

MARKET BULLETIN

REF: Y4746

Title	2014 Market Charges
Purpose	Notification of 2014 charges, contributions, subscriptions and payment dates
Type	Scheduled
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Date	4 December 2013
Deadline	
Related links	

The purpose of this bulletin is to summarise Lloyd's 2014 Market Charges.

2014 New Central Fund contributions & Members' subscriptions

1.1 Market Bulletin Y4722 set out the principal central charges for 2014 as below:

	2013 Charged as % of written premiums	2014 Charged as % of written premiums
New Central Fund contributions	0.50%	0.50%
Members' subscriptions	0.50%	0.50%
	<u>1.00%</u>	<u>1.00%</u>

1.2 The first instalment (50%) of the members' subscription for 2014 will be collected through Central Accounting on 6 January 2014. 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 2014 that meet the definitions set out in MB Y4722, any further contributions payable where syndicates have entered into qualifying quota share arrangements outside the Lloyd's market, are payable in April 2014. Details regarding payment arrangements for contributions will be advised in early 2014. A further contribution of up to 3% remains callable at the discretion of Council.

2 2014 Other Market Charges

2.1 The charges set out in the schedules to this bulletin have been reviewed and approved by the Franchise Board. Whilst the basis for charging remains the same as in 2013, having been flat in recent years, inflationary increases have been applied to certain charges. 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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2.2 If you have any queries regarding this bulletin please contact Nikki Hopper, +44 (0)1634 392872 (email: nicola.hopper@lloyds.com)

Luke Savage
 Director, Finance & Operations

Charges in respect of Syndicates in Run-off and the ACORD membership fee

- 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 2013.

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 2013. 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.

- 1.2 ACORD (Association for Cooperative Operations Research and Development) is a global, non-profit standards development organisation serving the insurance industry. It is a member-driven organisation whose members work together to improve the flow of insurance information between systems and partners.

ACORD messaging is the foundation upon which many key initiatives are based and the Lloyd's market has been an active member of the ACORD community for a number of years.

The ACORD annual membership fee is calculated as a proportion of written business using published figures and is capped at a maximum of \$125,000. Lloyd's is considered as a single entity and consequently pays \$125,000. This represents a considerable saving over what would be payable if the annual membership fee was calculated on a 'per managing agent' basis. The ACORD costs for 2014 will be recovered through ARCS during Q2 2014 and based on the managing agent's share of 2013 GWP.

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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 2014 will be the same as for 2013, 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.

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Finance

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 £30, 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.

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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 2013 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 2010 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 2013 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 2012 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.

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1.3 Corporate Interavailable 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 interavailable. 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.

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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 2014 is £9,270 per syndicate. The collection of this charge will take place in January 2015.

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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. This year prices reflect a 3% inflationary increase in respect of Corporation charges. There have been no increases to fees charged to the market in respect of Sutherland and Lloyd's Japan in respect of filing tax returns in the United States and Japan respectively. The overall price list for Tax Operations is split by customer category.

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**TAX OPERATIONS CHARGES 2014
INDIVIDUAL MEMBER**

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1	Core Services				
1.1	Tax Operations – Active Participation	Annual	£175	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	£361	Standard Rate	Provision of US Tax data to assist with preparation of US Resident Tax Return where a report is issued in the current year
2	Third Party Charges				
2.1	Sutherland Taxation Services – Active Participation	Annual	£280	Standard Rate	Sutherland charge for filing US tax return on behalf of members underwriting on the current year
2.2	Sutherland Taxation Services – Non-Active Participation	Annual	£100	Standard Rate	Sutherland charge for filing US tax return on 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	Sutherland - US Resident	Annual	£100	Standard Rated	Sutherland charge for provision of guidance to Lloyd's in the preparation of the US Resident Tax Return where a report is issued in the current year
2.4	Lloyd's Japan	Annual	JPY 25,000	Standard Rated	Charge for filing a tax return if the member participates on syndicates underwriting in Japan included in the current year's return (2012/2013)
3	Ad Hoc Charges				
3.1	Enquiries	Per half-hour	£52	Standard Rated	Investigation of enquiries
3.2	Duplicate Requests (including Payments)	Per request	£43	Standard Rated	Provision of duplicate items

