

# Market Bulletin

Ref: Y5266

**Title** 2020 Members' subscriptions, Central Fund contributions and other Market Charges

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**Purpose** Notification of 2020 charges, contributions, subscriptions and payment dates

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**Type** Scheduled

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**From** Burkhard Keese, CFO  
Tel: +44(0)20 7327 6509  
email [burkhard.keese@lloyds.com](mailto:burkhard.keese@lloyds.com)

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**Date** 10 October 2019

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The purpose of this bulletin is to summarise Lloyd's 2020 Market Charges

## 1. **Headline Charges for 2020**

- No change to Members' subscription (0.36%) and Central Fund contributions (0.35%);
- No Market Modernisation Levy or PPL rebate for 2020 (2019: levy 0.07%);
- No change to Overseas Operating Charges;
- User Pay charges will remain consistent with 2019 charges;
- Another tranche of syndicate loans to the Central Fund will be collected for 2020 at a rate of 0.33% of gross written premiums, subject to PRA approval;
- No additional levies related to Future at Lloyds;
- Simplified method for the calculation and collection of Central Fund contributions, members' subscription and overseas operating charges.

## **2. Corporation Operating Fees and Charges**

### **2.1 Members' Subscriptions**

- 2.1.1 The rate for all underwriting Members' subscriptions for 2020 will be 0.36% of GWP. From 2020, members' subscriptions will be calculated by reference to gross written premium set out in the syndicates' approved business plans. The annual subscription is payable in two instalments; the first instalment of 0.18% shall be paid no later than 7 January 2020 and the second instalment of 0.18% shall be paid no later than 1 June 2020. Members' subscription for 2020 are exempt from VAT as per Market Bulletin Y2870 issued on 13 September 2002.
- 2.1.2 In December 2019 there will be an adjustment to the annual subscriptions for the 2018 and 2019 underwriting years to reflect each member's Q3 2019 syndicate forecast written premiums for the 2018 and 2019 underwriting years. Following this adjustment, additional amounts may be payable by members or amounts may be due to be refunded by the Society to members in order that each member has paid an annual subscription for the 2018 and 2019 underwriting years which is equal to 0.36% of the member's Q3 2019 syndicate forecast gross written premiums. This adjustment will be full and final settlement for the 2018 and 2019 underwriting years.

### **2.2 User Pay Charges**

- 2.2.1 User Pay charges have been held flat.

### **2.3 Overseas Operating Charges**

- 2.3.1 The Overseas Operating Charge will continue to be charged on Overseas GWP (i.e. excluding UK and Channel Islands) to cover the overseas operating costs.
- 2.3.2 The levy rates to be applied in 2020 are: Direct Business (overseas) 0.49% (2019: 0.49%), Reinsurance business (overseas) 0.17% (2019: 0.17%) and Coverholder business 0.73% (2019: 0.73%). The charge will be collected on 27 January, 27 April, 27 July and 27 October 2020.

### **2.4 Market Modernisation Levy**

- 2.4.1 There will be no Market Modernisation Levy or PPL rebate in 2020 (2019 Levy: 0.07%).

### **3. Capital Charges**

#### **3.1 New Central Fund contributions**

3.1.1 Given the strength of the Central Fund, it is considered appropriate to keep the annual contribution rate payable by all members (other than new corporate members participating on new syndicates) for the 2020 year of account at 0.35% (2019: 0.35%) of the gross written premium in the approved business plans for the syndicates on which the member participates for the 2020 underwriting year.

#### **3.2 New corporate members**

3.2.1 New corporate members pay contributions at the rate of 1.4% of gross written premiums in the approved business plans for the syndicates on which the member participates, for each of their first three years of operations. A new corporate member is one which joins Lloyd's in 2018, 2019 or 2020 and establishes / participates on one or more new syndicates thereby immediately accessing the Lloyd's brand, reputation and accumulated value of the Central Fund. It should be noted that if that member writes on a mix of existing and new syndicates, then the higher rate will only be payable in respect of its participations on new syndicates.

3.2.2 Where a newcomer to the Lloyd's market chooses to participate by purchasing an existing corporate member that has reinsured to close all its liabilities, that corporate member will be treated as a new member and it will be required to pay the higher contribution in respect of its participations on new syndicates.

