



RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

Underlined and boldface text indicates proposed added language

~~**Strikethrough and boldface text**~~ indicates proposed 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.

IV. OTHER SERVICE FEES

K. Insurance and Retirement Processing Services^{6, 7}

- | | |
|--|--|
| 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) |
| | |
| 2. Transaction Fees | |
| a. (i) Positions (both Full, and New <u>and Retirement Plans</u>) | |
| • From 0 to 500,000 items/month | \$8.00 per 1,000 items |

⁶ 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)~~ or five (5) 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 more than five (5) ~~or more~~ destinations will be charged an additional \$100 per month, per product.

⁷ 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.

- From 500,001 to 2,000,000 items/month \$4.00 per 1,000 items
 - From 2,000,001 to 4,000,000 items/month \$3.00 per 1,000 items
 - For 4,000,001 or more items/month \$2.00 per 1,000 items
- (ii) Positions (Focused)
- From 0 to 500,000 items/month \$3.00 per 1,000 items
 - From 500,001 to 2,000,000 items/month \$1.50 per 1,000 items
 - From 2,000,001 to 4,000,000 items/month ~~\$1.50~~ 1.00 per 1,000 items
 - For 4,000,001 or more items/month \$0.50 per 1,000 items
- b. Asset Pricing
- From 0 to 49,999 items/month \$0.75 per 1,000 items
 - From 50,000 to 249,999 items/month \$0.65 per 1,000 items
 - From 250,000 to 999,999 items/month \$0.55 per 1,000 items
 - More than 999,999 items/month \$0.45 per 1,000 items
- c. Commissions
- From 0 to 999 items/month \$40.00 per 1,000 items
 - From 1,000 to 9,999 items/month \$35.00 per 1,000 items
 - From 10,000 to 29,999 items/month \$30.00 per 1,000 items
 - More than 29,999 items/month \$25.00 per 1,000 items
- d. Initial Application Information (APP)⁸

~~For members for whom settlement is available:~~

- From 0 to 1,999 items/month \$1.50 per item

⁸ Each initial application with a new business attachment will be subject to a \$0.25 discount.

- From 2,000 to 3,499 items/month \$1.00 per item
- More than 3,499 items/month \$0.50 per item

For members for whom settlement is not available:

~~• From 0 to 1,999 items/month \$1.50 per item~~

~~More than 1,999 items/month \$1.00 per item~~

- e. Subsequent Activity (SUB) \$0.50 per item
- f. Financial Activity Report (FAR)
 - \$0.05 per zero to 100,000 items
 - \$0.04 per 100,001 to 150,000 items
 - \$0.03 per 150,001 to 200,000 items
 - \$0.02 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)

h. Producer Management Portal

1. Distributor Batch Service Fees \$6,000 per month

2. 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)

Values Inquiry (per inquiry, per side)*

Policy Administration Inquiry (per inquiry, per side)*

TIER 4	\$0.65	<p>Customer Account Transfer Output (per transaction, charged to Insurance Carrier/Retirement Services Member only)</p> <p>Customer Account Transfer Confirm (per transaction, per side)</p> <p>Request for Replacement Status (a/k/a Pending Case Status) – Receiving Carrier (per Request for Replacement Status)</p> <p>Request for Replacement Status (a/k/a Pending Case Status) – Deliverer (per Request for Replacement Status)</p> <p>Time Expired Transaction (per transaction, per side)</p>
TIER 5	\$1.25	<p>Request for Replacement - Delivering Carrier (per request)</p> <p>Request for Replacement - Receiving Carrier (per request)+</p> <p>Producer Management Portal (per inquiry)</p> <p><u>Policy Administration Request (per request, per side)*</u></p> <p><u>Death Notification Request (per request, per side)*</u></p> <p><u>Fund Transfer (per request, per side)*</u></p> <p><u>Withdrawals (per request, per side)*</u></p> <p><u>Arrangements (per request, per side)*</u></p>

***Transaction fees for items above with an asterisk (*) apply per transaction until the Minimum Monthly Fee is reached for the chosen Activity Level (as reflected in the *IN FORCE TRANSACTIONS CHART below). Thereafter, the transaction fees are as**

reflected in the *IN FORCE TRANSACTIONS CHART below.

TIER 6

IN FORCE TRANSACTIONS (not including BIN/REP)

~~Transaction fees immediately following apply per transaction until the Minimum Monthly Fee is reached for the chosen Activity Level (as reflected in the chart* below). Thereafter, the transaction fees are as reflected in the chart* below.~~

Values Inquiry	\$0.35 (per inquiry, per side)
Policy Administration Inquiry	\$0.35 (per inquiry, per side)
Policy Administration Request	\$1.25 (per request, per side)
Death Notification Request	\$1.25 (per request, per side)
Fund Transfer	\$1.25 (per request, per side)
Withdrawals	\$1.25 (per request, per side)
Arrangements	\$1.25 (per request, per side)

***IN FORCE TRANSACTIONS CHART**

ACTIVITY LEVEL	MINIMUM MONTHLY FEE	TRANSACTION FEE PER TRANSACTION OVER MINIMUM MONTHLY FEE
		Requests/Inquiries
Level 1	\$1,000	\$1.25/\$0.35
Level 2	\$3,000	\$1.00/\$0.28
Level 3	\$5,000	\$0.75/\$0.21

4. ~~Batch Service Fees (periodic file transmission)~~

a. ~~Producer Management Portal \$6,000 per month~~

L. Global Clearance Network Service