TAX OPERATIONS CHARGES 2014 CORPORATE MEMBER

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1	Core Services				
1.1	Tax Operations	Annual	£221	Standard Rate	Calculation and provision of UK, US, Canadian, Singapore and Japan tax return data, where the member has either an active, open or run-off participation in the current year or where all participations closed at the previous year end
1.2	Tax Operations – SLP / LLP with 2 or more partners Per partner	Annual	£52	Standard Rate	Provision of US tax information to Sutherland at partner level for those partners participating on an SLP/LLP at the commencement of the current year
1.3	Tax Operations – Controlled Foreign Corporation	Annual	£361	Standard Rate	Provision of US Tax data to assist with US Resident Tax Return, where a report is issued in the current year
2	Third Party charges				
2.1	Sutherland – Taxation Services	Annual	£390	Standard Rate	Sutherland charge for filing US tax return of behalf of members where the member has either an active, open or run-off participation in the current year or where all participations closed at the previous year end
2.2	Sutherland – SLP / LLP with 2 or more partners Per partner	Annual	£150	Standard Rate	Sutherland charge for dealing with US tax information at partner level for those partners participating on the SLP/LLP at the commencement of the current year
2.3	Sutherland - Controlled Foreign Corporation	Annual	£100	Standard Rated	Sutherland charge for provision of guidance to Lloyd's in the preparation of the US Resident Tax Return where a report is issued in the current year
2.4	Lloyd's Japan	Annual	JPY 25,000	Standard Rated	Charge for filing a tax return if the member participates on syndicates underwriting in Japan included in the current year's return (2012/2013)
3	Ad Hoc Charges				
3.1	Enquiries	Per half-hour	£52	Standard Rated	Investigation of enquiries
3.2	Duplicate Requests (including Payments)	Per request	£43	Standard Rated	Provision of duplicate items

Note:

Where third party costs are incurred with Sutherland 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 2014 DIRECT CORPORATE PARTICIPANT

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1	Core Services				
1.1	Tax Operations	Annual	£258	Standard Rate	Calculation and provision of UK, US, Canadian, Singapore and Japan tax return data where the member has either an active, open or run-off participation in the current year, or where all participations closed at the previous year end
1.2	Tax Operations – Controlled Foreign Corporation	Annual	£361	Standard Rate	Provision of US Tax data to assist in the preparation of the US Resident Tax Return where a report is issued in the current year
1.3	Tax Operations – Accelerated Taxation	Annual	£100	Standard Rate	Provision of information to facilitate tax planning in the current year
2	Third Party Charges				
2.1	Sutherland – Taxation Services	Annual	£1,500	Standard Rate	Sutherland charge for filing US tax return of behalf of members where the member has either an active, open or run-off participation in the current year, or where all participations closed at the previous year end
2.2	Sutherland - Controlled Foreign Corporation	Annual	£100	Standard Rated	Sutherland charge for provision of guidance to Lloyd's in the preparation of the US Resident Tax Return where a report is issued in the current year
2.3	Sutherland – Accelerated Taxation	Annual	£350	Standard Rated	Sutherland charge for provision of information to facilitate members' tax planning in the current year
2.4	Lloyd's Japan	Annual	JPY 25,000	Standard Rated	Charge for filing a tax return if the member participates on syndicates underwriting in Japan included in the current return (2012/13)
3	Ad Hoc Charges				
3.1	Enquiries	Per half-hour	£52	Standard Rated	Investigation of enquiries
3.2	Duplicate Requests (including Payments)	Per request	£43	Standard Rated	Provision of duplicate items

Note:

Where third party costs are incurred with Sutherland 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 2014
MEMBERS' AGENT, MANAGING AGENT AND SYNDICATE