3.2.3 Within the category of new corporate members, the increased charges will not apply to conversion vehicles which meet the current definition of a "successor corporate member" in the Membership (Entrance Fees and Annual Subscriptions) Byelaw – i.e. in broad terms, any vehicle which is 85% owned by converting Names.

#### **3.3 Callable contribution**

3.3.1 The callable contribution remains equal to 3% of capacity, valued according to the USD / GBP mix of business.

#### **3.4 Payment date**

3.4.1 Every member underwriting insurance business for the 2020 underwriting year shall make a payment of annual contributions to the Central Fund to the Society on 27 March 2020, such payment is to be calculated by multiplying the gross written premium in the approved business plans for the syndicates on which the member participates by 0.35%, or 1.4% for a new corporate member.

3.4.2 In December 2019 there will be an adjustment to the Central fund contributions for the 2018 and 2019 underwriting years to reflect each member's Q3 2019 syndicate forecast written premiums for the 2018 and 2019 underwriting years. Following this

adjustment, additional amounts may be payable by members or amounts may be due to be refunded by the Society to members in order that each member has paid a Central Fund contribution for the 2018 and 2019 underwriting years which is equal to 0.35% of the member's Q3 2019 syndicate forecast gross written premiums. This adjustment will be full and final settlement for the 2018 and 2019 underwriting years.

- 3.4.3 Syndicates will be given the option to make payments for contributions in US dollars. No VAT is levied on these New Central Fund contributions.
- 3.4.4 If a mid-year pre-emption or a new syndicate is approved after 1 April 2020, the due date for the on-account payment of the contribution will be the later of the date of approval or invoiced date.

#### **4 Syndicate loans**

- 4.1 Subject to PRA approval, Lloyd's will require members of syndicates make loans to the Central Fund equal to 0.33% of gross written premium in the approved business plans for the syndicates on which the member participates. The coupon will reflect market conditions at the date of issue.
- 4.2 Lloyd's will use this addition to central resources to, among other things; provide further capital to Lloyd's Brussels.
- 4.3 The loan will involve the transfer of Tier 1 capital (cash) from the Premiums Trust Funds of the relevant syndicate members to the Central Fund.
- 4.4 The syndicate loan requirements include the following provisions to ensure the proceeds constitute Tier 1 capital centrally:
- the loans for any syndicate underwriting year will not be repaid before 5 years has elapsed
  - a requirement that the loans cannot be repaid where there is non-compliance with the Society's market-wide SCR, Central SCR or MCR
  - subordination provisions: in the event of a winding up of the Society, its obligations to members under the loans will be subordinated to other obligations of the Society of Lloyd's and in particular to the payment of any underwriting liabilities of the members of syndicates.
- 4.5 Syndicate loans for the 2020 underwriting year will be collected on 27 March 2020.
- 4.6 Members will not be required to provide additional capital, with the loan treated as an eligible asset for member solvency.

### Members' Subscription, Overseas Operating Charges and Central Fund Contributions

Market Charges		2020 Charge
Members' Subscription		0.36%
Overseas Operating Charges	Direct	0.49%
	Reinsurance	0.17%
	Coverholder	0.73%
New Central Fund Contributions		0.35%
New Corporate Members Central Fund Contributions		1.40%

## Schedule 1

**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**

Overseas operating charges will continue to be charged based on a percentage of gross overseas (i.e. excluding UK and Channel Islands) premiums. The rates to be applied in 2020 are unchanged and are shown below. In all cases, the charge is calculated per £ of gross overseas premium.

	<b>Charge</b>
Direct Business - overseas	0.49%
Reinsurance business - overseas	0.17%
Coverholder business supplement	0.73%

Collections will be made from syndicates on a quarterly basis based on the previous quarters' premiums. There will no longer be an adjustment in the following year to the actual gross overseas premiums written during the calendar year.

