,250	Standard Rated	Dewey and LeBoeuf charge for dealing with syndicate information statement – Per syndicate year of account
5.3	Dewey and LeBoeuf – North American Taxation	Quarterly per written premium	0.0034% est.	Standard Rated	Dewey and LeBoeuf charge for dealing with North American taxation issues. Fixed fee to be recovered.
Ad Hoc Charges - All					
6.	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
7	Duplicate Requests (including Payments)	Per request	£42	Standard Rated	Provision of duplicate items

## **Information Technology Group**

Lloyd's Information Technology Group will shortly begin the 2011 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 2011.

### **Ongoing Service Prices**

2011 pricing for services will remain unchanged from last year.

### **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](mailto:lesley.parietti@lloyds.com))

<b>IT Group - 2011 Market Charges</b>				
<b>Chargeable Item</b>	<b>Customer</b>	<b>Unit of Charge</b>	<b>2011 Price per Unit (excl VAT)</b>	<b>2010 Price per Unit (excl VAT)</b>
<b>LLOYD'S INSURANCE NETWORK (LIN) SERVICES</b>				
<b>LIN Network set-up – Ethernet</b>	Market	Per Connection	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
Set-up of Ethernet connection to the LIN				
<b>LIN Network Annual Fee – Ethernet</b>	Market	Per Connection	<b>£9,043</b>	£9,043
Covers the cost of management of Ethernet connection to the LIN				
<b>LIN Network Annual Fee - Additional for Service Providers</b>	Market	Per customer	<b>£1,091</b>	£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				
<b>LIN ISP set-up - All bands</b>	Market	Per Connection	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
Set-up of an Internet browsing facility for all dedicated bps.				
<b>LIN ISP 512K</b>	Market	Per Connection	<b>£2,728</b>	£2,728
Rental of an Internet browsing facility at 512K bps				
<b>LIN ISP 2M</b>	Market	Per Connection	<b>£6,153</b>	£6,153
Rental of an Internet browsing facility at 2M bps				
<b>Virtual Private Network (via a single workstation) set-up fee</b>	Market	Per connection	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
Set-up of a secure, data encrypted tunnel through to the LIN				
<b>Virtual Private Network (via a single workstation)</b>	Market	Per connection	<b>£436</b>	£436
Rental of a secure, data encrypted tunnel through to the LIN				
<b>Virtual Private Network (branch-to-branch) set-up fee</b>	Market	Per connection	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
Set-up of a secure, data encrypted tunnel through to the LIN				



<b>IT Group - 2011 Market Charges</b>				
<b>Chargeable Item</b>	<b>Customer</b>	<b>Unit of Charge</b>	<b>2011 Price per Unit (excl VAT)</b>	<b>2010 Price per Unit (excl VAT)</b>
<b>Virtual Private Network (branch-to-branch) support 256K bps</b>	Market	Per connection	<b>£1,418</b>	£1,418
Rental of a secure, data encrypted tunnel through to the LIN at 256K bps				
<b>Virtual Private Network (branch-to-branch) support 512K bps</b>	Market	Per connection	<b>£2,161</b>	£2,161
Rental of a secure, data encrypted tunnel through to the LIN at 512K bps				
<b>Virtual Private Network (branch-to-branch) support 1M bps</b>	Market	Per connection	<b>£3,738</b>	£3,738
Rental of a secure, data encrypted tunnel through to the LIN at 1M bps				
<b>Virtual Private Network (branch-to-branch) support 2M bps</b>	Market	Per connection	<b>£6,889</b>	£6,889
Rental of a secure, data encrypted tunnel through to the LIN at 2M bps				
<b>LIN DR Set-up fee - Ethernet</b>	Market	Per Connection	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
Set up of an alternative route to LIN in the event of a disaster				
<b>LIN DR Annual Fee connection - Ethernet</b>	Market	Per Connection	<b>£2,489</b>	£2,489
<b>DR Invocation Tests</b>	Market	Per Test	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
LIN DR testing outside bi-annual dates				
<b>LIN DR Service for DR Service Providers</b>	Market	Per Connection	<b>Various</b>	Various
Rental of service provider LIN DR connection				
<b>LIN DR Service for DR Service Providers set-up</b>	Market	Per Connection	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
Set-up of service provider LIN DR connection				
<b>CABLING SERVICES</b>				
<b>Cabling within the Lloyd's building - Provide</b>	Market	Per Cable	<b>Manpower Hourly Rate Plus Materials</b>	Manpower Hourly Rate Plus Materials
Installation of cabling within the Lloyd's building				