Ref	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
1	Base Services					
1.1	Tax Operations - Filing of Syndicate Federal Excise Tax Return	Syndicate	Annual	£1,133	Standard Rated	Per syndicate
1.2	Tax Operations – UK, Canada, United States, Illinois	Syndicate	Annual	£237	Standard Rated	Per syndicate per year of account
1.3	Tax Operations – Singapore Tax	Syndicate	Annual	£515	Standard Rated	Per syndicate year of account for syndicates underwriting business in Singapore
2	Qualified Intermediary					
2.1	Base Charge	Syndicate	Annual per syndicate	£206	Standard Rated	Per syndicate
2.2	Per 1,000 transactional lines on LDTF	Syndicate	Per 1,000 lines	£52	Standard Rated	Per syndicate
3	Third Party Charges					
3.1	Sutherland – Filing of Syndicate Federal Excise Tax Return	Syndicate	Annual	£425	Standard Rated	Sutherland charge for dealing with return per syndicate
3.2	Sutherland – US Taxation Services	Syndicate	Annual	£2,250	Standard Rated	Sutherland charge for dealing with syndicate information statement – Per syndicate year of account
3.3	Sutherland – North American Taxation Services	Syndicate	Annual in arrears per written premium	0.003% est.	Standard Rated	Sutherland charge for dealing with North American taxation issues. Fixed fee to be recovered.
4	Ad Hoc Charges					
4.1	Enquiries	All	Per half-hour	£52	Standard Rated	Investigation of enquiries
4.2	Duplicate Requests (including Payments)	All	Per request	£43	Standard Rated	Provision of duplicate items

Information Technology Group

Lloyd's Information Technology Group will shortly begin the 2014 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 2014.

Ongoing Service Prices

IT service prices have remained the same for at least the past three years, however due to inflationary cost impacts; some of our service prices for 2014 have increased by 3%.

The 2014 increased prices on the below services will come in to effect as follows:

- Black Box Park – from 01 April 2014, in line with existing agreements
- Cabling - from 01 January 2014
- Voice - from 01 January 2014

Set-up Service Charges

Please note that the set-up of services will be charged on a time and materials basis. The manpower hourly rate has inflated by 3% effective from 01 January 2014 and is, in hours £94 (in 2013 £91) and out of hours £126 (in 2013 £122).

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IT GROUP - 2014 MARKET CHARGES

Chargeable Item	Unit of Charge	2014 Price per Unit (excl VAT)	2013 Price per Unit (excl VAT)	Chargeable Item Description
LLOYD'S INSURANCE NETWORK (LIN) SERVICES				
LIN Network set-up – Ethernet	Per connection	Manpower Hourly Rate	Manpower Hourly Rate	Set-up of Ethernet connection to the LIN
LIN Network Annual Fee – Ethernet	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	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	Per connection	Manpower Hourly Rate	Manpower Hourly Rate	Set-up of an Internet browsing facility for all dedicated bps.
LIN ISP service	Per connection	£2,728	£2,728	Rental of a DR internet browsing facility
Virtual Private Network (via a single workstation) set-up fee	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)	Per connection	£436	£436	Rental of a secure, data encrypted tunnel through to the LIN
Virtual Private Network (branch-to-branch) set-up fee	Per connection	Manpower Hourly Rate	Manpower Hourly Rate	Set-up of a secure, data encrypted tunnel through to the LIN
Virtual Private Network (branch-to-branch) support 256K bps	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	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	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	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	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	Per connection	£2,489	£2,489	
DR Invocation Tests	Per test	Manpower Hourly Rate	Manpower Hourly Rate	LIN DR testing outside bi-annual dates
LIN DR Service for DR Service Providers	Per connection	Various	Various	Rental of service provider LIN DR connection
LIN DR Service for DR Service Providers set-up	Per connection	Manpower Hourly Rate	Manpower Hourly Rate	Set-up of service provider LIN DR connection