Further information

All queries on Overseas Operating Charges should be referred to:

Carolyn Smith	01634 39 2922 / <a href="mailto:carolyn.smith@lloyds.com">carolyn.smith@lloyds.com</a>
Roger Young	020 7327 2604 / <a href="mailto:roger.young@lloyds.com">roger.young@lloyds.com</a>
Lloyd's International Trading Advice (LITA)	020 7327 6677 / <a href="mailto:LITA@lloyds.com">LITA@lloyds.com</a>

**1.2 Other charges**

An additional charge of 0.75% of gross written premiums is levied on business which is administered through the Lloyd's Italian office, reflecting the additional services provided locally.

The Lloyd's Japan office premium levy fees are under review will be communicated to the local market once finalised.

**1.3 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 extra cost. These charges will normally be on a time and materials basis and, where applicable, the cost implications will be made clear to the syndicate before proceeding with the work.

**Schedule 2****Charges in respect of Syndicates in Run-off**

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 off an earlier year of account of that syndicate). This charge is unchanged from 2019.

In this context, net insurance liabilities mean 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 2019. 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 the National Westminster Bank PLC base rate.

Point of contact: Alex Yang 020 7327 5328

Email: alex.yang@lloyds.com

**Schedule 3****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 2020 will be the same as the 2019 charges, as set out below.

<b>Type of charge</b>	<b>Charge</b>
Approval of capacity offer by means of announced auction offer	£2,400
Approval of formal capacity offer (cash only)	£6,250
Approval of formal capacity offer (with shares or a share alternative)	£7,850
Approval of conversion scheme (with inter-availability)	£12,000

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 inter-availability 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.

**Point of contact: Paul Thornton 020 7327 6281**

Email: [paul.thornton@lloyds.com](mailto:paul.thornton@lloyds.com)



## Schedule 4

## Services provided by Lloyd's Finance

## 1.1 Treasury &amp; Investment Management (LTIM) Services

LTIM Service	Basis	2020 charge
<p><b>Commingled investment accounts</b> Market assets are effectively pooled into 3 single accounts in order to deliver efficiency and economies of scale for the market. Accounts include CAD regulated, CAD non-regulated and CAD (USD denominated) regulated. Agents tend to use these for convenience as individual agent balances in CAD do not warrant fully fledged investment mandates</p>	Assets under management	8.5bp fee
<p><b>FAL cash sweep, LMDTA</b> Sweeps any cash balances left on accounts by members and is invested as a pooled money market type fund. This fee is not collected separately, it's included within the Member Services Cash Service Charge.</p>	Assets under management	4bp fee
<p><b>Currency Conversion Service (CCS)</b> Agents sign up to this service which effectively pools and nets all foreign exchange movements for participating agents allowing us to transact on an aggregate basis whilst meeting individual agent FX needs.</p>	Per transaction	5bp fee
<p><b>FX execution service</b> LTIM also offers FX trade execution on-demand.</p>	Per transaction	Up to 5bp fee
<p><b>Investment of overseas regulatory deposits</b> LTIM manages these investment portfolios on behalf of the market, as is required by overseas regulators. The Corporation currently has eleven of these funds plus the ASL deposits.</p>	Assets under management	8.5bp fee

Point of contact: Tony Cullum 020 7327 6130

Email: [tony.cullum@lloyds.com](mailto:tony.cullum@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. The Market Finance department 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.

Market Finance 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 2019 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	£150	£4,475
£10,000,001 to £15,000,000	£125	£3,700
£5,000,001 to £10,000,000	£90	£2,625
£2,000,001 to £5,000,000	£50	£1,550
£2,000,000 or less	£50	£1,025
Members participating on 2016 or prior run-off years only	£50	£1,025

\* 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 2019 Schedule 3 reporting has been prepared on the assumption that the level of subscription to the central facility and Market Finance's costs incurred in providing this facility do not change materially from those relating to the 2018 exercise.

## Other significant matters

No established alternative source 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: Jake Tomlin – 020 7327 6581  
Email: [jake.tomlin@lloyds.com](mailto:jake.tomlin@lloyds.com)

### 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 the legal costs incurred by Lloyd's in respect of such consolidations. The fee is £10,000 (excluding VAT) per ceasing member subject to a maximum £50,000 per corporate group consolidation.

