

MARKET BULLETIN

REF: Y4541

Title	2012 Market Charges
Purpose	Notification of 2012 charges, contributions, subscriptions and payment dates.
Type	Scheduled
From	Luke Savage, Director, Finance, Risk Management and Operations Contact details: 020 7327 6711 luke.savage@lloyds.com
Date	14 December 2011
Deadline	
Related links	

Recognising the exceptionally difficult conditions faced by the market in 2012 the Corporation has cut its budget for 2012 by approximately 8%. These savings will be passed on to the market by removing the Performance and Risk Management levy for 2012, which will save the market a total of around £14m, and by holding market service charges at 2011 rates, including those where increases had previously been announced.

The rest of this bulletin covers the charges that will apply in light of these changes.

2012 New Central Fund contributions & Members' subscriptions

1.1 Market Bulletin Y4519 set out the principal central charges for 2012 as below:

	2011 Charged as % of written premium	2012 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 2012 will be collected through Central Accounting on 6 January 2012. Further details will be provided in a separate bulletin.

1.3 The New Central Fund annual contribution, including any increased annual contribution for new corporate members underwriting in 2012 that meet the definitions set out in MB Y4519, any further contributions payable where syndicates have entered into qualifying quota share arrangements outside the Lloyd's market, are payable in April 2012. Details regarding payment arrangements for contributions will be advised in early 2012. A further contribution of up to 3% remains callable at the discretion of Council.

2 2012 Other Market Charges

2.1 The charges set out in the schedules to this bulletin have been reviewed and approved by the Franchise Board. A limited number of new charges have been introduced and charges in respect of tenants have been revised, further information is provided within the relevant schedules along with details of assumptions, relevant key issues and contact details for enquiries:

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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

Charges in respect of Syndicates in Run-off

- 1.1 Agents with syndicates with years of account in run-off bear a run-off 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 2011.
- 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 2011. 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.

Contact name for queries:

Abdul Rahim 020 7327 5764
(email Abdul.Rahim@lloyds.com)

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 2012 will be the same as for 2011, 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 & Investment Management Department (LTIM) 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 may be up to 0.04% of the value of transactions, subject to a minimum charge of £10, and are exempt from VAT. 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 LTIM, it is able to obtain competitive dealing rates from its counterparties. This means that the exchange rates achieved are generally advantageous when compared to retail rates.

Point of contact: - Gary White 020 7327 5340, (email: 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 2011 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 2011 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 2010 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)

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)

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 2012 is £9,000 per syndicate. The collection of this charge will take place in January 2012.

Point of contact: - Nick Marman 020 7327 6727, (email: 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)

**TAX OPERATIONS CHARGES 2012
INDIVIDUAL MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.1	Tax Operations – 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	Tax Operations - 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	Tax Operations - 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	Tax Operations	Annual	£215	Standard Rate	Calculation and provision of UK, US Canadian, Singapore and Japan tax return data
1.2	Tax Operations – SLP / LLP with 2 or more partners Per partner	Annual	£50	Standard Rate	Provision of US tax information to Dewey & LeBoeuf at partner level
1.3	Tax Operations – Controlled Foreign Corporation	Annual	£350	Standard Rate	Provision of US Tax data to assist with 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 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 2012
DIRECT CORPORATE PARTICIPANT**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.1	Tax Operations	Annual	£250	Standard Rate	Calculation and provision of UK, US and Canadian tax return data
1.2	Tax Operations – Controlled Foreign Corporation	Annual	£350	Standard Rate	Provision of US Tax data to assist in the preparation of the US Resident Tax Return
1.3	Tax Operations – 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	Ref
3.1	Tax Operations -Filing of Syndicate Federal Excise Tax Return	Syndicate	Annual	£1,100	Standard Rated	Per syndicate
3.2	Tax Operations – UK, Canada, United States, Illinois	Syndicate	Annual	£230	Standard Rated	Per syndicate per year of account
3.3	Tax Operations – Singapore Tax	Syndicate	Annual	£500	Standard Rated	Per syndicate year of account for syndicates underwriting business in Singapore
4.0	Qualified Intermediary	Syndicate				
4.1	Base Charge		Annual per syndicate	£200	Standard Rated	Per syndicate
4.2	Per 1000 transactional lines 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	Syndicate	Annual	£425	Standard Rated	Dewey and LeBoeuf charge for dealing with return
5.2	Dewey and LeBoeuf – US Taxation Services –	Syndicate	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 Services	Syndicate	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 2012 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 2012.