IT GROUP - 2014 MARKET CHARGES

Chargeable Item	Unit of Charge	2014 Price per Unit (excl VAT)	2013 Price per Unit (excl VAT)	Chargeable Item Description
CABLING SERVICES				
Cabling within the Lloyd's building - Provide	Per cable	Manpower Hourly Rate Plus Materials	Manpower Hourly Rate Plus Materials	Installation of cabling within the Lloyd's building
Fibre Optic Cable – Support	Per Fibre Pair	£745	£723	Rental and support of fibre infrastructure
Block Wiring	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	Per Unit	£284	£276	Rental of 1 unit rack space in a Lloyd's cabinet
BBP1 Rack Space - 10 units	Per Unit	£1,548	£1,503	Rental of a lockable portion of a Lloyd's cabinet (10 units)
BBP1 Rack Space - 20 units	Per Unit	£3,060	£2,971	Rental of a lockable portion of a Lloyd's cabinet (20 units)
BBP1 Floor Space	Per Unit	£6,036	£5,860	Rental of floor space in Black Box Park 1 for customers own comms. cabinet
VOICE SERVICES				
Installation of Voice Services	Per Unit	Manpower Hourly Rate	Manpower Hourly Rate	
Standard Extension	Per Extension	£500	£485	Rental for Lloyd's extension number and a Lloyd's supplied analogue handset
Digital Telephone Handset	Per Handset	£110	£107	Additional rental for a digital handset
Digital Add-on Unit	Per Handset	£135	£131	Rent for a digital add-on unit, which supplies extra programmable keys
Additional Telephone Socket	Per Socket	£68	£66	Rental of an additional analogue handset of an existing analogue extension
Voicemail	Per Unit	£96	£93	Rental of a voice mailbox
Fax / Modem Line	Per Line	£234	£227	Rental of a fax/modem link on a Lloyd's extension number
Support for IPT Infrastructure	Per Unit	£563	£547	
Rental of an IP Conference Unit	Per Unit	£203	£197	

Market Services

Market Services charges have largely remained the same for the past three years, however due to inflationary pressures, an increase of up to 5% has been applied to some charges for 2014.

Member fund holding charges will be based on members' funds at Lloyd's position as at 1 January 2014.

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Customer Categories for Charges

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

- Individual Member
- Corporate Member
- Direct Corporate Participant
- Members' Agent, Managing Agent and Syndicate

MARKET SERVICES' CHARGES 2014 - INDIVIDUAL MEMBER

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1	Core Services				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£330	Outside Scope	Services for members underwriting on the current year
1.2	Trustee / Regulatory Services – Non-Active Participation	Annual	£235	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	£105	Outside Scope	Services for non-donor members whose last remaining participation was closed at previous year end
2	Fund Holding Charges				
2.1	Cash Service Charge	Bi-Annual	Up to 0.125%	Exempt	Charge for administration of cash held. Subject to reduction to avoid negative return to members
2.2	Bank / Building Society Account	Annual	£57	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, Unit Trusts and Crest holdings	Annual	£53	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 and Citibank holdings	Annual	£150	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	£77	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	£155	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	£1,050	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	£57	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	£105	Outside Scope	Administration of Special Reserve fund valued in excess of £250
2.11	Unregulated Collective Investment Scheme – initial charge	One-off	£515	Outside Scope	Initial approval to allow a member to hold unregulated collective investment schemes within funds at Lloyd's
2.12	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	Standard Bond Evaluations	Per security	£26	Standard Rated	Additional charge for the non-standard pricing of securities
2.14	Individual Bond Evaluations	Per security	£38	Standard Rated	Additional charge for the non-standard pricing of securities
2.15	Private Placement & Commercial Paper Evaluations	Per security	£52	Standard Rated	Additional charge for the non-standard pricing of securities
2.16	US CMO/ABS & International MBS/ABS Evaluations	Per security	£100	Standard Rated	Additional charge for the non-standard pricing of securities

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
3	Ad Hoc Services				
3.1	Enquiries	Per half-hour	£52	Standard Rated	Investigation of enquiries
3.2	Duplicate Requests (including Payments)	Per request	£43	Standard Rated	Provision of duplicate items
3.3	Coming into Line Extension Requests	Per day per £5m or part	£205	Outside Scope	Granting an extension to the coming-into-line deadline and the subsequent monitoring of the extension
3.4	Voluntary Drawdown	Per drawdown	£77	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.5	Compulsory Drawdown	Per drawdown	£155	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.6	Partial Release	Per request	£105	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's
3.7	Partial Release – late request	Per request	£77	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	£155	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	£105	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:

- 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).
- Market Services reserves the right to charge members for each trade carried out where no securities holding charges have been levied.
- Full details of each service are available upon request.