Point of contact: Nikki Hopper 01634 392780  
Email: [market-services-charges@lloyds.com](mailto:market-services-charges@lloyds.com)

### 1.4 Tax Services

For 2019 a number of changes were made in the way members are charged for elective tax services, moving several of the charges made at syndicate-level to member-level charges.

Charging at member-level for work relating to members' tax returns is more transparent and better enables members to elect out of specific tax services if they choose to.

#### Member charges

For 2020 the structure and price of the member level charges remains unchanged.

#### Syndicate charges

For 2020 the premium tax charge remains unchanged.

Point of contact: Christine Allcott 01634 392433  
Email: [christine.allcott@lloyds.com](mailto:christine.allcott@lloyds.com)

## Charges for Syndicates

Syndicate level charges for tax services	2020 Charge
Premium tax charges (main syndicates only)	<b>£20,000</b>
Syndicate UK tax returns	<b>£500</b>
Certificate of UK Tax Residence	<b>£1,000</b>

## Individual (IND), Corporate (CORP) and Direct Corporate (DCP) Members

Member level charges for tax services	2020 Charges		
	IND	CORP	DCP
US (incl. income and excise taxes, FATCA)	<b>£750</b>	<b>£1,000</b>	<b>£10,000</b>
Canada	<b>£250</b>	<b>£250</b>	<b>£3,500</b>
Singapore	<b>£250</b>	<b>£250</b>	<b>£3,500</b>
UK tax advices (incl. CTA1/2, foreign tax schedules, etc.)	<b>£250</b>		
Third Party Funding Providers	<b>£100</b>		
Japan	<b>£250</b>	<b>£250</b>	<b>£3,500</b>
Country by Country Reporting			<b>£1,000</b>
US Controlled Foreign Corporations reports ( <i>only affected members</i> )	<b>£750</b>		
LLP / SLP charge for 2 <sup>nd</sup> and each further partner	<b>£500</b>		

### Notes:

- Any charges for work commissioned direct with Eversheds-Sutherland LLP in relation (e.g.) to quota share policies or other issues affecting a member's US tax return and billed to Lloyd's will continue to be on-charged to the relevant member in addition to any of the above charges.
- Where other third party costs are incurred, for example, in providing additional services such as dealing with change of ownership, Reinsurance adjustments and calculation of potential tax liabilities for release of FAL, these will be charged to the member concerned.
- All of the above charges are subject to VAT
- Where a member of managing agent raises an ad hoc query which requires an investigation, or where an error is identified resulting in the need to re-file a tax return, work undertaken by Lloyd's will be charged at £120 per hour

## 1.5 Member Services

Member Services charges members and agents for admitting new members and third-party funding providers, changes of control within corporate members, maintaining FAL and distribution of profits.

Point of contact: Nikki Hopper 01634 392780

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

## Individual (IND), Corporate (CORP) and Direct Corporate (DCP) Members

Annual Charges	2020 Charges			Charging Basis
	IND	CORP	DCP	
Trustee / Regulatory Services	£515	£2,800	£13,900	Services for members underwriting on the current year, or with open participation or whose last remaining participation was closed at previous year-end
Third Party FAL Providers (TPFP)	£200 per TFPF			Administration of a Third Party providing Funds at Lloyd's (FAL)
Interavailable Recipient Monitoring Charge – per Donor	N/A	£500		Charge for administration of FAL made interavailable to Corporate Member, where the donor has open participation
Interavailable Recipient Monitoring Charge – per Finalised Donor	N/A	£1,500		Charge for administration of FAL made interavailable to Corporate Member, where the donors last remaining participation was closed at 31 December 2018
Interavailable Recipient Monitoring Charge – per Finalised Donor	N/A	£2,500		Charge for administration of FAL made interavailable to Corporate Member, where the donor has failed to end their interavailable arrangement within two years of the closure of their last remaining participation, as required by M&URs
Citibank Holding Charge*	£5,000 where value held in Citibank > £10m			Charge for holding securities in Citibank, where the value held in Citibank exceeds £10m as at 1 January 2020
Cash Service Charge	Up to 0.140%			Charge for administration of cash held. Subject to reduction to avoid negative return to members
Coming into Line Extension Request	£250 per day per £5m £500 per day per £5m over 10 working days			Granting an extension to the coming-into-line deadline and subsequent monitoring of the extension, including funds provided by new Third Party
Complex issues*	£120 per hour			Complex/bespoke transactions, investigation of proposals outside the scope of existing trust, regulatory and policy obligations. Dependent on level of seniority involved

