

Market Bulletin

Ref: Y5408

Title	2024 Members' subscriptions, Central Fund contributions and other Market Charges
Purpose	Notification of 2024 charges, contributions, subscriptions and payment dates
Type	Scheduled
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The purpose of this bulletin is to set out the charges applicable to Lloyd's members for 2024.

Summary of charges for 2024

Market charges remain in line with 2023 charges with the exception of:

- Increased rate of 1.05% for Central Fund Contributions for new members from 1 January 2024 has been removed
- Members Subscriptions and Central Fund Contributions will be calculated by reference to approved syndicate business forecast submissions as at May 2024
- Member Services charges (section 3.1) have been updated to reflect a simplification of the cash service process, resulting in a reduction in the cash service charge. User pays charges have also been updated such that the flat fee used for Trustee/Regulatory Services for Corporates and Direct Corporate Participants has been replaced by a tiered charging structure based on the valuation of Funds at Lloyd's
- Tax Services (section 3.2) and Corporate Real Estate (section 3.7) have been uplifted for inflation, the first increase since 2018

Please note, all charges quoted in this document are shown before any VAT charge. Any charges in this document which attract VAT are marked *

1. Market-wide Charges

Contact: Carolyn.Smith@lloyds.com

Market charge	2024 Rate	Calculation Basis
Members' Subscription	0.36%	GWP per approved business plan
Central Fund Contributions	0.35%	GWP per approved business plan. RITC syndicates are based on notional capacity.

1.1 Members' Subscriptions

Annual subscriptions are payable in two instalments;

- the first instalment of 0.18% shall be paid 15 January 2024, and
- the second instalment of 0.18% shall be paid 3 June 2024.

Members Subscriptions are based on the Syndicate Business Forecast (SBF) as approved in January. If new business plans are submitted and approved before 24 May, the second instalment of Members Subscriptions will be adjusted to reflect additional charges or refunds due per the new SBF GWP. Please note, this does not affect any rules on when syndicates can resubmit their SBF.

1.2 Central Fund Contributions

The annual contribution rate of 0.35% of GWP (as set out in the syndicates approved business plan) is payable by all members with the exception of RITC syndicates where the annual contribution is based on Notional Capacity (calculated by taking 3% of net reserves, rounded up to the nearest £0.5m and subject to a minimum of £3m).

From 1 January 2024, new corporate members will not be subject to an increased charge of 1.05% of GWP in the approved business plans.

Payment date

The payment is due in full on 25 March 2024 based on the January approved business plan (SBF), with the option to make payments in US dollars. If new business plans are submitted and approved before 24th May, an adjustment to the Central Fund Contributions to reflect additional charges or refunds due per the new SBF GWP will be required on 3 June 2024.

If a mid-year pre-emption or a new syndicate is approved after 15 March 2024, the due date for the on-account payment of the contribution will be the later of the date of approval or invoiced date.

1.3 Overseas Operating Charges

Contact: Carolyn.Smith@lloyds.com

Market charge		2024 Rate	Calculation Basis
All locations	Direct	0.49%	Overseas GSSP (i.e. excluding UK and Channel Islands)
	Reinsurance	0.17%	Overseas GSSP (i.e. excluding UK and Channel Islands)
	Coverholder	0.73%	Overseas GSSP (i.e. excluding UK and Channel Islands)
Lloyd's Japan Coverholder Fees	Local business	12.50%	Net premium after brokerages
	Pooled business	5.00%	Net premium after brokerages
	Annual coverholder fee	£15,000	Per binder

The Overseas Operating Charge (OOC) will be collected on 26 January 2024, 26 April 2024, 26 July 2024 and 25 October 2024.

Japanese coverholder fees for local and pooled business are deducted when premium is collected. The annual coverholder fee is collected when the binder contract is made.

Reinsurance Commission and the Overseas Operating Charge

Lloyd's Brussels and Lloyd's China charge a reinsurance commission as a percentage of Gross Written Premiums (GWP). The final OOC references the reinsurance commissions (net of local corporate taxes) paid by a syndicate through a repayment of OOC collected during the year. The reduction is capped at the amount of the OOC collected during the year.