MARKET SERVICES' CHARGES 2014 - CORPORATE MEMBER

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1	Core Services				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£660	Outside Scope	Services for members underwriting on the current year
1.2	Trustee / Regulatory Services – Non-Active Participation	Annual	£545	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	£515	Outside Scope	Services for non-donor members whose last remaining participation was closed at previous year end
2	Fund Holding Charges				
2.1	Cash Service Charge	Bi-Annual	Up to 0.125%	Exempt	Charge for administration of cash held. Subject to reduction to avoid negative return to members
2.2	Bank / Building Society Account	Annual	£57	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, Unit Trusts and Crest holdings	Annual	£53	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 and Citibank holdings	Annual	£150	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	£77	Outside Scope	Levied per issuing institution per fund per Owner / Dividend Code for guarantees / credits held within funds at Lloyd's
2.6	Non-Standard Currency Holdings	Annual	£57	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	£515	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	£165	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	£780	Outside Scope	Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
2.11	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	Standard Bond Evaluations	Per security	£26	Standard Rated	Additional charge for the non-standard pricing of securities
2.13	Individual Bond Evaluations	Per security	£38	Standard Rated	Additional charge for the non-standard pricing of securities
2.14	Private Placement & Commercial Paper Evaluations	Per security	£52	Standard Rated	Additional charge for the non-standard pricing of securities
2.15	US CMO/ABS & International MBS/ABS Evaluations	Per security	£100	Standard Rated	Additional charge for the non-standard pricing of securities

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
3	Ad Hoc Services				
3.1	Declaration of Compliance Extension Request	Per request	£270	Outside Scope	Charge for considering and granting an extension to the Declaration of Compliance deadline
3.2	Breach of Declaration of Compliance	Per breach	£105	Outside Scope	Charge for unauthorised changes highlighted by the annual Declaration of Compliance checking
3.3	Declaration of Compliance – Late Submission	Per late submission	£415	Outside Scope	Monitoring of late submission of documentation
3.4	Declaration of Compliance – Non-submission	Per non-submission	£515	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	Approval of Controller / Director / SLP / LLP Changes - advance consent granted	Per change	£125	Outside Scope	Charge to action requested change
3.7	Approval of Controller / Director / SLP / LLP Changes – sale previously recommended member	Per change	£1,000	Outside Scope	Charge to action requested change
3.8	Enquiries	Per half-hour	£52	Standard Rated	Investigation of enquiries
3.9	Duplicate Requests (including payments)	Per request	£43	Standard Rated	Provision of duplicate items
3.10	Coming into Line Extension Requests	Per day per £5m or part	£205	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	£105	Outside Scope	Monitoring outstanding items and granting permission to underwrite post 1 January
3.12	Voluntary Drawdown	Per drawdown	£77	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.13	Compulsory Drawdown	Per drawdown	£155	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.14	Partial Release	Per request	£105	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	£77	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	£155	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	£105	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:

- 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).
- Market Services reserves the right to charge members for each trade carried out where no securities holding charges have been levied.
- Full details of each service are available upon request.
- A member that commences underwriting mid-year will attract pro rata charges.