## Member Application & Corporate Member Changes

Charges	2020 Charge
Corporate Member Application – Non Private Capital	<b>£52,000 per application</b>
Corporate Member Application – Private Capital Simple	<b>£5,250 per application</b>
Corporate Member Application – Private Capital – Complex	<b>£10,500 per application</b>
Change of Control Application – Simple	<b>£1,050 per application</b>
Change of Control Application – Complex	<b>£5,250 per application</b>
Approval of New Third Party Funding Provider – Simple (known entity)	<b>£520 per third party</b>
Approval of Third Party Funding Provider – Simple (new entity)	<b>£2,600 per third party</b>
Approval of Third Party Funding Provider – Complex (new entity)	<b>£10,500 per third party</b>
Recommencement of Underwriting – Simple	<b>£5,250</b>
Recommencement of Underwriting – Complex	<b>£10,500</b>
Extension/Late/Breach/Non-submission fee incl. Declaration of Compliance, PTF trustees	<b>£520</b>

## Charges for Syndicates

Charges	2020 Charge
Results & Stamp Processing – Simple (Aligned)*	<b>£5,150 per syndicate</b>
Results & Stamp Processing – Complex (Spread)*	<b>£15,450 per syndicate</b>
Auction – buy/sell capacity	<b>0.06% per successful bid</b>
Provision of systems to members' agents*	<b>Up to £50,000 per members' agent, dependent on number of members</b>

### Notes:

- All fees are Outside the scope of VAT except those charges marked with an asterisk (\*) which are Standard Rated
- Where third party costs are incurred by Member Services in providing a service, these will be charged to the member concerned (e.g. bank charges for holding Euros)
- A member that commences underwriting mid-year will attract pro rata charges
- Member Services may, at its discretion, reduce the application charges payable for the early submission of member applications (20% reduction) or where more than one member applies for membership with the same corporate structure (50% reduction)
- Where a Corporate Member Application is submitted, approved and subsequently withdrawn, 50% of the application fee will apply
- For Corporate Member Applications seeking consent for an 'on the shelf' vehicle during non-peak periods (Jan-April, July-mid August), 20% of the application fee will apply to complete the first stage. The final balance of the application fee will be payable when the applicant completes the second stage
- Where a Third Party Funding Provider (TPFP) is a partner of a LLP new member application, then the fee for the approval of the TPFP will be waived
- Discounts noted above will only apply where applications are submitted fully completed, by the due date and free from errors

## Schedule 5

## Complaint Handling Charges

## Complaints handled by UK Complaints team

Charges	2020 Charge
<b>UK Complaints</b>	
Administration fee for UK complaint	£150
Additional fee for full investigation – UK complaint – Tier 1 (claim reserve of £500 and under)	£229
Additional fee for full investigation – UK complaint – Tier 2 (claim reserve £501- £10,000 and all non-claim related issues)	£655
Additional fee for full investigation – UK complaint – Tier 3 (claim reserve of £10,001 - £25,000)	£983
Additional fee for full investigation – UK complaint – Tier 4 (claim reserve above £25,001)	£1,310
Issue Investigation Ongoing Letter	£50
<b>International Complaints</b>	
Administration fee for International complaint	£262
Additional fee for International complaint	£131
Additional fee for full investigation – International complaint	£524
<b>Australian and New Zealand Complaints</b>	
Administration fee for Australian and New Zealand Complaint	£150
Fee for full investigation – Tier 1 (claim reserve of £500 and under)	£229
Fee for full investigation – Tier 2 (claim reserve of £501- £10,000 and all non-claim related issues)	£655
Fee for full investigation – Tier 3 (claim reserve of £10,001 - £25,000)	£983
Fee for full investigation – Tier 4 (claim reserve of above £25,001)	£1,310
<b>All Complaints</b>	
Additional Administration Fee	£200
<b>Failure to Meet Performance Metrics and other Systemic Issues</b>	<b>Up to £25,000</b>