<b>IT Group - 2011 Market Charges</b>				
<b>Chargeable Item</b>	<b>Customer</b>	<b>Unit of Charge</b>	<b>2011 Price per Unit (excl VAT)</b>	<b>2010 Price per Unit (excl VAT)</b>
<b>Fibre Optic Cable – Support</b>	Market	Per Fibre Pair	<b>£723</b>	£723
Rental and support of fibre infrastructure				
<b>Block Wiring</b>	Market	Per Pair	<b>£16</b>	£16
Charge for use of BT block wiring to support private PBX's (price per pair)				
<b>BLACK BOX PARK (BBP1) SERVICES</b>				
<b>Black Box Park 1 (BBP1) Rack Space - 1 unit</b>	Market	Per Unit	<b>£276</b>	£276
Rental of 1 unit rack space in a Lloyd's cabinet				
<b>BBP1 Rack Space - 10 units</b>	Market	Per Unit	<b>£1,503</b>	£1,503
Rental of a lockable portion of a Lloyd's cabinet (10 units)				
<b>BBP1 Rack Space - 20 units</b>	Market	Per Unit	<b>£2,971</b>	£2,971
Rental of a lockable portion of a Lloyd's cabinet (20 units)				
<b>BBP1 Floor Space</b>	Market	Per Unit	<b>£5,860</b>	£5,860
Rental of floor space in Black Box Park 1 for customers own comms cabinet				
<b>VOICE SERVICES</b>				
<b>Installation of Voice Services</b>	Market	Per Unit	<b>Manpower Hourly Rate</b>	Manpower Hourly Rate
<b>Standard Extension</b>	Market	Per Extension	<b>£485</b>	£485
Rental for Lloyd's extension number and a Lloyd's supplied analogue handset				
<b>Digital Telephone Handset</b>	Market	Per Handset	<b>£107</b>	£107
Additional rental for a digital handset				
<b>Digital Add-on Unit</b>	Market	Per Handset	<b>£131</b>	£131

<b><u>IT Group - 2011 Market Charges</u></b>				
<b>Chargeable Item</b>	<b>Customer</b>	<b>Unit of Charge</b>	<b>2011 Price per Unit (excl VAT)</b>	<b>2010 Price per Unit (excl VAT)</b>
Rent for a digital add-on unit, which supplies extra programmable keys				
<b>Additional Telephone Socket</b>	Market	Per Socket	<b>£66</b>	£66
Rental of an additional analogue handset of an existing analogue extension				
<b>Voicemail</b>	Market	Per Unit	<b>£93</b>	£93
Rental of a voice mailbox				
<b>Fax / Modem Line</b>	Market	Per Line	<b>£227</b>	£227
Rental of a fax/modem link on a Lloyd's extension number				
<b>Support for IPT Infrastructure</b>	Market	Per Unit	<b>£547</b>	£547
<b>Rental of an IP Conference Unit</b>	Market	Per Unit	<b>£197</b>	£197

## **Market Services' Charges 2011**

Market Services' charges remain largely the same as 2010 with the following notable exceptions:

### Member Charges

- 1) Partial Release of Funds at Lloyd's – Late Request  
To ensure the efficient use of Market Services' resources, partial release requests received after the prescribed deadline will attract an additional charge.
- 2) Introduction of a discretionary charge in respect of the Change in Director / Controller / Director / LLP / SLP with advance consent.  
Although falling under advance consent it is still necessary to compare structure charts, identify changes, obtain new company details and registered numbers in addition to our suitability checks and system updates.
- 3) Introduction of a charge for the recommencement of an application for membership that has previously been put on hold to reflect the re-work that is required.
- 4) Company Reports and Accounts – this charge is no longer being levied.

The charges will be based on members' FAL position as at 1 January 2011.

### Members' Agent and Managing Agent Charges

Increase in the Register of Agent Charges from £25 to £50 to reflect the resources required to collate this information.

### Syndicate Charges

- 1) Introduction of a charge in respect of Bulk and Urgent Distribution payments outside of the normal automated process.