MARKET SERVICES' CHARGES 2014 - DIRECT CORPORATE PARTICIPANT

Ref	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
1	Core Services				
1.1	Trustee / Regulatory Services – Active Participation	Annual	£4,150	Outside Scope	Services for members underwriting on the current year
1.2	Trustee / Regulatory Services – Non-Active Participation	Annual	£2,600	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	£2,600	Outside Scope	Services for non-donor members whose last remaining participation was closed at previous year end
2	Fund Holding Charges				
2.1	Cash Service Charge	Bi-Annual	Up to 0.125%	Exempt	Charge for administration of cash held. Subject to reduction to avoid negative return to members
2.2	Bank / Building Society Account	Annual	£57	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, Unit Trusts and Crest holdings	Annual	£265	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 and Citibank holdings	Annual	£330	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	£180	Outside Scope	Levied per issuing institution per fund per Owner / Dividend Code for guarantees / credits held within funds at Lloyd's
2.6	FX Contract Base Charge	Per contract	£227	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	£98	Outside Scope	Levied per security held per fund per Owner / Dividend code for daily monitoring of contract margin
2.8	Covenant and Charge	Annual	£350	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	£57	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	£515	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	£165	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	£780	Outside Scope	Per donor charge for administration of funds at Lloyd's made interavailable to Corporate member
2.14	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	Standard Bond Evaluations	Per security	£26	Standard Rated	Additional charge for the non-standard pricing of securities
2.16	Individual Bond Evaluations	Per security	£38	Standard Rated	Additional charge for the non-standard pricing of securities
2.17	Private Placement & Commercial Paper Evaluations	Per security	£52	Standard Rated	Additional charge for the non-standard pricing of securities

	Chargeable Item	Frequency	Price	VAT Status	Charging Basis
2.18	US CMO/ABS & International MBS/ABS Evaluations	Per security	£100	Standard Rated	Additional charge for the non-standard pricing of securities
3	Ad Hoc Services				
3.1	Declaration of Compliance Extension Request	Per request	£270	Outside Scope	Charge for considering and granting an extension to the Declaration of Compliance deadline
3.2	Breach of Declaration of Compliance	Per breach	£105	Outside Scope	Charge for unauthorised changes highlighted by the annual Declaration of Compliance checking
3.3	Declaration of Compliance – Late Submission	Per late submission	£415	Outside Scope	Monitoring of late submission of documentation
3.4	Declaration of Compliance – Non Submission	Per non submission	£515	Outside Scope	Monitoring of non-submission of documentation
3.5	Approval of Controller / Director / LLP Changes	Per change	£155	Outside Scope	Charge for considering and approving requested change
3.6	Approval of Controller / Director / LLP Changes – advance consent granted	Per change	£125	Outside Scope	Charge for actioning requested change
3.7	Approval of Controller / Director / LLP Changes - sale previously recommenced member	Per change	£1,000	Outside Scope	Charge for actioning requested change
3.8	Enquiries	Per half-hour	£52	Standard Rated	Investigation of enquiries
3.9	Duplicate Requests (including Payments)	Per request	£43	Standard Rated	Provision of duplicate items
3.10	Coming into Line Extension Requests	Per day per £5m or part	£205	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	£105	Outside Scope	Monitoring outstanding items and granting permission to underwrite post 1 January
3.12	Voluntary Drawdown	Per drawdown	£77	Outside Scope	Voluntary request to utilise funds at Lloyd's to satisfy underwriting obligations
3.13	Compulsory Drawdown	Per drawdown	£155	Outside Scope	Utilisation of funds at Lloyd's on a compulsory basis to satisfy underwriting obligations
3.14	Partial Release	Per request	£105	Outside Scope	Consideration of an application for a partial release of funds at Lloyd's
3.15	Partial Release – late request	Per request	£77	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	£155	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	£105	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 and Tarot Access	Annual	£1,550	Standard Rated	Charge for remote access – all infrastructure costs to be borne by member
3.20	Lloyd's Underwriting Syndicates Publication	Per publication	£100	Standard Rated	Per copy of publication requested
3.21	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).
- Market Services reserves the right to charge members for each trade carried out where no securities holding charges have been levied.
- Full details of each service are available upon request.
- A direct corporate participant that commences underwriting mid-year will attract pro rata charges.