## Financial Ombudsman Service

Recovery of UK Financial Ombudsman Service (FOS) case fee	FOS revises their case fee on the 1st April each year. 2019/2020 charge fixed at £550
Recovery of External Dispute Resolution Fees (including UK FOS)	Levy is recovered from relevant syndicates

## Notes

1. The Administration Fee levied will be determined by the date the Complaint was received whereas all other charges will be determined by the date of the charge is levied.
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 the Complaints team will be paid by the Complaints team and collected from the appropriate syndicates on a case by case basis.
3. Complaint Handling charges are not subject to VAT.

Point of contact – Complaints team Jenny Laverty 01634 392320

Email: [jenny.laverty@lloyds.com](mailto:jenny.laverty@lloyds.com)

### Complaints Handled by Lloyd's Australia

Charges	2020 Charge
Administration fee for complaint (Charged for matters managed at AFCA and/or IFSO)	<b>A\$268</b>
Fee for full investigation – Tier 1 (claim reserve of A\$900 and under)	<b>A\$410</b>
Fee for full investigation – Tier 2 (claim reserve of A\$901- A\$18,000 and all non-claim related issues)	<b>A\$1,185</b>
Fee for full investigation – Tier 3 (claim reserve of A\$18,001 – A\$45,000)	<b>A\$1,772</b>
Fee for full investigation – Tier 4 (claim reserve of above A\$45,001)	<b>A\$2,370</b>
Additional Administration Fee	<b>A\$360</b>

Australian AFCA and New Zealand IFSO case fee is payable by coverholder / DCA / managing agent

AFCA charges range from AU\$1,500 to AU\$7,950 dependent on resources required  
IFSO charges approx. NZ\$1,100

#### Notes

1. The charges for complaints handled by Lloyd's Australia have been translated into AUD using the average exchange rates since the charges were first introduced in order to provide linkage to the underlying costs.
2. From 1 November 2018, the Australian Financial Ombudsman Services will be replaced by the Australian Financial Complaints Authority (AFCA)
3. IFSO is the Insurance and Financial Services Ombudsman in New Zealand

Point of contact – Lloyd's Australia Charges Tracey Bryan +61 (0) 2 8298 0782

Email: [tracey.bryan@lloyds.com](mailto:tracey.bryan@lloyds.com)



**Schedule 6****Group Technology**

Lloyd's Group Technology will start the 2020 annual billing process in December 2019 by asking market firms to confirm their continuing requirement for managed infrastructure services. These services cover voice/telephone communications, associated cabling and Black Box Park usage. Following agreement of customer requirements, invoices will be issued in early 2020.

**Ongoing Service Prices**

As a result of the annual price review, Group Technology charges in 2020 will be the same as the 2019 charges, relating to Cabling, Black Box Park & Voice Service for 2020.

**Set-up Service Charges**

Please note that the set-up of services will primarily be charged on a time and material basis. The manpower hourly rate charges in 2020 will be the same as the 2019 charges prices as follows; in hours £122, out of hours £164.

Point of contact: Diane Armstrong 020 7327 5427

Email: [Diane.Armstrong@lloyds.com](mailto:Diane.Armstrong@lloyds.com)