Ongoing Service Prices

2012 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)

IT Group - 2012 Market Charges				
Chargeable Item	Customer	Unit of Charge	2012 Price per Unit (excl VAT)	2011 Price per Unit (excl VAT)
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 - 2012 Market Charges				
Chargeable Item	Customer	Unit of Charge	2012 Price per Unit (excl VAT)	2011 Price per Unit (excl VAT)
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 - 2012 Market Charges				
Chargeable Item	Customer	Unit of Charge	2012 Price per Unit (excl VAT)	2011 Price per Unit (excl VAT)
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	£276
Rental of 1 unit rack space in a Lloyd's cabinet				
BBP1 Rack Space - 10 units	Market	Per Unit	£1,503	£1,503
Rental of a lockable portion of a Lloyd's cabinet (10 units)				
BBP1 Rack Space - 20 units	Market	Per Unit	£2,971	£2,971
Rental of a lockable portion of a Lloyd's cabinet (20 units)				
BBP1 Floor Space	Market	Per Unit	£5,860	£5,860
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

IT Group - 2012 Market Charges				
Chargeable Item	Customer	Unit of Charge	2012 Price per Unit (excl VAT)	2011 Price per Unit (excl VAT)
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 handset 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 2012

Market Services' charges remain largely the same as 2011 with the addition, of the following changes:

Member Charges

- 1) An increase to the Trustee / Regulatory Service charge for Active Individual and Corporate members to cover the FTID on-line access costs incurred as a result of member's on-line access to their funds at Lloyd's information.
- 2) The introduction of 4 charges in respect of the manual pricing of securities:
 - Standard Bond Evaluations - £25.30
 - Individual Bond Evaluations - £37.30
 - Private Placement & Commercial Paper Evaluations - £50.30
 - US Collateralized Mortgage Obligations / Asset Backed Securities and International Mortgage Backed / Asset Backed Securities Evaluations - £96.30
- 3) The introduction of a discretionary charge in respect of the Change in Director / Controller / LLP / SLP on the sale of a previously recommenced member.
- 4) Introduction of a charge to monitor documentation outstanding at the time the member is due to commence underwriting and so permission to underwrite is delayed. Levied on the same basis as Coming Into Line Extension request.
- 5) Introduction of 2 charges to Direct Corporate Participants in respect of the access to funds at Lloyd's information via WBAgent and direct from TAROT.

The charges will be based on members' FAL position as at 1 January 2012.

Point of contact:

Jenny Lavery 01634 392320

email: 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 2012
INDIVIDUAL MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.	<u>Core Services</u>				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£320	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	£15	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
2.14	Standard Bond Evaluations	Per security	£25.30	Standard Rated	Additional charge for the non standard pricing of securities
2.15	Individual Bond Evaluations	Per security	£37.30	Standard Rated	Additional charge for the non standard pricing of securities
2.16	Private Placement & Commercial Paper Evaluations	Per security	£50.30	Standard Rated	Additional charge for the non standard pricing of securities
2.17	US CMO/ABS & International MBS/ABS Evaluations	Per security	£96.30	Standard Rated	Additional charge for the non standard pricing of securities

Schedule 5

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
3.	<u>Ad Hoc Services</u>				
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 (e.g. 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 2012
CORPORATE MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1.	<u>Core Services</u>				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£640	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	£15	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
2.13	Standard Bond Evaluations	Per security	£25.30	Standard Rated	Additional charge for the non standard pricing of securities
2.14	Individual Bond Evaluations	Per security	£37.30	Standard Rated	Additional charge for the non standard pricing of securities
2.15	Private Placement & Commercial Paper Evaluations	Per security	£50.30	Standard Rated	Additional charge for the non standard pricing of securities
2.16	US CMO/ABS & International MBS/ABS Evaluations	Per security	£96.30	Standard Rated	Additional charge for the non standard pricing of securities

Schedule 5

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	Change of Controller / Director / SLP / LLP Changes with Advance Consent	Per change	£155	Outside Scope	Charge for actioning requested change
3.7	Change of Controller / Director / SLP / LLP Changes – sale previously recommended member	Per change	£1,000	Outside Scope	Charge for actioning requested change
3.8	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.9	Duplicate Requests (including payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.10	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
3.11	Delayed Permission to Underwrite	Per day per £5m or part	£100	Outside Scope	Monitoring outstanding items and granting permission to underwrite post 1 January
3.12	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.13	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.14	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
3.15	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
3.16	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
3.17	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
3.18	Qualified Intermediary	Per security	£5	Standard Rated	Filing of Qualified Intermediary return to the US IRS
3.19	Lloyd's Underwriting Syndicates Publication	Per publication	£100	Standard Rated	Per copy of publication requested
3.20	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 (e.g. 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 2012
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	£15	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
2.16	Standard Bond Evaluations	Per security	£25.30	Standard Rated	Additional charge for the non standard pricing of securities
2.17	Individual Bond Evaluations	Per security	£37.30	Standard Rated	Additional charge for the non standard pricing of securities
2.18	Private Placement & Commercial Paper Evaluations	Per security	£50.30	Standard Rated	Additional charge for the non standard pricing of securities