MARKET SERVICES' CHARGES 2014
MEMBERS' AGENT, MANAGING AGENT AND SYNDICATE

Ref	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
1	Provision of Systems					
1.1	Provision of Systems	Members' Agent	Annual	£20,000	Standard Rated	Single charge per members' agent
1.2	Provision of Systems – excluding Synopsis download	Members' Agent	Annual	£9,500	Standard Rated	Single charge per members' agent
1.3	Provision of Systems	Managing Agent	Annual	£450	Standard Rated	Per syndicate - active / open / closed in distribution
2	Results and Stamp Processing	Syndicate				
2.1	Active Aligned / Dedicated Syndicate		Annual	£1,240	Standard Rated	Per syndicate per year of account
2.2	Non-Active Aligned / Dedicated Syndicate		Annual	£1,100	Standard Rated	Per syndicate per year of account
2.3	Active Spread Syndicate without MAPA Participation		Annual	£2,475	Standard Rated	Per syndicate per year of account
2.4	Non-Active Spread Syndicate without MAPA Participation		Annual	£2,175	Standard Rated	Per syndicate per year of account
2.5	Active Spread Syndicate with MAPA Participation		Annual	£3,640	Standard Rated	Per syndicate per year of account
2.6	Non-Active Spread Syndicate with MAPA Participation		Annual	£3,200	Standard Rated	Per syndicate per year of account
3	Ad Hoc Services					
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	£205	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	£105	Standard Rated	Per syndicate charging late interest
3.7	Bulk and Urgent Distribution Payments	Managing Agent	Per request	£105	Standard Rated	Distribution surpluses where manual intervention is required
3.8	Enquiries	All	Per half-hour	£52	Standard Rated	Investigation of enquiries

	Chargeable Item	Category	Frequency	Price	VAT Status	Charging Basis
3.9	Duplicate Requests (including payments)	All	Per request	£43	Standard Rated	Provision of duplicate items
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	£52	Standard Rated	
	101 – 500 members		Ad hoc	£105	Standard Rated	
	501 – 1,000 members		Ad hoc	£130	Standard Rated	
	1,001 – 1,500 members		Ad hoc	£180	Standard Rated	
	1,501 – 2,000 members		Ad hoc	£235	Standard Rated	
3.11	Complex / Non-Standard Issues	All	Per hour	£105	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

MARKET SERVICES' CHARGES 2014 - 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 / Director	£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 another 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 (not ceased or converted)	£155	Outside Scope
9.2	Corporate member with no change of Director / Controller	£155	Outside Scope
9.3	Corporate member with open participation 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 2014

Complaint Handling charges remain largely unchanged, however, Lloyd's Australia has implemented the tiered charging model in line with UK Complaints. Australian Travel complaints handled by Policyholder & Market Assistance will also be charged in this way.

Complaints Handled by Policyholder & Market Assistance

UK Complaints	
Administration fee for UK complaint	£115
Additional fee for full investigation – UK complaint – Tier 1 (£500 and under)	£175
Additional fee for full investigation – UK complaint – Tier 2 (£501- £10,000)	£500
Additional fee for full investigation – UK complaint – Tier 3 (£10,001 - £25,000)	£750
Additional fee for full investigation – UK complaint – Tier 4 (above £25,001)	£1,000
Additional administration fee for UK complaint	£50
Overseas Complaints	
Administration fee for Overseas complaint	£200
Additional fee for Overseas complaint	£100
Additional fee for full investigation – Overseas complaint	£400
Australian Travel Complaints	
Fee for full investigation – Tier 1 (£500 and under)	£175
Fee for full investigation – Tier 2 (£501- £10,000)	£500
Fee for full investigation – Tier 3 (£10,001 - £25,000)	£750
Fee for full investigation – Tier 4 (above £25,001)	£1,000

Australian Complaints Handled by Lloyd's Australia

Administration fee for complaint	£115
Fee for full investigation – Tier 1 (£500 and under)	£175
Fee for full investigation – Tier 2 (£501- £10,000)	£500
Fee for full investigation – Tier 3 (£10,001 - £25,000)	£750
Fee for full investigation – Tier 4 (above £25,001)	£1,000
Additional administration fee for complaint	£50

Financial Ombudsman Service

Recovery of UK Financial Ombudsman Service (FOS) case fee	FOS revises their case fee on the 1st April each year. 2013/2014 charge is fixed at £550 for standard case fee and £350 for PPI supplementary case fee
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 PAMA will be paid by PAMA and collected from the appropriate syndicates on a case by case basis.
3. Complaint Handling charges are not subject to VAT.