Point of contact:

Jenny Laverty 01634 392320

email: [market-services-charges@lloyds.com](mailto:market-services-charges@lloyds.com)

## **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 2011**  
**INDIVIDUAL MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.	<u>Core Services</u>				
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 whose 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
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 for bank / building society accounts held within funds at Lloyd's
2.3	UK Securities and Unit Trusts	Annual	£51	Outside Scope	Levied per security held per fund per Owner 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.	<b>Ad Hoc Services</b>				
3.1	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.2	Duplicate Requests (including Payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.3	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
3.4	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.5	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.6	Partial Release	Per request	£100	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's
3.7	Partial Release – late request	Per request	£75	Outside Scope	To ensure efficient use of resources a charge is levied for releases submitted after the prescribed deadline
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

**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 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.

**MARKET SERVICES' CHARGES 2011**  
**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 whose 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
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	£51	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 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.	<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 / SLP / LLP Changes	Per change	£155	Outside Scope	Charge for considering and approving requested change
3.5	Change of Controller / Director / SLP / LLP Changes with Advance Consent	Per change	£155	Outside Scope	Charge for actioning requested change
3.6	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.7	Duplicate Requests (including payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.8	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
3.9	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.10	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.11	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
3.12	Partial Release – late request	Per request	£75	Outside Scope	To ensure efficient use of resources a charge is levied for releases submitted after the prescribed deadline
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

**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 rata charges.



**MARKET SERVICES' CHARGES 2011**  
**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 whose 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
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	£255	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 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
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

	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
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
3.5	Change of Controller / Director / SLP / LLP Changes with Advance Consent	Per change	£155	Outside Scope	Charge for actioning requested change
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
3.12	Partial Release – late request	Per request	£75	Outside Scope	To ensure efficient use of resources a charge is levied for releases submitted after the prescribed deadline
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 to be made via CHAPS rather than BACS

**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 rata charges.

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

Ref	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
1.	<u>Base 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.	Results and Stamp Processing	Syndicate				
2.1	– Active Aligned / Dedicated 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>Ad Hoc Services</u>					
3.1	Auction	Members' Agent				
3.1.1	– Buy / Sell Capacity at Auction including Bilateral Arrangements		Per auction	0.05%	Outside Scope	Per successful bid
3.1.2	– Deletion of Invalid Order / Withdrawal of Bilateral Arrangement		Per auction	£75	Outside Scope	Per deletion / withdrawal
3.1.3	– Subscription order including Revision and Withdrawal		Per auction	£15	Outside Scope	Per bid / revision / withdrawal
3.1.4	– Bilateral Arrangement		Per auction	£100	Outside Scope	Per party
3.2	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
3.3	Register of Agent Charges	Members' & Managing Agent	Ad hoc	£50	Zero Rated	Per copy of register requested
3.4	Agency Agreement	Members' Agent	Ad hoc	£5	Zero Rated	Per agreement requested
	Agency Agreement	Managing Agent	Ad hoc	£3	Zero Rated	Per agreement requested
3.5	Lloyd's Underwriting Syndicates Publication	All	Ad hoc	£100	Standard Rated	Per copy of publication requested
3.6	Calculation of Non Distribution Interest	Managing Agent	Per request	£100	Standard Rated	Per syndicate charging late interest
3.7	Bulk and Urgent Distribution Payments	Managing Agent	Per request	£100	Standard Rated	Distribution surpluses where manual intervention is required
3.8	Enquiries	All	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.9	Duplicate Requests (including payments)	All	Per request	£42	Standard Rated	Provision of duplicate items

continued

	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
3.10	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	
3.11	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

**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.

**MARKET SERVICES' CHARGES 2011  
MEMBER APPLICATIONS**

Ref	Chargeable Item	Price	VAT Status
1.	Corporate Member Application	£25,000	Outside Scope
2.	Conversion to Nameco / SLP / LLP		
2.1	- Base Charge	£2,000	Outside Scope
2.2	- Per Converting Member / LLP member / Limited Partner / New Member / Controller	£155	Outside Scope
3.	New Money Nameco / SLP / LLP		
3.1	- Base Charge	£5,000	Outside Scope
3.2	- per Member / Controller / Limited Partner for 5 or more Members / Controllers	£155	Outside Scope
4.	New Money vehicle where Private Member is / was Previously a Member	£2,000	Outside Scope
5.	New Member not covered by an other Category		
5.1	- Base Charge	£5,000	Outside Scope
5.2	- Per Connected Entity	£155	Outside Scope
6.	SLP Conversion to LLP		
6.1	- Base Charge	£2,000	Outside Scope
6.2	- Interavailability Fee	£1,500	Outside Scope
6.3	- per Member for 5 or more Members	£155	Outside Scope
7.	Shell Corporate Member		
7.1	- Stage 1	£10,000	Outside Scope
7.2	- Stage 2	£15,000	Outside Scope
8.	Recommencement of Corporate Member Application	£500	Outside Scope
9.	Recommencement of Underwriting		
9.1	- Individual Member with Open Participation	£155	Outside Scope
9.2	- Corporate member with Open Participation with no change of Director / Controller	£155	Outside Scope
9.3	- Corporate member with change of Control / Structure		
9.3.1	- Base Charge	£5,000	Outside Scope
9.3.2	- per Connected Entity	£155	Outside Scope

**Notes:**

1. Market Services may, at its discretion, reduce the application charges payable for the early submission of member applications or where more than one member applies for membership with the same corporate structure
2. Where third party costs are incurred by Market Services in providing a service, these will be charged to the member concerned (eg Legal Fees, Postage and Packaging).
3. Full details of each service are available upon request.