1.4 Syndicates in run-off

Contact: Fahad.Mela@lloyds.com

Market Charge	2024 Rate	Calculation Basis
Syndicates in Run-off (audited accounts up to 31/12/23 available)	£1 Per £1,000	Net insurance liabilities in respect of each year of account in run-off
Syndicates in Run-off (audited accounts up to 31/12/23 unavailable)	£1 Per £1,000	Interim charge based on estimated net insurance liabilities, based on most recent QMR, until audited accounts are available

Run off payments shall be collected via ARCS in July 2024.

2. Treasury Services

Contact: Tony.Cullum@lloyds.com

Market Charge	2024 Rate	Calculation Basis
Commingled investment accounts*	8.5bp	Assets Under Management
Currency Conversion Service (CCS)	5bp	Per transaction
FX execution service	Up to 5bp	Per transaction
Cash service charge	3.5bp	Cash balance
Investment of overseas regulatory deposits*	8.5bp	Assets Under Management

* charges subject to VAT

Services provided by Lloyd's Treasury and Investment Management (LTIM):

- Commingled investment accounts: Market assets are 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
- Currency Conversion Service (CCS): Agents sign up to this service which pools and nets all FX movements for participating agents allowing us to transact on an aggregate basis whilst meeting individual agent FX needs.
- FX execution service: LTIM also offers FX trade execution on-demand.
- Cash Service Charge: fee calculated on daily cash balances held in distribution funds and FAL, these charges are payable by both members and third party funding providers
- Investment of overseas regulatory deposits: 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.

3. User Pay

3.1 Member Services

Contact: Nikki.Hopper@lloyds.com

Charged	Market Charge	2024 Rate	Calculation Basis
Member Charges	Trustee/Regulatory Services: Individual member	£515	Flat fee
	Trustee/Regulatory Services: <£5m FAL	£2,500	
	Trustee/Regulatory Services : £5m - £50m FAL	£7,500	
	Trustee/Regulatory Services: £50m - £200m FAL	£10,000	
	Trustee/Regulatory Services: £200m - £1b FAL	£25,000	
	Trustee/Regulatory Services: >£1b FAL	£50,000	
	Third Party FAL Providers (TPFP)	£200	Per TPFP
	Interavailable Recipient Monitoring Charge - open participation	£1,000	Per donor
	Interavailable Recipient Monitoring Charge - last participation closed at 31/12/2022	£3,000	Per finalised donor (Y1)
	Interavailable Recipient Monitoring Charge - arrangement not ended within 2 years of closure of last participation	£5,000	Per finalised donor
	Change of Control Application	£2,000	Per application
	Third Party Funding Provider Application	£2,000	
	Prospect - individual, company or other entity onboarded within an application (waived for known TPFP)	£1,000	Per entity
	Breach/Late/Censure fee	£1,000	Per occurrence
	Recommencement of Underwriting	£10,500	Flat fee
Syndicate Charges	Results & Stamp Processing – Aligned*	£5,150	Per syndicate
	Results & Stamp Processing – Spread*	£15,450	
	Auction – buy/sell capacity	0.06%	Per successful bid
	Approval of capacity offer by means of announced auction offer	£2,400	Per offer
	Approval of formal capacity offer	£6,250	

* charges subject to VAT

3.2 Tax Services

Contact: Stephen.Hyde@lloyds.com

Market Charge		IND	CORP	DCP	Calculation Basis
Member Charges	US (incl. income and excise taxes, FATCA)*	£800	£1,050	£10,500	Flat fee
	Canada*	£275	£275	£3,675	
	Singapore*	£275	£275	£3,675	
	Japan*	£275	£275	£3,675	
	Country by Country Reporting*	-	-	£1,050	
	UK tax advices (incl. CTA1/2, foreign tax schedules, etc.)*	£275			
	Third Party Funding Providers*	£125			
	US Controlled Foreign Corporations reports (only affected members)*	£800			
	LLP / SLP charge for 2nd and each further partner*	£525			
	Ad-hoc queries, re-work of Tax returns*	£130			Per hour

Market Charge		2024 Rate	Calculation Basis
Syndicate Charges	Premium tax charges*	£21,000	Flat fee
	Syndicate UK tax returns*	£525	
	Certificate of UK Tax Residence*	£1,050	
	Australia income tax returns*	£800	
	Dominica, France, French Polynesia, Hong Kong, Israel, St Lucia, St Vincent and Grenadines income tax returns*	£400	