Point of contact
 – Policyholder & Market Assistance
 Jenny Laverty +44 (0)1634 392320
 Email: jenny.laverty@lloyds.com

Point of contact
 – Lloyd's Australia Charges
 Tracey Bryan +61 (0) 2 9223 0753
 Email: tracey.bryan@lloyds.com

Property Services

Market Services

Introduction

2014 Room Rental charges have been increased by 3.3% compared to the 2013 levels.

Key Assumptions

Property Services reserves the right to review its decision should it transpire that the demand for underwriting space in 2014 is significantly less than that for 2013.

Security Passes

Introduction

The charges for security passes will remain at the 2013 level of £25, the charge for NUWM passes will remain at the 2013 level of £83.

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 4-10 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 1.7% from the 2013 level.

Key Assumptions

Property Services has outsourced the running of the services of the 1986 Building. The costs will be reviewed throughout 2014 and any savings that can be achieved or additional costs will be passed on to the tenants.

Tenants' Insurance Charge

Introduction

2014 charges have slightly decreased compared to the 2013 level.

Key Assumptions

It has been assumed that there will be no additional increase to the projected rate from July 2014, but Property Services reserves the right to pass on any increases in costs.

Contact Name for Queries

Simon Harper +44 (0)20 7327 6719 (email simon.harper@lloyds.com)

Jack Kent +44 (0)20 7327 6548 (email jack.kent@lloyds.com)

**PROPERTY SERVICES
2014 MARKET CHARGES**

Chargeable Item	Customer	Means of Collection	Unit of Charge	2014 Price per Unit	Benchmark Prices	2013 Price per unit	Fixed/ Variable
Room Rent Charges for underwriting space on the Ground Floor to Gallery 3. This is charged on a net footprint area of the space occupied by the underwriting boxes.	G1, G2 & G3 Ground Underwriters	Invoice Annually in Advance	Per sq. ft.	£409 £614	Prior years	£396 £594	V
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.	£828 Est. index linked	Prior years	£808	V
Security Passes The charge for security passes where applicable.	Market wide Non-u/w working members	Invoice	Per pass	£25 £83	N/A	£25 £83	V
Tenant Service Charge Tenants on Galleries 4-10 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.	£19.13	No comparable benchmark	£18.81	V
Tenant Insurance Charge Tenants on Galleries 4-10 of the 1986 building pay this on the square footage occupied.	Tenants 1986 Building	Invoice Quarterly in advance	Per sq. ft.	£1.67	N/A	£1.75	V

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

Rents, service charges etc. are exempt from VAT

Admissions - Underwriting Agent/Syndicate applications

Ref	Chargeable Item	2014	VAT Status
1	Change in Controller (underwriting agent) (see note 1)	£5,000	Outside Scope
2	New Underwriting Agent	£200,000	Outside Scope
3.	New Syndicate	£100,000	Outside Scope
4.	New Special Purpose Syndicate (see note 3)	£50,000	Outside Scope
5.	Syndicate Merger / change of managing agent	£5,000	Outside Scope
6.	New Accredited Broker	£5,000	Outside Scope
7.	Annual Charge for Maintenance of the Approved Run-off Companies Register	£10,000	Outside Scope

Notes:

1. Applicable when a voting and/or equity interest of 50% or more is acquired.
2. The new underwriting agent and syndicate charges are payable when a proposal is presented to the Franchise board or its designee for 'in principle' approval.
3. A Special Purpose Syndicate derives business from one source, being a quota share reinsurance of an existing syndicate.

VAT

VAT is not chargeable on New Entrant Charges.

Point of contact: Robert Stevenson +44 (0)20 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	2014 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 2014 the net costs are budgeted to be £59m.

Premium assumptions

Gross international (i.e. excluding UK and Channel Islands) premiums will continue to be used as the basis for allocating operating charges. Actual premium reported in 2014 will be used for collection purposes.

Overseas Operating Charges

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 Deane +44 (0)20 7327 6087 (email: robert.deane@lloyds.com) or Susan Jeapes +44 (0)20 7327 2249 (email susan.jeapes@lloyds.com) or to:

Lloyd's International Trading Advice (LITA) +44 (0)20 7327 6677

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