Schedule 5

	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
2.19	US CMO/ABS & International MBS/ABS Evaluations	Per security	£96.30	Standard Rated	Additional charge for the non standard pricing of securities
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	Change of Controller / Director / SLP / LLP Changes with Advance Consent	Per change	£155	Outside Scope	Charge for actioning requested change
3.7	Change of Controller / Director / SLP / LLP Changes – sale previously recommenced member	Per change	£1,000	Outside Scope	Charge for actioning requested change
3.8	Enquiries	Per half-hour	£50	Standard Rated	Investigation of enquiries
3.9	Duplicate Requests (including Payments)	Per request	£42	Standard Rated	Provision of duplicate items
3.10	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
3.11	Delayed Permission to Underwrite	Per day per £5m or part	£100	Outside Scope	Monitoring outstanding items and granting permission to underwrite post 1 January
3.12	Voluntary Drawdown	Per drawdown	£75	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.13	Compulsory Drawdown	Per drawdown	£150	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.14	Partial Release	Per request	£100	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's
3.15	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
3.16	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
3.17	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
3.18	Qualified Intermediary	Per security	£5	Standard Rated	Filing of Qualified Intermediary return to the US Internal Revenue Service
3.19	WBAgent Access	Annual	£1,000	Standard Rated	Charge for remote access – all infrastructure costs to be borne by member
3.20	WBAgent and Tarot Access	Annual	£1,500	Standard Rated	Charge for remote access – all infrastructure costs to be borne by member
3.21	Lloyd's Underwriting Syndicates Publication	Per publication	£100	Standard Rated	Per copy of publication requested
3.22	Payments Requested via CHAPS	Per payment	£20	Exempt	Per payment requested to be made via CHAPS rather than BACS

Notes:

- Where third party costs are incurred by Market Services in providing a service, these will be charged to the member concerned (e.g. Citibank Global Custody Fee, recovery of FTID charges, 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 2012
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.	<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>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

	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 (e.g. recovery of FTID charges, 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

* This charge will be reduced to £9,250 once the Synopsis download ceases.

**MARKET SERVICES' CHARGES 2012
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 (e.g. Legal Fees, Postage and Packaging).
3. Full details of each service are available upon request.

Complaint Handling Charges 2012

Market Services' charges remain largely the same as 2011 with the addition of a new charge in respect of the travel dispute complaints previously dealt with by Lloyd's Australia that will now be dealt with by Market Services.

With effect from 1 January 2012, Lloyd's Australia will begin charging for complaints handling in the same way as Market Services and the Overseas Complaints handling charges detailed below will apply.

Case Handling Charges 2012	
UK Complaints	
Administration fee for UK complaints	£115
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)	£1,000
Overseas Complaints	
Administration fee for overseas complaints	£200
Administration fee for Australian Travel complaints	£115
Additional fee for overseas complaints	£100
Additional fee for full investigation – Overseas complaints	£400
Financial Ombudsman Service	
Recovery of UK Financial Ombudsman Service (FOS) case fee	FOS revises their case fee on the 1st April each year. 2010/2011 charge fixed at £500
Recovery of UK FOS Levy	Levy is only recovered from those syndicates underwriting personal lines
Recovery of Australian FOS case fee	Charges ranges from AU\$1,500 to AU\$7,500 dependent on resources required

Notes

1. The Administration Fee levied will be determined by the date the Complaint was received however the Full Investigation fee will be calculated on the date the file is closed.
2. 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 hurricanes) and collected via Market Services will be paid by Market Services and collected from the appropriate syndicates on a case by case basis.
3. Regulatory charges are not subject to VAT

Point of contact – UK Charges:
 Andy Smith 01634 392261
 email andy.smith@lloyds.com

Point of contact – Overseas Charges:
 Mark Smith 01634 392352
 email mark.smith@lloyds.com

Point of contact – Lloyd's Australia Charges:
 Adrian Humphreys 61 (0) 2 9223 1433
 Email adrian.humphreys@lloyds.com

Property Services

Market Services

Introduction

2012 Room Rental charges have been maintained at the same as level since 2009.

Key Assumptions

Property Services reserves the right to review its decision should it transpire that the demand for Underwriting space in 2012 is significantly less than that for 2011.

Security Passes

Introduction

The charges for security passes will remain at the 2011 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 increase by 11% from the 2011 level of which 5% is due to increases in utilities.

Key Assumptions

Property Services has outsourced the running of the services of the 1986 Building. The costs will be reviewed throughout 2012 and any savings that can be achieved will be passed on to the tenants.

Tenants' Insurance Charge

Introduction

2012 charges have decreased by 4% compared to 2011.

Key Assumptions

It has been assumed that there will be no additional increase to the projected rate from July 2012, 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
PROPERTY SERVICES UNIT - 2012 MARKET CHARGES

Ref	Chargeable Item	Customer	Means of Collection	Unit of Charge	2012 Price per Unit	Benchmark Prices	2011 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.	£773 Estimated index linked	Prior years	£743	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.	£20.32	No comparable benchmark	£18.37	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.	£1.62	N/A	£1.68	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

New Entrant Charges

	<u>2012</u>
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

VAT is not chargeable on New Entrant Charges.

Contact name for queries:

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.

1.1 Overseas operating charges

Charge	Basis	2012 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 2012 the net costs are budgeted to be £48m (2011: £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 2012 operating charges set out above, 12 months premium to 30 September 2011 has been used, however actual premium relating to the 2012 year of account will be used for collection purposes.

Overseas Operating Charges 2012

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