* charges subject to VAT

- Charges for work commissioned with LAS Tax Consulting LLC in relation to 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.
- The cost of any tax advice received from third parties and Lloyd's specific costs that relate to managing market wide issues will be charged to syndicates on a just and reasonable apportionment.
- Where a member of a 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 £130 per hour

3.3 Complaint Handling Charges

Contact UK: Jenny.Laverty@lloyds.com

Contact Australia: Tracey.Bryan@lloyds.com

Market Charge		UK 2024	Australia 2024	Calculation Basis
Complaints Handled by Lloyd's	New Complaint Administration	£250	A\$450	Per complaint received direct by Lloyd's
	Full investigation fee – Tier 1	£250	A\$450	Claim reserve under £500/ A\$900
	Full investigation fee – Tier 2	£715	A\$1,250	Claim reserve £501/A\$901- £10,000/A\$18,000 and all other matters
	Full investigation fee – Tier 3	£1,100	A\$1,950	Claim reserve of £10,001/A\$18,001- £25,000/A\$45,000
	Full investigation fee – Tier 4	£1,470	A\$2,550	Claim reserve above £25,001/ A\$45,001
	Issue Investigation Ongoing Letter (UK only)	£75	N/A	Per letter issued
	Additional Administration Fee	£200	A\$360	Per chase / failure to comply with requirements
	Automated Chase for Documentation / Information	£50	A\$90	Per chase issued
	Oversight / handling of complaint escalated to EDR – no final response issued	£500	N/A	Per complaint
	Oversight / handling of complaint escalated to EDR – final response issued	£150	N/A	Per complaint
	Administration Fee for Complaint (AFCA/IFSO matters not resolved at Registration & Referral)	N/A	A\$450	Per complaint
	Administration Fee for Complaint (AFCA/IFSO matters resolved at Registration & Referral)	N/A	A\$200	Per complaint
Additional Department of Insurance (DOI) Charges	DOI Extension Request	£250	N/A	Per DOI extension
	DOI Request for Information	£100	N/A	Per additional request for information
Failure to meet Lloyd's Performance Metrics and other Systemic Issues		Up to £25,000		Flat fee, per issue/investigation
Systemic issue / Code breach investigation		N/A	A\$1,000-3,000	Per issue / investigation
External Dispute Resolution (EDR) Cases	Recovery of EDR case fees	FOS £750; AFCA A\$80 to A\$8,090 ex GST; IFSO NZ\$1,800 ex GST Revised periodically and subject to change by EDR		
Australian Financial Complaints Authority (ACFA) User Charge	Recovery of AFCA User Charge	N/A	Variable	Recovered on same basis used by AFCA

- The New Complaint 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.
- Any fees levied by external authorities and collected via the Lloyd's Complaints teams will be paid by the Complaints teams and collected from the appropriate syndicates on a case by case basis.
- Complaints escalated to Lloyd's for a full review that relate to declined claims, may be based on the potential claim amount rather than the claim reserve.

3.4 Overseas Trust Fund Levies

Contact: Carolyn.Smith@lloyds.com

Market Charge	2024 Rate	Calculation Basis
Australian Trust Fund	£163,050	Annual flat fee (recovered quarterly) in local currency
Canadian Margin Fund	£51,000	
Credit for Reinsurance and Surplus Lines Trust Fund	£34,900	
Illinois Trust Fund	£51,000	
Kentucky Trust Fund	£68,650	
South African Trust Fund	£52,200	

Overseas Trust Fund Levies are recovered quarterly in arrears split between three elements:

1. Central Finance Management Fees (as above)
2. Lloyd's Treasury and Investment Management Fees (see section 2)
3. Custodian Fees (recovery of fees charged by Trustees)

The fees are apportioned across the quarter end Market value of the relevant Trust Fund.

3.5 Schedule 3 Information

Contact: Fahad.Mela@lloyds.com

Market Charge	2024 Rate	
Overall Premium Limit for member per syndicate participation	£15,000,001 or greater*	£150
	£10,000,001 to £15,000,000*	£125
	£5,000,001 to £10,000,000*	£90
	£2,000,001 to £5,000,000*	£50
	£2,000,000 or less*	£50
	Members participating on run-off years of account only (i.e. have stayed open having reached 36 months of existence under Lloyd's three-year accounting policy)*	£50

* charges subject to VAT

Corporate members of Lloyd's are required to prepare their accounts per Schedule 3 of the Large and Medium-sized Companies and Groups Regulations 2008. Lloyd's offers a facility to provide corporate members with the data they need to prepare their accounts in accordance with Schedule 3.