## Complaint Handling Charges 2011

The Policyholder and Market Assistance complaints handling charges will be maintained at 2010 levels

<b>Policyholder and Market Assistance Charges 2011*</b>	
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

\*Regulatory charges not subject to VAT

Any fees levied by external authorities (for example mediation fees levied by the authorities in the USA pursuant to the emergency statutes implemented in the wake of the recent hurricanes) and collected via Market Services will be paid by Market Services and collected from the appropriate syndicates on a case by case basis.

Point of contact – Overseas Charges:  
 Mark Smith 01634 392352  
 email [mark.smith@lloyds.com](mailto:mark.smith@lloyds.com)

Point of contact – UK Charges:  
 Mark Baker 01634 392517  
 email [mark.baker@lloyds.com](mailto:mark.baker@lloyds.com)

## **Property Services**

### **Market Services**

#### **Introduction**

2011 Room Rental charges have not increased from the 2010 levels.

#### **Key Assumptions**

Property Services reserves the right to review its decision should it transpire that the demand for Underwriting space in 2011 is significantly less than that for 2010.

### **Security Passes**

#### **Introduction**

The charges for security passes will remain at the 2010 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 3% from the 2010 level due to a reduction in small works.

#### **Key Assumptions**

Property Services has outsourced the running of the services of the 1986 Building. The costs will be reviewed throughout 2011 and any savings that can be achieved will be passed on to the tenants.

### **Tenants' Insurance Charge**

#### **Introduction**

2011 charges have increased by 2% compared to the 2010 level.

#### **Key Assumptions**

It has been assumed that there will be no additional increase to the projected rate from July 2011, 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](mailto:simon.harper@lloyds.com))

Jack Kent 020 7327 6548 (email [jack.kent@lloyds.com](mailto:jack.kent@lloyds.com))

**All charges set out below are to be paid by the relevant members of the Lloyd's community**  
**PROPERTY SERVICES UNIT - 2011 MARKET CHARGES**

Ref	Chargeable Item	Customer	Means of Collection	Unit of Charge	2011 Price per Unit	Benchmark Prices	2010 Price per Unit	Fixed / Variable
1	<b>Room Rent</b> 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	<b>Company Market Rent</b> 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.	£727 Estimated index linked	Prior years	£711	V
3	<b>Security Passes</b> 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	<b>Tenant Service Charge</b> 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.	£18.37	No comparable benchmark	£18.87	V
5	<b>Tenant Insurance Charge</b> 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.	£1.68	N/A	£1.65	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.

Rents, service charges etc are exempt from VAT



<b>New Entrant Charges</b>	<b><u>2011</u></b>
<b>Underwriting Agent / Syndicate Application fees</b>	
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**

VAT is not chargeable on New Entrant Charges.

Contact name for queries:

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

### 1.1 Overseas operating charges

Charge	Basis	2011 Operating Charge %
Direct Business - overseas	Per £ of gross overseas premium	0.39%
Reinsurance business - overseas	Per £ of gross overseas premium	0.12%
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 costs incurred on behalf of specific syndicates or work requested by specific market customers where that work requires substantial additional effort and has resulted in significant extra cost. These latter 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.

If this situation applies, then the cost implications will be made clear to the syndicate before proceeding with the work.

#### Cost base

The overseas operating charges fund aggregate overseas costs, net of local and user pays income. For 2011 the net costs are budgeted to be £50m.

#### 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 2011 operating charges set out above, 12 months premium to 30 September 2010 has been used, however actual premium relating to the 2011 year of account will be used for collection purposes.

## Overseas Operating Charges 2011

### 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](mailto:robert.geater@lloyds.com)) or Susan Jeapes 020 7327 2249 (email [susan.jeapes@lloyds.com](mailto:susan.jeapes@lloyds.com)) or to:

Lloyd's International Trading Advice (LITA),

Tel: 020 7327 6677

Email: [LITA@lloyds.com](mailto:LITA@lloyds.com)