## Group TECHNOLOGY - Market Charges

<b>CABLING SERVICES</b>			
Cabling within the Lloyd's building - Provide	Per cable	Manpower Hourly Rate Plus Materials	Installation of cabling within the Lloyd's building
Fibre Optic Cable – Support	Per Fibre Pair	£967	Rental and support of fibre infrastructure
Block Wiring	Per Pair	£22	Charge for use of BT block wiring to support private PBX's (price per pair)
Fibre Installation	Per Unit	£502	One-off charge for provision of fibre to an U/W box or office
<b>BLACK BOX PARK (BBP1) SERVICES</b>			
Black Box Park 1 (BBP1) Rack Space - 1 unit	Per Unit	£369	Rental of 1 unit rack space in a Lloyd's cabinet
BBP1 Rack Space - 10 units	Per Unit	£2,010	Rental of a lockable portion of a Lloyd's cabinet (10 units)
BBP1 Rack Space - 20 units	Per Unit	£3,969	Rental of a lockable portion of a Lloyd's cabinet (20 units)
BBP1 Floor Space	Per Unit	£7,836	Rental of floor space in Black Box Park 1 for customers own comms. cabinet
BBP1 Cross Connect installation	Per Unit	£142	One off charge to install cross-connect from Carrier Meet Me Room to customer location in BBP1
<b>VOICE SERVICES</b>			
Installation of Voice Services	Per Unit	Manpower Hourly Rate	
Standard Extension	Per Extension	£649	Rental for Lloyd's extension number and a Lloyd's supplied analogue handset
Digital Telephone Handset	Per Handset	£143	Additional rental for a digital handset
Digital Add-on Unit	Per Handset	£176	Rent for a digital add-on unit, which supplies extra programmable keys
Additional Telephone Socket	Per Socket	£88	Rental of an additional analogue handset of an existing analogue extension
Voicemail	Per Unit	£125	Rental of a voice mailbox
Fax / Modem Line	Per Line	£305	Rental of a fax/modem link on a Lloyd's extension number
Support for IPT Infrastructure	Per Unit	£731	
Rental of an IP Conference Unit	Per Unit	£264	

Point of contact: Diane Armstrong 020 7327 5427

Email: [Diane.Armstrong@lloyds.com](mailto:Diane.Armstrong@lloyds.com)

**Schedule 7****Corporate Real Estate****Market Services**

## Introduction

2020 Room Rental charges have been held at 2019 levels.

Corporate Real Estate reserves the right to review its decision if demand for underwriting space significantly changes.

**Security Passes**

## Introduction

The 2020 charges for security passes and NUWM passes will not increase compared to the 2019 charge.

**Contact Name for Queries**

Simon Harper 020 7327 6719 email: [simon.harper@lloyds.com](mailto:simon.harper@lloyds.com)

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

## Corporate real estate - Market Charges

Chargeable Item	Customer	Means of Collection	Unit of Charge	2020 Price per Unit
<b>Room Rent</b> Charges for underwriting space on the Ground Floor to Gallery 4. This is charged on a net footprint area of the space occupied by underwriting boxes. 6 month break.	G1,G2,G3&G4	Invoice	per sq.ft.	<b>£555</b>
	Ground	Annually in Advance		<b>£833</b>
<b>Company Market Rent</b> Charges for Company Market leases on Gallery 2 to Gallery 4. 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 & G4	Invoice	per sq.ft.	<b>£1,110</b>
	Company Market	Quarterly in Advance		Double Room Rent
<b>Security Passes</b> The charge for security passes where applicable.	Market wide	Invoice	per pass	<b>£32</b>
	Non-u/w working members			<b>£105</b>

## Schedule 8

## Admissions – Underwriting Agent / Syndicate Applications

Ref	Chargeable Item	2020	VAT Status
1	1) Change in Shareholding (below 10%) 2) Change in Shareholding (10% - 49.99%) 3) Change in ownership (≥50%) 4) Non – notification and retrospective application	£5,000 £20,000 £50,000 £10,000	Outside Scope
2	New Underwriting Agent (see note 2)	£300,000	Outside Scope
3.	New Syndicate (see note 2)	£200,000	Outside Scope
4.	New Special Purpose Arrangement (see note 2)	£75,000	Outside Scope
5.	Syndicate merger or Transfer of Management of a syndicate	£5,000	Outside Scope
6.	New Accredited Broker	£10,000	Outside Scope

Notes

- 1) The new underwriting agent, syndicate, special purpose arrangement charge is payable when a proposal is presented to the Franchise Board or its designee for 'in principle' approval.
- 2) VAT is not currently chargeable on application fees
- 3) Underwriting agent means managing or members' agent

## Points of contact:

Nigel Williamson 020 7327 6415 / email: [nigel.williamson@lloyds.com](mailto:nigel.williamson@lloyds.com)

Umrn Ahmed 020 7327 5460 / email: [umrn.ahmed@lloyds.com](mailto:umrn.ahmed@lloyds.com)