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

3.6 Markets

Contact: Nigel.Williamson@lloyds.com

Market Charge		2024 Rate	Calculation basis
Admissions	New Syndicate	£200,000	Per application
	New Syndicate in a Box	£100,000	
	New Captive Syndicate	£100,000	
	New Special Purpose Arrangement	£75,000	
	New Underwriting Agent	£300,000	
	New Accredited Broker	£10,000	
	Change in agent ownership (≥50%)	£50,000	
	Change in agent shareholding (10% - 49.99%)	£20,000	
	Change in managing or members' agent Shareholding (below 10%)	£5,000	
	Syndicate merger or Transfer of Management of a syndicate	£5,000	
	Non – notification and retrospective application	£10,000	

* charges subject to VAT

- The application fees for Underwriting Agents and syndicates (whichever model) are payable when an application is presented to the Council or Lloyd's Executive Committee [as appropriate] for 'in principle' approval. Application fees are not refundable.
- Where a Special Purpose Arrangement or Syndicate in a box transition to full syndicate status, the syndicate application fee payable is the difference between the fee previously paid and the new syndicate fee.

3.7 Corporate Real Estate

Contact: Lucy.Smithers@lloyds.com

Market Charge		2024 Rate	Charge Category	Calculation Basis	Means of Collection
Lloyd's Market 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 underwriting boxes with a 6 month break clause.	£594	G1,G2 &G3	per sq. ft.	Invoice. Annually in Advance
		£891	Ground		
Company Market Rent	Charges for Company Market leases on Gallery 2 to Gallery 3. This is charged on a net footprint area of the space occupied by underwriting boxes.	£1,188	G2 & G3	per sq. ft.	Invoice. Quarterly in Advance
		Double Room Rent	Company Market		
Security Passes	Charges for security passes dependent on charge category	£34	Market wide	per pass or per replacement for lost passes	Invoice
		£105	Non-u/w working members*		
		£214	Non-Insurance Reps		

* charges subject to VAT

3.8 Group Technology

Contact: Diane.Armstrong@lloyds.com

Group Technology	Market Charge	2024 rate	Calculation basis
Cabling Services	Installation of Cabling within the Lloyd's building*	Labour Hourly Rate Plus Materials	Per cable
	Fibre Optic Cable – Infrastructure Support & Rental*	£967	Per Fibre Pair
	Fibre Installation. One-off charge for provision of fibre to an U/W box or office*	£502	Per Unit
Black Box Park (BBP1) Services	Black Box Park 1 (BBP1) Rack Space - 1 unit*	£369	Per Unit
	BBP1 Lockable Rack Space - 10 units*	£2,010	Per Unit
	BBP1 Lockable Rack Space - 20 units*	£3,969	Per Unit
	BBP1 Floor Space*	£7,836	Per Unit
	BBP1 Cross Connect installation (Meet Me)*	£142	Per Unit
Voice Services	Installation of Voice Services*	Labour Hourly Rate	Per Unit
	Standard Extension Rental & Handset*	£649	Per Extension
	Digital Telephone Handset Additional Rental*	£143	Per Handset
	Voicemail Rental*	£125	Per Unit
	Support for IPT Infrastructure*	£731	Per Unit
	Rental of an IP Conference Unit*	£264	Per Unit

* charges subject to VAT

Lloyd's Group Technology will start the 2024 annual billing process in December 2023 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 January 2024.

Set-up Service Charges

Please note that the set-up of services will primarily be charged on a time and material basis. The labour hourly rate charges in 2024 will be as follows; in hours £122, out of hours £164.

3.9 Additional Non-Standard work

If any work is required in addition to the services listed in this bulletin that is requested by members, or if there is rework required as a result of incorrect submissions, or errors on the part of members, or in the case of additional work created by Regulatory or Statutory requirements, Lloyd's reserves the right to charge additional fees on a reasonable time and materials basis to be agreed between the members and Lloyd's.