



## RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

**Underlined and boldface text** indicates new language

~~**Strikethrough and boldface text**~~ indicates deleted language

ADDENDUM A

NATIONAL SECURITIES CLEARING CORPORATION

FEE STRUCTURE

I. TRADE COMPARISON AND RECORDING SERVICE FEES - represents the fees to enter and correct original trade data.

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IV. OTHER SERVICE FEES

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K. Insurance and Retirement Processing Services<sup>6, 7</sup>

1. Membership Fee	\$250.00 per month (will be waived if aggregate Transaction and Other Service Fees in such month equal or exceed \$250.00)
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2. Transaction Fees	
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f. Financial Activity Report (FAR)	\$0.05 per zero to 100,000 items
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<sup>6</sup> Unless otherwise noted, all Insurance and Retirement Processing Services transaction fees are per side, and both sides are charged for each item. Volume is calculated on an aggregate basis among qualified carrier members or qualified distributor members, as applicable.

Multiple destination fees apply. Participants directing NSCC to deliver Insurance and Retirement Processing Service files to more than two (2) destinations will be charged an additional monthly fee, per product, as follows: (i) Participants directing NSCC to deliver Insurance and Retirement Processing Service files to three (3) or four (4) destinations will be charged an additional \$50 per month, per product; and (ii) Participants directing NSCC to deliver Insurance and Retirement Processing Service files to five (5) or more destinations will be charged an additional \$100 per month, per product.

<sup>7</sup> Extraordinary Event Pricing: if arranged in advance with NSCC, a Participant may qualify for a credit on transaction fees incurred due to extraordinary events such as mergers or mass reconciliations that generate unusually high transaction volume for a limited duration. With respect to transaction types for which the participant has no history of prior usage, the credit is in the amount of 85% of the transaction fees chargeable in respect of the transaction type, with an additional credit in the amount of 5% if the participant continues use of the transaction type after the event. With respect to transaction types for which the participant has a history of prior usage, the credit is in an amount sufficient to produce an aggregate fee for the transaction type that is no more than 120% of the average amount charged to the participant in respect of such transactions in the prior three months.

\$.04 per 100,001 to 150,000 items

\$.03 per 150,001 to 200,000 items

\$.02 per 200,001 or greater items

**g. Settlement Processing for Insurance**

- **0 to 20,000 items/month**                      **\$0.65 (per transaction / per side)**
- **20,001 to 30,000 items/month**                      **\$0.35 (per transaction / per side)**
- **30,001 to 40,000 items/month**                      **\$0.25 (per transaction / per side)**
- **More than 40,000 items/month**                      **\$0.15 (per transaction / per side)**

**gh.** Producer Management Portal

For Insurance Company providers of producer training completions

Band	Number of Active Producers Managed	Monthly Fee
1	0-999	\$0
2	1,000-9,999	\$1,000
3	10,000-49,999	\$3,000
4	50,000-99,999	\$4,000
5	100,000-249,999	\$5,000
6	250,000 +	\$5,000, plus \$0.018 per active producer managed

3. Other Service Fees

TIER	FEE	PRODUCT/SERVICE
TIER 1	\$.05	All Attachments (per attachment, per side)-
TIER 2	\$0.15	Licensing and Appointments (L&A) Periodic Reconciliation (per item)

TIER 3	\$0.35	Licensing and Appointments (L&A) Transaction (per item)  Registered Representative Change Confirm (per transaction, per side)  Registered Representative Change Request (per transaction, per side)   Brokerage Identification Number Change Request (per transaction, per side)  Brokerage Identification Number Change Confirm (per transaction, per side)
TIER 4	\$0.65	Customer Account Transfer Output (per transaction, charged to Insurance Carrier/Retirement Services Member only)  Customer Account Transfer Confirm (per transaction, per side)  <del>Settlement Processing (per transaction, per side)</del>  Request for Replacement Status (a/k/a Pending Case Status) – Receiving Carrier (per Request for Replacement Status)  Request for Replacement Status (a/k/a Pending Case Status) – Deliverer (per Request for Replacement Status)  Time Expired Transaction (per transaction, per side)

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